

**74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: HB 5013-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Jenson  
Carrier – Senate: Sen. Bates**

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**Action:** Do Pass as Amended and Be Printed A-Engrossed

**Vote:** 20 – 0 – 1

House – Yeas: D. Edwards, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc: Galizio

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett, Winters

– Nays:

– Exc:

**Prepared By:** Kay Erickson, Department of Administrative Services

**Reviewed By:** Deborah Manthe, Legislative Fiscal Office

**Meeting Date:** 5/4/07

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**Agency**

Construction Contractors Board

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**Biennium**

2007-09

**Senators:** Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,  
Schrader, Verger, Westlund, Whitsett, Winters

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Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

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Representative Mary Nolan, Co-Chair

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Representative Bob Jenson, General Government Subcommittee Chair

**Budget Summary\***

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
Other Funds	\$ 12,151,281	\$ 13,646,145	\$ 15,071,037	\$ +1,424,892	+10.4%
Total	\$ 12,151,281	\$ 13,646,145	\$ 15,071,037	\$ +1,424,892	+10.4%

**Position Summary**

Authorized Positions	61	65	80	+15
Full-time Equivalent (FTE) Positions	60.38	63.92	78.17	+14.25

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Construction Contractors Board (CCB) is primarily funded with Other Fund revenues from contractor license registration and renewal fees. Effective October 2005, the fee for all new and two-year renewal licenses was reduced from \$295 to \$260 because of higher than expected licensing and renewal activities. Three percent of the agency’s funding is derived from civil penalties and fines. The agency retains only 20 percent of these civil penalty collections, transferring the remainder to the General Fund.

The General Government Subcommittee increased the 2007-09 biennium beginning balance by \$1,623,364 Other Funds to reflect revised 2005-07 revenue and expenditure projections.

**Summary of Subcommittee Action**

The Construction Contractors Board safeguards consumers’ rights related to contract improvements to real property by regulating construction contractors through licensing and disciplinary programs. The agency also promotes a fair, equitable, and competitive environment in the construction industry. The CCB provides services to homeowners, contractors, subcontractors, construction suppliers, bonding and insurance companies, and state and local building officials.

The Subcommittee approved a budget of \$15,071,037 Other Funds, an 18.6 percent increase from the Essential Budget Level, and 80 positions (78.17 full-time equivalent). The approved budget provides additional resources to expand consumer education and enforcement programs.

The Subcommittee approved the following enhancements to the CCB budget:

Package 100: Dispute Resolution, was approved in the amount of \$277,872 Other Funds and two limited-duration positions (1.83 full-time equivalent). This package provides “fast-track” dispute resolution mediation services at jobsites with the goal of avoiding a formal contract dispute; increased assistance to the public, especially the elderly, in complying with the Board’s complaint filing requirements; and increased staff training. The Subcommittee modified the package by changing the effective date of the positions to September 1, 2007.

Package 101: Enforcement, was approved in the amount of \$52,000 Other Funds. This package provides increased expenditure authority for quarterly weeklong statewide regulatory “sweeps” to investigate unlawful conduct in targeted areas. The Subcommittee reduced the package by \$20,000 in recognition that the Essential Budget Level contained sufficient flexibility to cover the reduction.

Package 102: Education, was approved in the amount of \$569,073 Other Funds and two positions (1.92 full-time equivalent). This package provides resources needed to implement the agency’s Consumer Communication Plan. The Subcommittee modified the package by changing the effective date of the Program Analyst 1 position to September 1, 2007 and making the position permanent; adding an Administrative Specialist 1 position; and adding \$200,000 for television advertising. The expected outcome of implementing the Consumer Communication Plan is an increase in the percent of homeowners who are aware of their rights and responsibilities and the services of CCB and thereby reduce complaints and construction-related scams.

Package 104: Information Technology, was approved in the amount of \$165,478 Other Funds. This package provides a base budget for aging computer equipment replacement and software upgrades. The CCB has adopted a four-year replacement cycle for its information technology equipment.

Package 105: Administrative Services, was approved in the amount of \$98,747 Other Funds and 0.75 full-time equivalent. This package establishes a full-time collections position and appropriately classifies two positions based on a review by the Department of Administrative Services. The Subcommittee modified the package by changing the effective date of the position to September 1, 2007 and making the position permanent. The Subcommittee also eliminated a permanent part-time accounting position (0.17 full-time equivalent) to offset the increased position count and the cost of the reclassifications.

Package 806: Field Investigators, was approved in the amount of \$1,142,462 Other Funds and 15 positions (13.75 full-time equivalent). This package creates a field investigation unit effective September 1, 2007. Prior to July 2006, the Enforcement Section relied on contract staff to perform field investigations. In January 2007, the Board decided it was no longer appropriate to rely on contract staff to conduct these investigations. In February 2007, CCB was given authority by the Department of Administrative Services to use its Professional Services budget allocated to private contractors to hire limited duration positions. The Enforcement Field Investigation program will include: 12 Investigator 2 positions, one Principal Executive Manager A, one Office Specialist 2, and one Information Systems Specialist 4. The increased focus on field investigation is expected to improve the agency’s ability to deter illegal activity.

Package 807: Technical Adjustments, was approved in the amount of \$57,000 Other Funds. This package provides increased expenditure authority to accommodate increasing debt collection and merchant fees; shifts \$40,000 between Capital Outlay and Services and Supplies for information technology equipment purchases; and increases the agency's Beginning Balance by \$1,623,364 Other Funds to reflect revised 2005-07 revenue and expenditure projections.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2007-09 Key Performance Measures form.