



TO: Ways & Means General Government Subcommittee
FROM: Jon Chandler (jchandler@oregonhba.com)
RE: SB 783A-5
DATE: June 10, 2013

The Oregon Home Builders Association supports SB 783A and the proposed -5 amendments.

A bit of background information about the subject of the bill, continuing education for residential contractors, might be useful to the Subcommittee:

- The 2005 legislature, in response to growing concerns about liability insurance and consumer claims involving construction defects, created the Construction Claims Task Force. This task force met for 18 months and issued a report to the 2007 legislature.
- In 2007, the legislature passed a bill requiring - among other things - that a program of continuing education for contractors be created by the Construction Contractors Board. A separate piece of legislation in 2007 created a proscriptive continuing education system for commercial contractors.
- After passage of the 2007 legislation, the CCB conducted surveys and held hearings and created a system for residential contractor continuing education, the final rules on which were adopted in June of 2009.
- The CCB, between 2009 and 2011, informed contractors of the new requirements and worked with education providers to have the required curriculum available so that licensees could complete their needed continuing education; the effective date for the continuing education program was October, 2011.
- Contractors renewing on or after October 1, 2011, needed to complete 16 hours of continuing education, with 8 hours being mandatory (or Core) classes and 8 hours being electives. Core class requirements were initially established as follows:
 - 3 hours of BEST (Building Exterior Shell Training), which was designed to specifically address the issues identified by the Construction Claims Task Force;
 - 2 hours of building code training; and
 - 3 hours on CCB rules and regulations, including new legislative changes.
- The substance of the BEST training was simultaneously incorporated into the classes required for people obtaining their contractor's license for the first time, so that all CCB licensees would receive training on water intrusion and proper construction techniques.

- SB 783 was introduced at the request of OHBA to provide a framework for the next phase of residential contractor continuing education, creating replacement curricula for the BEST class and to respond to comments and concerns from the industry.

SB 783A-5 does the following things, in the order in which they appear in the -5 amendments:

1. Directs the CCB to adopt rules for residential contractor continuing education and specifically for approving both providers of residential contractor continuing education and the courses being offered by those providers. It also instructs the agency to consider any programs that might be created by national construction licensing trade associations.
2. Gives the agency the authority to enter into agreements with approved continuing education providers, including the ability of the agency to collect payments from providers if they are using CCB-created materials.
3. Provides that for providers of mandatory continuing education courses, the CCB is to consider the qualifications of the instructors and the means by which contractor participation is to be verified. It also gives CCB the authority to review mandatory courses for content as part of the approval process. For providers of elective continuing education courses, the CCB may also consider attendance verification procedures.
4. Gives CCB the authority to establish and to collect reasonable fees to cover the costs of administering the residential contractor continuing education system, specifically:
 - a. For approval of entities as continuing education providers;
 - b. For approval of continuing education courses and specialized education programs;
 - c. For any continuing education courses offered by the CCB; and
 - d. A fee per continuing education course hour, to be paid by the provider.
5. Provides that all licensees must complete 8 hours of mandatory continuing education from approved providers prior to renewing their license, as follows:
 - a. Three hours on laws, regulations and business practices, to be developed by the CCB but which may be offered by either the CCB or an approved provider;
 - b. Five hours to be taken from among the list of subjects specified in the -5 amendments.
6. Provides that contractors with 6 or fewer years of experience must complete an additional 8 hours of elective courses from approved providers, with those courses likewise coming from the list of subjects in the -5 amendments.
7. Gives the CCB authority to issue exemptions either by rule or on a case-by-case basis, and provides that contractors completing specialized education programs may also be exempted.
8. Sets an effective date of January 1, 2014, but also gives the CCB the authority to adopt rules providing for full or partial continuing education credit in the event that coursework was completed by a contractor during the transition period from the current program to the one created by this bill.

The current continuing education program has been good for both the industry and the public, and we believe that SB 783A-5 will allow the program to improve on that good start. We urge you to move along to the full committee with a do-pass recommendation.