



# **Construction Contractors Board**

Budget Presentation Appendices  
February 25-26, 2013

**SB 5513**

**Joint Ways and Means**  
Subcommittee on General Government  
Sen. Elizabeth Steiner Hayward and Rep. Greg Smith, Co-Chairs  
Sen. Betsy Johnson, Rep. David Gomberg, Rep. Nancy Nathanson, and Sen. Doug Whitsett

## CCB Budget Presentation Appendices

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## **AGENCY'S OPENING STATEMENT**

Thank you for inviting us here today to talk with you about how we propose to meet our agency mission with the available revenue projected for 2013–15. Our mission is consumer protection and a competitive business environment. The core services that advance our mission are: licensing, education and enforcement. We believe that we can continue to provide robust services in those areas.

Licensing is important because we screen out individuals and businesses that fail to satisfy basic elements of trustworthiness and competency. It ensures financial responsibility by requiring bonds and insurance. It tracks contractors and finds those that might try to avoid the law by setting up a new business. By properly licensing contractors, we help consumers and legitimate contractors.

Education is important because it assures a basic level of competency in the business operations of construction contracting. We are adding education on construction methods and practices. We also educate consumers by our required notices, minimum contract terms and maintenance schedules.

Enforcement is important because it identifies and eliminates the “bad actors.” A lot of our enforcement is focused on unlicensed contractors. These people are a real danger to consumers. They unfairly compete with legitimate contractors. We also identify contractors that fail to pay debts, have individuals with criminal convictions or engage in harmful practices. We use various tools to either reform these folks or keep them out of the business.

We will also provide you with some examples of efficiencies that we have adopted and are continuing to adopt. Many of these leverage our existing use of technology. Our staff has been instrumental in identifying the needs and ideas for such programs.

We are doing everything possible to achieve the mission of the agency.

# **CONSTRUCTION CONTRACTORS BOARD**

## **Annual Performance Progress Report (APPR) for Fiscal Year (2011-2012)**

Original Submission Date: 2012

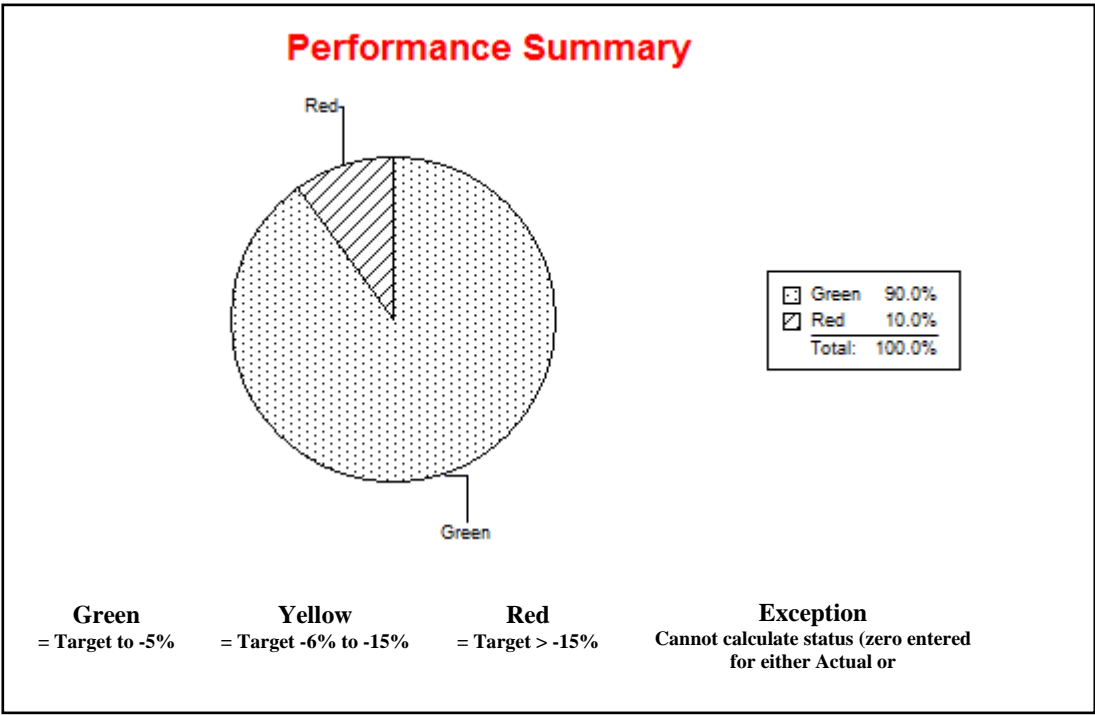
Finalize Date: 1/23/2013

2011-2012 KPM #	2011-2012 Approved Key Performance Measures (KPMs)
1	Tested Contractors – Reduce the percent of CCB tested contractors that have a final order for damages that remain unpaid after 60 days, or that are discharged in bankruptcy.
2	Homeowner Awareness – Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.
3	Unlicensed Recidivism Rate – Percent of offenders who recidivate by performing work without a CCB license within three years of first offense.
4	Contractors Who Fail to Pay Damages – Percent of licensed contractors operating in Oregon that fail to pay in full final Dispute Resolution (claims) final orders for damages.
5	Enforcement Investigations – Average days to close an enforcement investigation.
6	Dispute Resolution Final Orders – Average days to issue a dispute resolution (claims) final order.
7	Fair and Impartial Dispute Resolution Process – Percent of parties to claims who perceive claims process to be fair and impartial.
8	License and Renewal Processing – Percent of contractors satisfied with the agency’s processing of license and renewal information.
9	Customer Service - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information
10	Best Practices – Percent of best practices met by the Board.

<b>New Delete</b>	<b>Proposed Key Performance Measures (KPM's) for Biennium 2013-2015</b>
	<b>Title:</b>  <b>Rationale:</b>



<b>CONSTRUCTION CONTRACTORS BOARD</b>		<b>I. EXECUTIVE SUMMARY</b>	
<b>Agency Mission:</b> The Construction Contractors Board protects the public's interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through education, contractor licensing, dispute resolution, and law enforcement.			
<b>Contact:</b> Craig P. Smith, Administrator		<b>Contact Phone:</b> 503-934-2184	
<b>Alternate:</b> Stan Jessup, Budget & Finance Manager		<b>Alternate Phone:</b> 503-934-2188	



**1. SCOPE OF REPORT**

All agency programs are covered by key performance measures. The Oregon Construction Contractors Board (CCB) is the state agency charged with the responsibility to regulate construction contractors. CCB protects consumers by licensing and holding contractors financially accountable for their business practices through the combined efforts of its four major programs:

- Consumer Education and Contractor Education and Testing (KPM #1 and 2)
- Licensing and Customer Service (KPM #8 & 9)



- Enforcement (allegations of license law violations) (KPM #3 and 5)
- Dispute Resolution (complaints involving contract disputes) (KPM #4, 6, and 7)

## 2. THE OREGON CONTEXT

CCB regulatory services affect the validity of Oregon's economy and the financial security of most Oregon citizen's largest investment, their own home.

In a report several years ago to the State of Washington Legislative Assembly designed to review the Washington regulatory environment for residential contractors, Oregon was highlighted as having both:

- Annual performance reports submitted to the legislature (which) addresses critical performance metrics.
- Formal complaint resolution process with enforcement powers.

Oregon regulatory structure has served as a model for other states to follow with its unique dispute resolution program. The State of Rhode Island has patterned their contractor licensing program directly after Oregon's CCB statutes and program. Oregon has been singled out by leaders in the insurance and bonding industries as a model for other states to following (NASCLA 2011).

The agency serves as infrastructure to manage many different regulatory requirements for construction contractors including basic business competency training and testing, compliance with revenue, workers compensation and employment tax requirements, building code and permit compliance, contract law compliance, environmental law compliance and other consumer protection measures, which include liability insurance and surety bond requirement compliance.

Current law mandates that the agency divide its programs to ensure that construction contractors practice their trades in such a manner as to protect consumers, construction workers, and building standards to maintain safe structures in Oregon. Legislative mandates established as a result of the 2005 Taskforce on Construction Claims in 2007 include mandatory continuing education and increased bond and insurance requirements. Oregon needs contractors to understand and comply with a vast number of laws designed to protect the public.

**Links to Oregon Benchmarks:** None. Discussion: It was determined that CCB programs do not directly link to the existing set of Oregon Benchmarks. With help from the Oregon Progress Board, the agency developed two high level outcomes (HLOs) to measure the effect the agency has on moving Oregon forward.

HLO1. Percent of all licensed contractors that discharge CCB complaint final orders in bankruptcy, which significantly damage other Oregonians.

HLO2. Percent of homeowners who understand and highly rate the value of hiring a properly licensed contractor.

## 3. PERFORMANCE SUMMARY

### PROGRESS SUMMARY:

1. KPMs making progress at or trending toward target achievement: (Green)
  - KPM 1: Tested Contractors
  - KPM 3: Unlicensed Recidivism Rate

- KPM 4: Contractors Who Fail to Pay Damages
- KPM 5: Enforcement Investigations
- KPM 6: Dispute Resolution Final Orders
- KPM 7: Fair and Impartial Dispute Resolution Process
- KPM 8: License and Renewal Processing
- KPM 9: Customer Satisfaction
- KPM 10: Best Practices

2. KPMs - progress unclear: (Yellow)  
(none)

Total Number of Key Performance Measures (KPMs): 10

3. KPMs not making progress not at or trending toward target achievement: (Red)
  - KPM 2: Homeowner Awareness

#### **4. CHALLENGES**

Challenges include finding ways to increase customer satisfaction with limited resources during a time of increasing government resolutions. The current economic downturn and collapse of the home building industry, coupled with 2007-09 regulatory reforms, which increase the cost of state mandated bonds and insurance, education, and testing is driving some contractors to work without a license; and therefore, increasing demand on enforcement activity. Over the last 25 years the agency has perfected its Licensing program. The licensing reforms, enacted during the 2007 Legislature, have proven to be a significant challenge. The challenges imposed by licensing reforms have resulted in decreased customer satisfaction and continuing need to further perfect its application of the licensing requirements. The agency is concerned that KPM 1 (revised in 2007) should be evaluated and may need to be further revised to better judge the value of the CCB effort to train and test new contractor business competency. In addition, KPM 2 may require additional discussion.

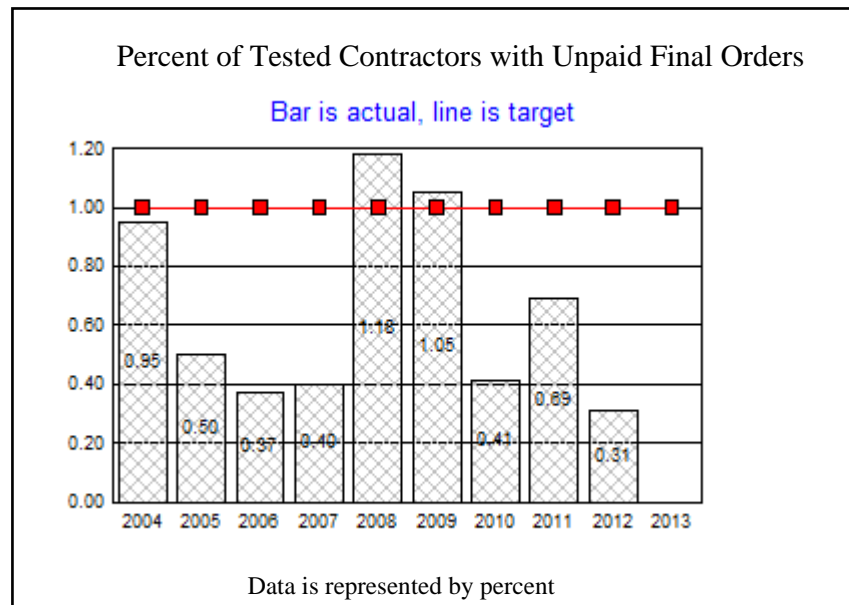
#### **5. RESOURCES AND EFFICIENCY**

The agency's budget for fiscal year ending June 30, 2012, was \$7,568,721. These monies are spread between the agency's four major programs:

- Contractor/Consumer Education Programs
- Licensing Program
- Enforcement/Discipline/Compliance Programs/Field Services/Investigation
- Dispute Resolution Services Program

Two of the agency's KPMs are designed to measure efficiency (KPM 5 and 6). Increased demand and decreased resources, due to revenue shortfalls, have adversely affected KPM 2 and the agency is taking action designed to make progress to address performance on this KPM.

<b>KPM #1</b>	Tested Contractors – Reduce the percent of CCB tested contractors that have a final order for damages that remain unpaid after 60 days, or that are discharged in bankruptcy.	2007
<b>Goal</b>	Goal 1: To protect Oregon consumers of construction related services. Objective 1b: Contractor Education: To ensure that all licensed contractors have an adequate level of business competency.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Licensing Program Quarterly Report and Dispute Resolution Quarterly Report.	
<b>Owner</b>	Education Manager, Gina Fox, (503) 934-2195 and Dispute Resolution Section, William J. Boyd, Manager, (503) 934-2237.	



**1. OUR STRATEGY**

During the 2007 Legislative Session, the Legislature directed the agency to revise this performance measure. With the help of legislative staff, the agency developed a new KPM based upon unpaid CCB DRS final orders. The new performance measure tracks the number of tested contractors that have a final order for damages that remains unpaid after 60 days, or that are discharged in bankruptcy. This measure may prove to be insufficient to measure the performance of the agency's education efforts due to uncontrollable variables such as economic conditions or personal family issues.

Our strategy is to provide contractors with the business training they need to facilitate success and prevent failures, which may lead to an inability of a contractor to timely pay agency DRS orders.

The agency uses its pre-licensure training and testing requirements to train and provide a measurable level of business competency for new contractors obtaining a new, or first time license. Responsible managing individuals (RMIs) are required to demonstrate completion of agency approved training. Prospective RMIs are tested by an agency-approved vendor selected through a competitive bidding process.

It is difficult to actually measure business competency. In the end, the least competent businesses fail, and file for bankruptcy, in an effort to erase debts caused by poor business decisions. Based upon the above, the agency measures the level of success of its business competency requirement (test) by measuring the rate of failures to timely paying agency DRS final orders in two specific classes of current licensees:

\* Tested contractors 16,334 – July 1, 2012

\* Untested contractors 19,774 – July 1, 2012.

The rationale is that tested contractors will have the "business competency" to avoid poor business practices and decisions that lead to business failure, bankruptcy, and unrecoverable damages to consumers. Simple bankruptcies were determined to be an unreliable method of determining business failure due to lack of business competency. Although still an indicator, bankruptcies were determined to be the result of many other factors, and therefore, this measure was measuring business training and testing success was replaced with the current KPM. Particularly in the past two years, many very good contractors found that the collapsing construction industry left them no cash flow to pay business debts and they were forced to declare bankruptcy.

**2. ABOUT THE TARGETS**

The lower the score, the better. The target for this measure for 2012 was 1.0 percent. The actual 2012 performance was 0.31 percent. The agency developed data going back to 2004 for purposes of comparison; however, this data has been shown to be less than accurate and should be removed. The agency will go through the proper procedures to request removal of this data from the report. The selected targets for this measure did not take into consideration the great recession, the downturn in Oregon's economy and the adverse affects it had on the construction industry.

### 3. HOW WE ARE DOING

The agency exceeded its target in 2012. In 2012, we found that 0.31 percent (51) of tested contractors (16,334) licensed by the agency had a Dispute Resolution Services increase over the past year, which was the third year the agency reported data on this performance measure. In 2012, the agency reviewed its internal processes and made changes that greatly affected the time it takes to process a complaint and reduced the backlog. In addition, a change in the law removed the agency's ability to conduct hearings and required consumers to go to court to get access to a contractor's bond. The agency believes that due to increased economic pressures on contractors this measure may increase over the next several fiscal years until economic conditions improve.

### 4. HOW WE COMPARE

No comparative information exists.

### 5. FACTORS AFFECTING RESULTS

Factors such as Oregon's economy, the effect the economy has had on the construction industry, and the personal health of owners of licensed businesses significantly affect contractor's decisions that lead to unpaid final orders. It is somewhat surprising that more businesses have not filed for bankruptcy, and that the agency targets have been met, given the Great Recession and the devastating effect it has had on the construction industry. It suggests that the weak economy has worked to reduce unstable construction businesses leaving stronger, more responsible businesses in the marketplace.

### 6. WHAT NEEDS TO BE DONE

The agency continues to review the agency's pre-licensure education manual, and the manner in which information contained in the manual is taught to new contractors in order to strengthen contractor's construction business management competency. In 2010 a new chapter educating contractors on the Building Exterior Shell was added to help increase contractor knowledge on the problems with moisture intrusion and reduce construction defect complaints.

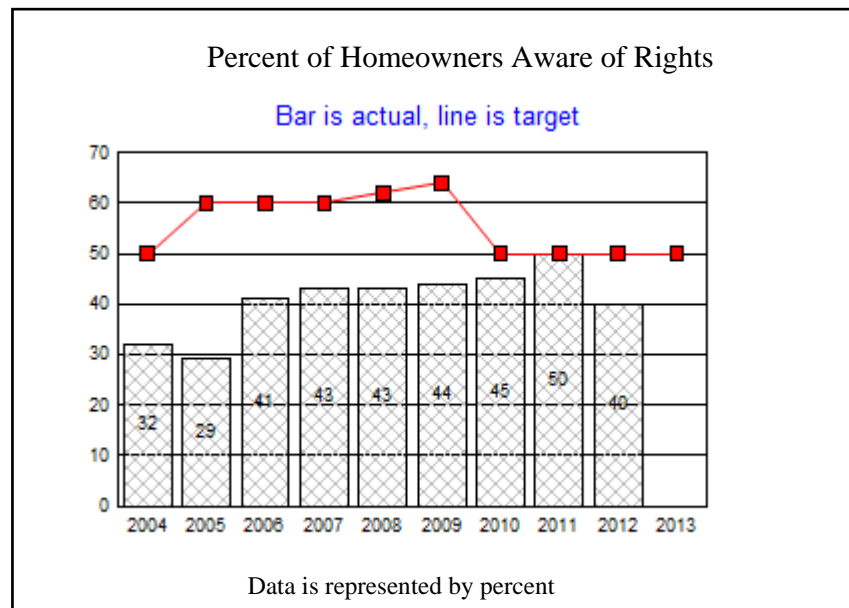
It remains possible, however, that economic conditions will drive the measurement in an adverse manner despite improvements to the agency's business Education Program.

The agency may request that the measure be replaced with an output, or outcome measure that may more accurately measure the performance of the agency's Education Program.

### 7. ABOUT THE DATA

This data is calculated per quarter by the agency's Dispute Resolution Services and Information Technology Sections. The reported data represents fiscal years ending June 30 of the reported year. For example: data reported for the year 2012 represents data gathered from July 1, 2011 through June 30, 2012.

<b>KPM #2</b>	Homeowner Awareness – Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.	2002
<b>Goal</b>	Goal 1: To protect Oregon consumers of construction related services. Objective 1c: Consumer Education: To educate consumers of their rights and responsibilities and the services and authority of the CCB.	
<b>Oregon Context</b>	HLO2 Percent of homeowners who understand and highly rate the value of hiring a properly licensed contractor.	
<b>Data Source</b>	CCB-sponsored scientific random sample survey among Oregon homeowners.	
<b>Owner</b>	Education Section, Gina Fox, Education Manager (503) 934-2195.	



**1. OUR STRATEGY**

Each June, the CCB commissions a statewide survey to measure homeowner awareness of their rights and responsibilities and the services of the CCB. Based on the results of the survey, the Education section reviews and revises its Consumer Communication Plan. This plan is the foundation of the agency’s consumer

outreach for the next year.

The agency continues to work to develop a comprehensive Consumer Communication Plan\* designed to leverage limited state resources to maximize outputs and outcomes that will help educate Oregon consumers. The agency continues to focus on attendance at home and remodeling show venues throughout the state to reach consumers most interested in building or making home improvements. Many home show producers have agreed to offer complimentary booth space to the agency as they understand and appreciate the value of the agency message to consumers. The agency will continue to partner informally with state agencies, and consumer/construction industry groups interested in consumer protection issues. The agency continues to send press releases and develop relationships and partner with media to reinforce how, and why, consumers can acquire information necessary to protect their interests.

\*In the 2009-11 budget, the agency lost \$500,000 of spending limitation previously authorized and designed to reach consumers through media, which represents a major resource for making progress on this KPM. In addition, many agencies that have similar missions, (Landscape Contractors Board, Department of Justice, and Department of Consumer and Business Services) have disbanded or limited interagency groups that work collectively to provide solutions for consumer outreach. This is likely due to budgetary concerns.

We believe that implementation in Oregon may be the key in both finding the outreach that is highly popular and consumers would be receptive to. The second, the use of social media (Craigslist, blogs, etc.) as a consumer outreach tool at little or no additional cost to the agency. Pressure on the Education Section, as a result of implementation of the Residential Continuing Education (RCE) requirements, have delayed fully implementing these plans. The agency hopes to move forward with these plans in FY 2013.

## **2. ABOUT THE TARGETS**

The higher the number the better. Over the past several years the agency had very ambitious targets ranging from 60 percent in 2006 to 64 percent in 2009. Due to the loss of funding in consumer education outreach the Legislature lowered the target to 50 percent beginning in 2010.

## **3. HOW WE ARE DOING**

The agency did not reach the target of 40 percent during FY 2012, falling 10 percentage points.

Since 2008, the percentage of homeowners who are aware of their rights and responsibilities and the services of the CCB have continued to show slight increases. We believe that this slow increase in the percentage of consumers that understands their rights and responsibilities, corresponds closely with those who attend home building and improvement shows, which is the agency's primary outreach at this time. However, the sharp drop in this KPM is a major concern and we are working on a plan to address the situation within our current funding authorization.

The agency is confident that more and more Oregon homeowners actually using construction services are hearing the agency's key messages. Survey results show more than 90 percent of consumers agree on the importance of using a licensed contractor. A problem exists, however, with consumers choosing not to

verify the license. The common theme is consumers trust that contractors are actively licensed. The agency must find new and creative ways to change homeowner attitudes and perceptions. Because fewer consumers have been purchasing goods, and services over the last several years, the ability to reach these consumers have been diminished.

#### **4. HOW WE COMPARE**

Comparative data is not available.

#### **5. FACTORS AFFECTING RESULTS**

Year after year, survey data indicates that a majority of homeowners recognize the importance of using licensed contractors (2009: 91 percent). But many do not take the necessary step of verifying the license. Most common theme when asked why they did not check, was 'trust' in their contractors. Homeowners either trusted the contractor was truthful when telling them they were licensed, or the homeowner trusted their own judgment.

#### **6. WHAT NEEDS TO BE DONE**

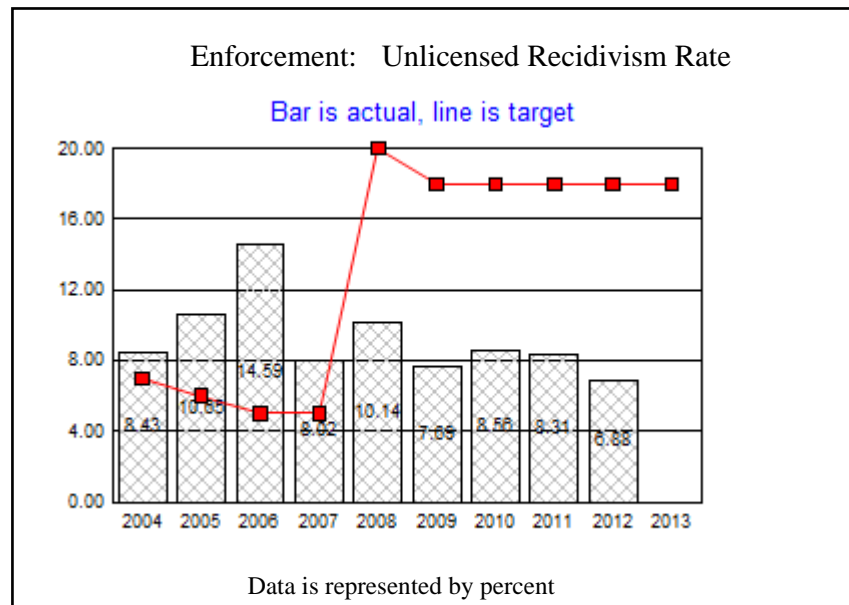
The agency must continue to review and revise its Consumer Education Plan. The agency is planning to review a model consumer outreach used in the State of Nevada and believes that implementation in Oregon may be the key in both finding the outreach that is highly popular, and communication methods consumers would be receptive to. The agency will work with industry partners to develop and implement new strategies, but due to the economic conditions, it may have its challenges. The agency will also look at the use of social media to reach homeowners. The agency must continue to measure its outcomes, and analyze the results on a performance basis.

#### **7. ABOUT THE DATA**

This data is collected each calendar year by a research company.



<b>KPM #3</b>	Unlicensed Recidivism Rate – Percent of offenders who recidivate by performing work without a CCB license within three years of first offense.	2002
<b>Goal</b>	Goal 1: To protect Oregon consumers of construction related services. Objective 1d: Enforcement: To provide timely and effective investigations of unlawful acts and sanction appropriately.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Enforcement Program Quarterly Report.	
<b>Owner</b>	Enforcement Section, Richard Blank, Program Manager, (503) 934-2216.	



**1. OUR STRATEGY**

The agency's disciplinary program must be structured in such a manner so as to deter construction businesses from operating without a proper CCB license. The likelihood of detection and significance of penalties, drive the effectiveness of the agency's efforts to deter illegal activity; and therefore, drive the performance of the agency's Enforcement Program. A low rate of the recidivism provides evidence that the agency's disciplinary program is effective because it is deterring unlawful conduct.

**2. ABOUT THE TARGETS**

The lower the number, the better. The agency target is a recidivism rate of 18 percent, or lower. The agency seeks to have the lowest possible rate of recidivism.

**3. HOW WE ARE DOING**

The agency is doing well and has exceeded the target on this KPM. The 2007 Legislature provided additional resources for agency's enforcement efforts. These additional resources have been used in field operations performing random and targeted construction site inspections, which may have initially led to the increased number of repeat offenders in fiscal year 08 (10.14%). For 2012, there was a slight downtick (6.88% v 8.31% 2011) in the recidivism rate. The slight decrease in recidivism may be attributed to Oregon's slumping economy, and subsequent lack of demand for construction services. It is anticipated that the agency's enhanced field presence and follow-up enforcement action will continue to play an important role in decreasing recidivism.

**4. HOW WE COMPARE**

The agency is unaware of any other administrative enforcement agency that provides recidivism data.

The Oregon Correctional system has a recidivism rate for convicted felons of approximately 24.5% percent for the same time period (three years). (Source: Oregon Department of Corrections Recidivism Report.)

**5. FACTORS AFFECTING RESULTS**

Increased resources to perform random jobsite checks authorized by the 2007 Legislature affected the results of this measure. CCB jobsite checks have increased significantly over the same period three years ago. The agency is now following up on telephone and electronic complaints within days, and in some instances, within hours.

Increased cost of compliance with CCB regulations (including liability insurance, cost for certifications, continuing education), and other increases in contractor regulations, have driven some contractors to perform work without a proper CCB license. During the last two years, costs associated with CCB mandated Residential Continuing Education (RCE) also added costs.

The downturn in Oregon's economy and a decrease in demand for construction services also combined to affect the performance on this KPM. The economy had an effect on this performance measure as displaced workers seek to supplement unemployment by performing "side jobs" without a proper CCB license. When related businesses such as recreational vehicle (RV) manufacturers, home improvement and building suppliers, and mobile home manufacturing facilities downsize and/or close, displaced workers have been found performing construction "side jobs" in their community without a contractor's license. Some individuals may choose to risk agency enforcement action despite the agency's enforcement efforts, due to the severity of their personal financial condition.

Despite these factors, decreased demand for construction services appears to have helped drive this KPM below the agency's target.

## **6. WHAT NEEDS TO BE DONE**

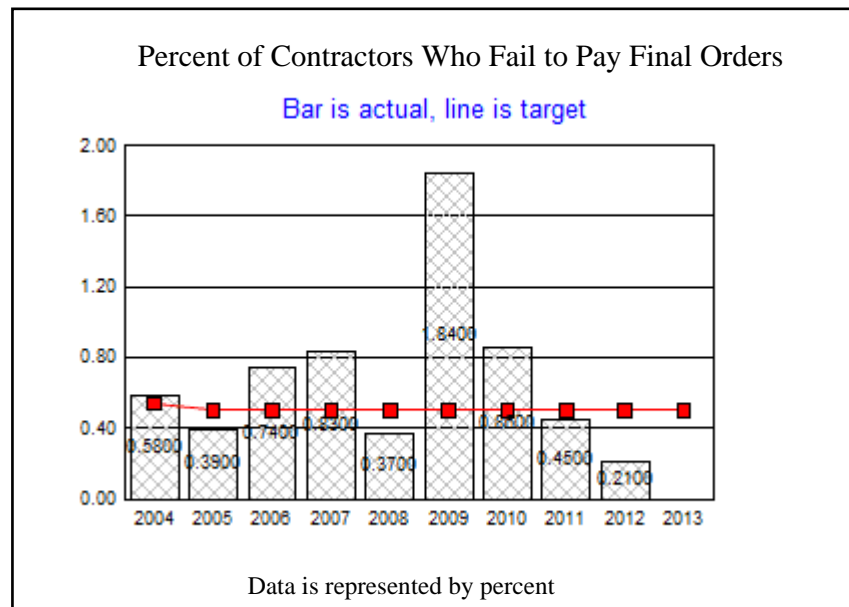
The agency must continue to maintain an effective and robust Enforcement Program to deter unlicensed activity. Targets for this KPM were adjusted by the 2007 Legislature and may need to be reviewed and evaluated in the future.

## **7. ABOUT THE DATA**

This data is gathered quarterly by the CCB Enforcement Section and represents cumulative data for the fiscal year ending June 30 of each year. Additional data may be obtained by requesting copies of agency program quarterly reports. These reports are currently in Board Packets published on the website.

For purposes of this measure, a repeat offender (recidivist) is a construction business that has an owner or officer in it, or a previous construction business, that was found to have worked without a CCB license within the three years preceding the beginning of the subject fiscal year reporting period.

<b>KPM #4</b>	Contractors Who Fail to Pay Damages – Percent of licensed contractors operating in Oregon that fail to pay in full final Dispute Resolution (claims) final orders for damages.	2002
<b>Goal</b>	Goal 1: To protect Oregon consumers of construction related services. Objective 1e: Dispute Resolution: To hold contractors financially accountable for their business practices.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Dispute Resolution Quarterly Report statistics. By measuring the number of contractors per year that fail to pay in full, Dispute Resolution (complaint) final orders for damages divided by the number of CCB licensees per year at the end of the fiscal year.	
<b>Owner</b>	Dispute Resolution Services, William J. Boyd, Manager, (503) 934-2237.	



### 1. OUR STRATEGY

The agency's programs work cooperatively to hold individuals and construction businesses accountable for their business practices. The Licensing Section identifies owners and officers of licensed construction businesses. The Dispute Resolution Services (DRS) Section determines, or liquefies, construction debts. The Enforcement Section suspends the licenses of those businesses that have owners or officers that have current or past unresolved construction debts.

It is the agency's strategy to prevent individuals responsible for unpaid construction debts from owning an actively licensed construction business, hold these individuals accountable for their business decisions; and thereby create negative consequences for contractors that choose to make poor business decisions. This performance measure tracks the number of current licensees responsible for unpaid debt during the fiscal year, compared to the total number of licensed contractors.

The Oregon court system is an important partner in this activity. The outcome of holding contractors accountable for construction debt is achieved through the cooperative efforts of the agency's major programs and the Oregon court system. This KPM measures a negative indicator of this goal, that being whether the agency is working well to make contractors pay their debts by putting pressure on the owners of these companies.

It can be expected that during times of economic stress, recession or depression, that this measure will spike, despite agency's programs.

### 2. ABOUT THE TARGETS

The lower the number, the better. The target for 2012 has been constant over the last five years. The target for this KPM is 0.050 percent.

### 3. HOW WE ARE DOING

The agency met its targets. In 2012 the level of unpaid final orders were below the target level as the economy improved slightly and the state moved beyond the initial crisis in the construction industry.

In fiscal year 2009, we saw a sharp increase in the percentage of contractors who failed to pay in full CCB orders to pay damages in Dispute Resolution Services (DRS) complaints. This was due, in large part, to the downturn in the economy and the collapse of the housing market, which left a significant number of contractors with unsold new homes as the demand for new homes and home improvements perceptibly dropped. A significant number of contractors failed to pay money owed to subcontractors and material suppliers. They expected to pay these debts with the proceeds of a home sale that never took place. This led to a sharp increase in the number of non-owner complaints. Subcontractor complaints jumped from 590 in 2008 to 761 in 2009, material supplier complaints jumped from 450 to 677 in the same period and employee complaints jumped from 64 to 77. This led to the sharp increase in the number of unpaid orders.

**4. HOW WE COMPARE**

No comparison data is available.

**5. FACTORS AFFECTING RESULTS**

The weak economy has removed some marginal construction businesses. The remaining contractors have adjusted to business in the current climate. The downturn in the market had reduced the amount of construction being done in the state and; consequently, has reduced the number of complaints filed with the agency.

**6. WHAT NEEDS TO BE DONE**

The agency has developed and implemented procedures to focus existing resources on disciplining and suspending contractors who had failed to pay DRS final orders.

These improved procedures have resulted in significant improvements to the agency's efforts to hold contractors accountable for their business practices.

The agency will continue its efforts to identify and discipline contractors and businesses that are owned by individuals responsible for unpaid construction debts.

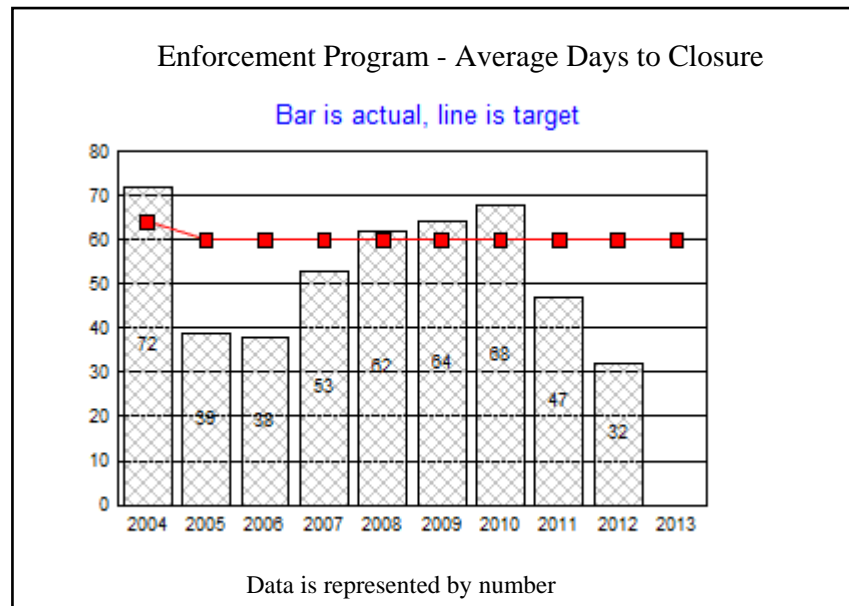
**7. ABOUT THE DATA**

This data is determined once a year in July based upon reports run for the FY ending June 30th. The data is based upon the number of DRS "closed" files where there is any amount left unpaid by the contractors.

Improvement to data collection efforts also served to perfect the reliability and consistency of this performance measure.

CCB reviewed its data for fiscal years ending 2005 and 2006. It was noted that while the underlying data was accurate, there was an error in creating the data table such that fiscal year ending 2006 reported .41% of contractors failed to pay final orders when, in fact, it was .74%. The chart provides those revised results for 2006.

<b>KPM #5</b>	Enforcement Investigations – Average days to close an enforcement investigation.	1994
<b>Goal</b>	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 1d: Enforcement: To provide timely and effective investigations of unlawful acts and sanction appropriately.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Enforcement Quarterly Reports.	
<b>Owner</b>	Enforcement Section, Richard Blank, Manager, (503) 934-2216.	



**1. OUR STRATEGY**

In order to effectively deter unlicensed and other illegal activity in the construction industry, the agency must process enforcement (disciplinary) complaints in a timely manner. Enforcement investigations often lead to disciplinary actions, which, when properly administered, provide an effective deterrent

to illegal activity. This KPM is an efficiency-based performance measure, and is designed to measure the timeliness of the CCB enforcement process.

## 2. ABOUT THE TARGETS

The lower the number, the better. Targets have been set to reflect rapid processing of citizen complaints alleging illegal activity. The 2010 target was an average of 60 days to process, from beginning of investigation to closing the file, excluding collection process. Given the time allowed for initial investigation, hearings, and appeals, this is a very ambitious target.

## 3. HOW WE ARE DOING

In 2012, we surpassed the target. This can be attributed to several different factors:

- 1) For 2012, a decrease in the number of complaints;
- 2) An increase in the use of formal administrative warning letters for minor violations;
- 3) Average time for completing of electronic bulletin board investigations (i.e., Craig's List) is significantly lower than regular complaints.

With the addition of three relatively new programs (Lead Paint, Locksmith, and EEAST), it is anticipated that demand for agency disciplinary actions will likely increase as these new contractor regulations continue to be implemented and the economy improves leading to increased demand for construction services. However, the great recession has reduced the number of complaints handled by the agency.

## 4. HOW WE COMPARE

No comparative data is currently available.

## 5. FACTORS AFFECTING RESULTS

The continued slump in Oregon's economy, which creates a lack of demand for construction services, is the single biggest factor effecting the enforcement program KPM's. Combined with anticipated continuation of an economic slowdown, and the factors delineated in #3 above, it is likely that the agency will be able to meet or exceed target.

## 6. WHAT NEEDS TO BE DONE

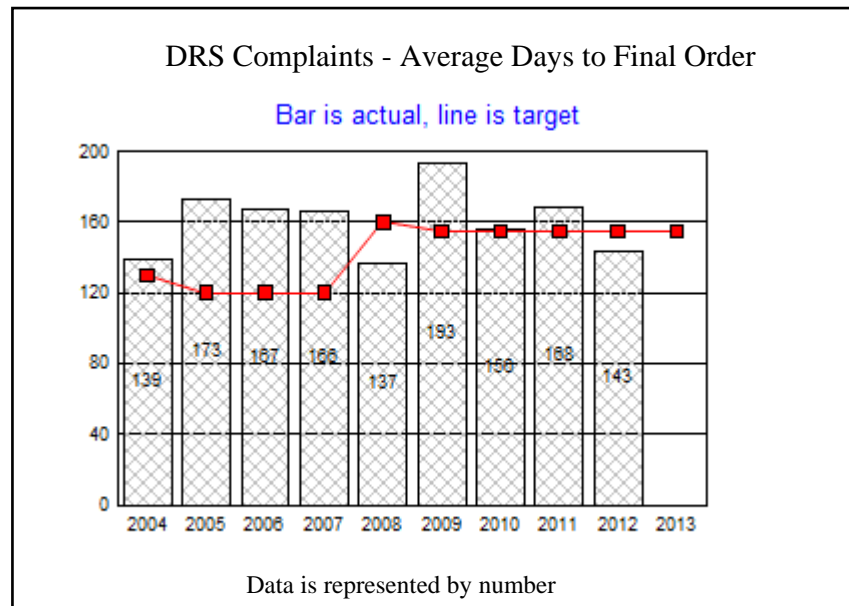
The 60 day target remains a good target given the potential delays (hearings, appeals) inherent in any disciplinary proceeding.



**7. ABOUT THE DATA**

This data is gathered on a quarterly basis and reported by the agency's Enforcement Section. Additional information may be obtained by requesting the agency section quarterly reports. Data for this report represents fiscal year totals, with the fiscal year ending June 30th of the subject year.

<b>KPM #6</b>	Dispute Resolution Final Orders – Average days to issue a dispute resolution (claims) final order.	1994
<b>Goal</b>	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 2a: Dispute Resolution: To efficiently process complaints.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Dispute Resolution Section Quarterly Reports.	
<b>Owner</b>	Dispute Resolution Section, William J. Boyd, Manager, (503) 934-2237.	



**1. OUR STRATEGY**

As a means to hold contractors accountable for their business practices, the agency offers construction contract dispute resolution service used by contractors

and their customers. Consumers, other contractors, employees, and material suppliers may file CCB DRS construction contract complaints (called Dispute Resolution Services (DRS) with the agency. The agency seeks to resolve DRS complaints as fast as possible in an effort to hold contractors accountable for their business practices and resolve consumer complaints in a timely manner. The efficient and timely processing of DRS complaints help drive DRS customer satisfaction; it also helps the agency achieve contractor accountability—an important outcome sought by the agency.

## **2. ABOUT THE TARGETS**

The target for 2012 was 155 days. The lower the number, the better. Targets were developed based upon obtainable goals in 2003. The 2007 Legislature adjusted the targets downward from 160 days in 2008 to 155. This target proved to be very challenging given the agency's staffing challenges in its DRS Section during the 2007-09 biennium. The targets were not adjusted during the 2009 session to reflect staffing and revenue issues.

## **3. HOW WE ARE DOING**

The agency did meet its target. The agency's performance fell short by eighteen days. The agency continues to strive to meet its target of 155 days and should continue to do so. The target should not be changed. The agency is committed to achieving this target.

## **4. HOW WE COMPARE**

There is no comparative data.

## **5. FACTORS AFFECTING RESULTS**

Dispute Resolution Services struggled during the 2010 and 2011 fiscal years to process complaints in a timely manner. The number of CCB DRS complaints filed with the agency decreased 20 percent over the last fiscal year, 2,282 in FY 2010 to 1,814 in FY 2011. For most of the last fiscal year, the program staff have been struggling to meet its goals with fewer staff to do the work. In addition, a number of files tied up in court or bankruptcy for years were closed in 2011, and increased the average time to process DRS complaints in this time period. A significant factor regarding this KPM was the elimination of hearings and reduction of the number of DRS complaints.

During the 2010 year, the program lost three team members who were not replaced. The program worked hard to keep up with the work with the staff it had, and reduced the backlog from the previous fiscal year. Budgetary constraints would not allow for replacements. The agency is developing changes in procedure to reduce the length of time it takes to process a complaint. The agency believes that supplying better information to the complainant may be one answer to reducing the time it takes to process a complaint.

The agency is also working with the Office of Administrative Hearings (OAH) to reduce the length of time to process a complaint.

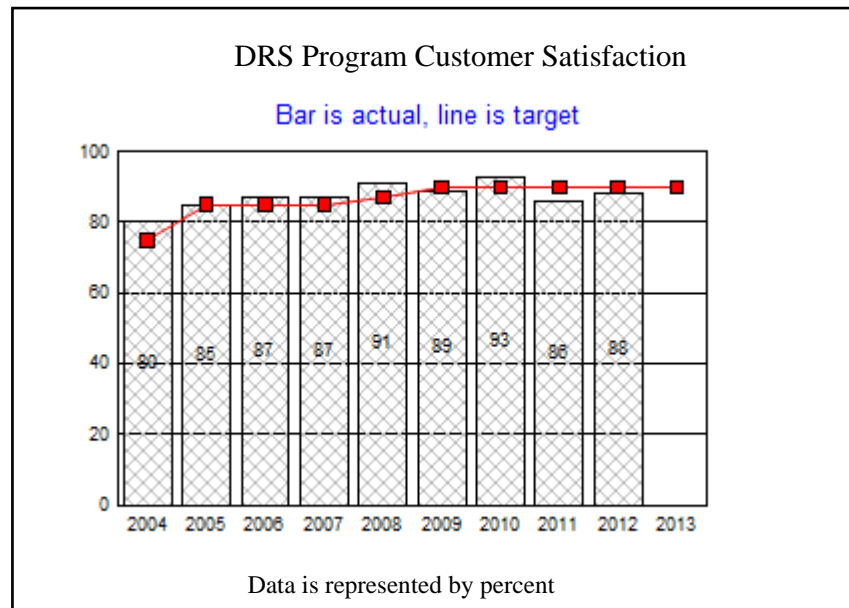
## **6. WHAT NEEDS TO BE DONE**

The agency continues to search for ways to reduce the length of time to process these complaints, including developing a plan to train and replace the experienced staff who will retire in the next five years

## **7. ABOUT THE DATA**

The data is based upon fiscal year results for years ending June 30th. Additional data is available from the agency's Dispute Resolution Services quarterly reports.

<b>KPM #7</b>	Fair and Impartial Dispute Resolution Process – Percent of parties to claims who perceive claims process to be fair and impartial.	2002
<b>Goal</b>	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 2b: Dispute Resolution: To maximize participants perception of fairness given the requirements of due process under the law.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB complaint final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Dispute Resolution Section (DRS) Customer Satisfaction Survey reported in the DRS Quarterly Reports.	
<b>Owner</b>	Dispute Resolution Services Section, William J. Boyd, Manager, (503) 934-2237.	



**1. OUR STRATEGY**

It is imperative that the public perceive the agency’s Dispute Resolution Program to be trustworthy and fair to both consumers and contractors. The agency

strives to satisfy all parties that participate in its Dispute Resolution Services (DRS) program. This is a difficult assignment given the fact that DRS often ends up with both a “winner and a loser”. Here the agency measures its performance by measuring the degree to which parties perceive the Dispute Resolution Services process to be fair and impartial in an effort to achieve the goal of excellent customer satisfaction.

## **2. ABOUT THE TARGETS**

The higher the number score, the better. The target is 90%. In FY 2010 this KPM peaked at 93 percent. In 2011, it dropped back down to 86 percent. The target was raised from 87 percent (2008) to 90 percent (2009). The agency believes that the 90 percent target is both challenging and obtainable. The target should not be changed.

## **3. HOW WE ARE DOING**

The agency has made progress and only missed its target by two percent. The agency will work to continue to increase this level of satisfaction with the program.

## **4. HOW WE COMPARE**

There is no comparative data.

## **5. FACTORS AFFECTING RESULTS**

Citizens overall opinion of government (state and local) and the agency specifically, has affected this performance measure.

The Office of Administrative Hearings performance may also affect this performance measure.

The agency is looking for ways to increase the number of returned surveys, which currently hovers around ten percent. In FY 08 the agency increased the responses to its surveys by sending postage paid envelopes out with the surveys. Unfortunately, due to spending limitations and reduced revenues, the agency has not been able to do this since.

The agency continues to strive towards web based improvements to our process, including a website solution that would allow customers to enter their survey responses online.

**6. WHAT NEEDS TO BE DONE**

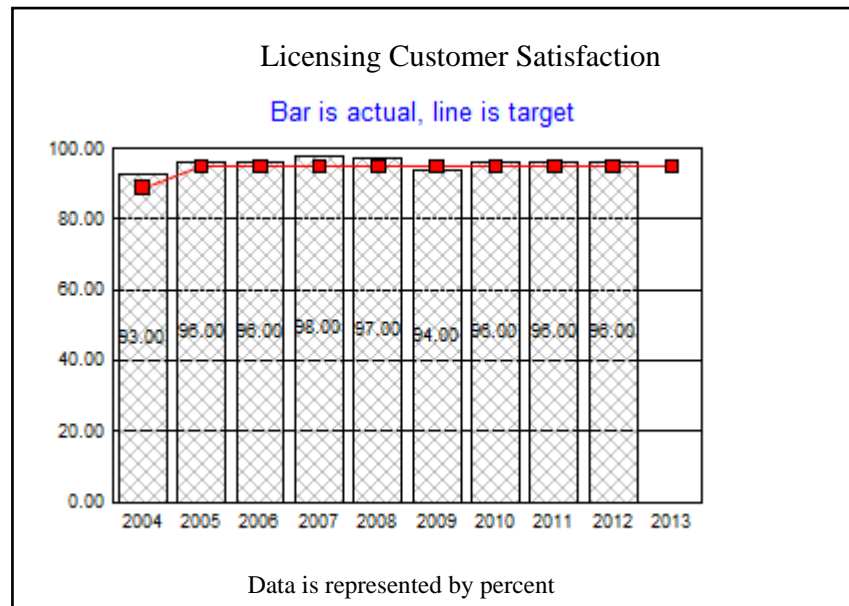
The agency will look for ways to improve its communications with the parties.

The target for this measure has steadily increased over the last several years from 75 percent (2004) to 90 percent (2009), and may be as high as, or higher than is practically obtainable under current staff levels.

**7. ABOUT THE DATA**

The data sample should be increased, if possible. The higher the survey's rate of response, the greater the reliability of the data. Additional data is available from the agency's Dispute Resolution Services quarterly reports. The data is from question number 7 on the survey.

<b>KPM #8</b>	License and Renewal Processing – Percent of contractors satisfied with the agency’s processing of license and renewal	2002
<b>Goal</b>	Goal 3. To regulate in a manner that supports a fair, honest, and competitive business climate in the construction industry. Objective 3a.: Licensing: To efficiently license and renew all construction businesses required by law in a business friendly manner.	
<b>Oregon Context</b>	HLO1 Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data Source</b>	CCB Licensing Quarterly Reports and survey conducted by CCB during license renewals.	
<b>Owner</b>	Licensing Section, Kristie Patton, Manager, (503) 934-2199.	



**1. OUR STRATEGY**

Provide superior service in a timely manner. The agency strives to make licensing and renewals an efficient and trouble free experience for construction



contractors. Contractors that supply all the necessary renewal information with their renewal application can expect to receive their license very quickly. The strategy of the agency is to clearly explain what is needed for a contractor to obtain a license, and process applications within hours, or days, of receiving them in an effort to meet customer expectations. The agency processes an average of 1,350 license renewals per month. Licenses are renewed every two years. Today the agency serves approximately 39,000 licensed contractors (both active and inactive).

## **2. ABOUT THE TARGETS**

The higher the number score, the better. The target is 95 percent. The target has remained consistent over the last four years. While the agency strives to satisfy 100 percent of its customers, it has set an ambitious goal of 95 percent for this performance measure.

## **3. HOW WE ARE DOING**

The agency's performance has remained at 96 percent for the past three years (2010, 2011, and 2012). The agency consistently enjoys a high level of customer satisfaction with this set of customers. The agency has met or exceeded its target every year since 2002 with the exception of 2009 when the agency fell below its target by only one percent.

## **4. HOW WE COMPARE**

There is no comparative data available at this time.

## **5. FACTORS AFFECTING RESULTS**

Increased regulations that went into effect in 2008/09 as a result of legislation passed in 2007 adversely affected the agency's performance on this KPM in 2009. The license process reforms approved by the 2007 Legislature proved to be a significant challenge to implement. A multitude of factors, including staff restrictions due to revenue shortfalls, combined and resulted in a very minor decrease in customer satisfaction in 2009. During 2009, 2010 and throughout 2011, the Licensing and Education Program staff worked hard to ensure that contractors were well-informed about the requirement changes. The agency continued to improve its website, revised forms and instructions based on customer survey comments, updated Customer Service Unit questions and answers and FAQ's, and provided ongoing staff training increasing knowledge regarding the new, complicated legislation, including continuing education. The Licensing staff also worked hard with bonding and insurance agents to help educate them on the new requirements. All of this may have factored into the increase in customer service satisfaction results in 2010 and 2011.

**6. WHAT NEEDS TO BE DONE**

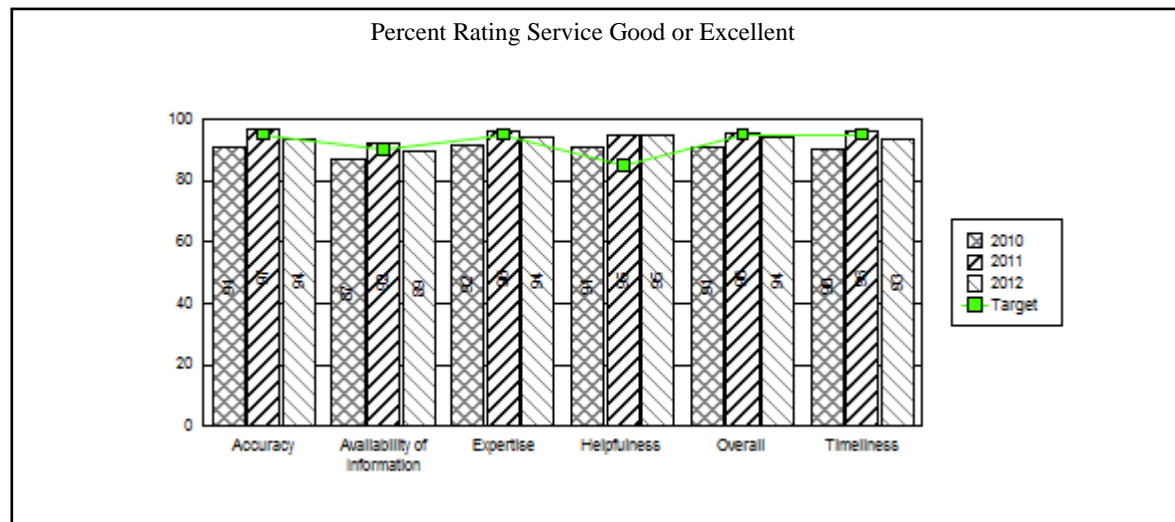
The agency shall look for ways to improve its services to these customers despite staffing issues and contractor dissatisfaction with new continuing education requirements.

**7. ABOUT THE DATA**

The data reflects information gathered and reported by the agency on a quarterly basis and represents fiscal years ending June 30th. This data is limited to the first three quarters of the years because this section surveyed contractors for the statewide customer results during the fourth quarter of fiscal year. The data is from question number 7 on the agency's licensing satisfaction survey.

For FY 2004 and 2005 question 2 of the survey was inadvertently used rather than question number 7. The correct percentages should have been reported as follows: 2004 96% and for 2005 97%. The charts have not been changed to correct this mistake.

<b>KPM #9</b>	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	2006
<b>Goal</b>	Agency Overall Satisfaction Percent of customers rating their overall satisfaction with the agency above average or excellent and Customer Satisfaction Percent of customers rating satisfaction with agency services above average or excellent for: A: Timeliness; B: Accuracy; C: Helpfulness; D: Expertise; E: Information Availability.	
<b>Oregon Context</b>	CCB has no primary links to the Oregon Benchmarks.	
<b>Data Source</b>	Customer Service surveys completed and returned April 1 through June 30 of each year and reported in the Licensing Quarterly Report.	
<b>Owner</b>	Licensing Section, Kristie Patton, Manager, (503) 934-2199.	



**1. OUR STRATEGY**

The agency strives to provide prompt, courteous service that is responsive to our customers' needs and public protection.

**2. ABOUT THE TARGETS**

The higher the number, the better. Targets were developed based upon 2006 data and represents incremented improvements sought by the agency over 2006 results.

**3. HOW WE ARE DOING**

The agency's performance in fiscal year 2011 has increased between five to six percentage points in all categories. The agency is very proud of its performance and is committed to finding ways to maintain its service levels and customer satisfaction level performance. We are concerned, however, with the five point drop in this measure since last fiscal year.

The agency enjoys a relatively high level of customer satisfaction.

**4. HOW WE COMPARE**

The agency's performance on this KPM of 90 percent compares favorably to that of the Department of Consumer and Business Services (DCBS) of 92.8 percent (2011).

**5. FACTORS AFFECTING RESULTS**

Increasing government regulation of the construction industry has adversely affected the agency customers' satisfaction levels. Cost and availability of insurance and education and testing requirements complicate contractor's lives and affect their overall satisfaction with the agency.

The increase in regulations administered by the agency due to legislation passed by the 2007 and 2009 Legislature have created significant challenges. Many of the 2007 regulations were implemented over the last four years. Many contractors oppose these regulatory reforms and hold the agency accountable for these new regulations. In addition, the roll out of CCB Residential Continuing Education has not been popular.

Beginning with the fiscal years 2006-07, the "I don't know" responses were taken out of the survey result calculations due to the fairly high instance rate of "I don't know" responses. This distorted the survey results.

The downturn in the economy and the loss of construction market caused by the collapse of the housing market during the 2007-08 fiscal year caused many contractors to blame regulators. This dissatisfaction, with increased regulation, and government in general, is often expressed on CCB's customer service surveys. We are working to find ways to address these concerns.

## 6. WHAT NEEDS TO BE DONE

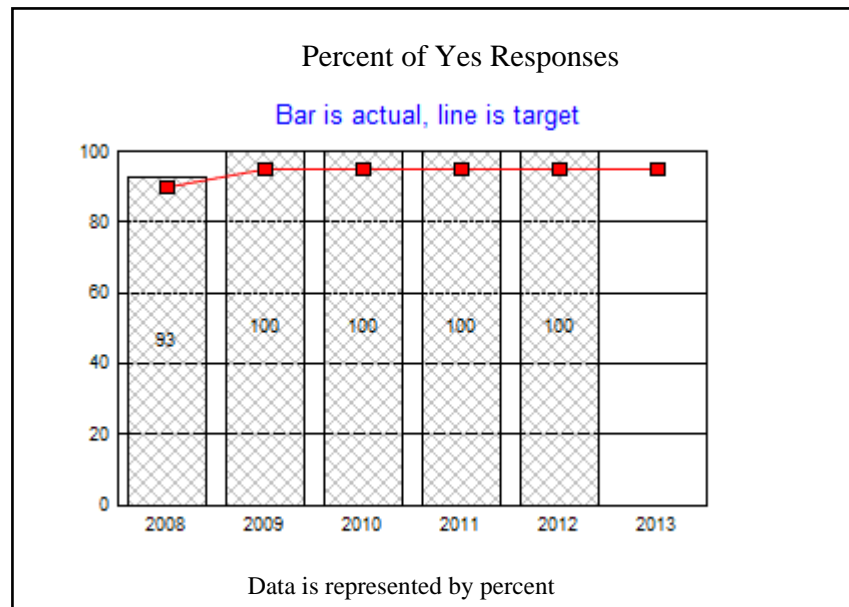
The agency must find ways to improve customer service, including finding ways to help contractors comply increasing requirements for contractors to maintain their license.

## 7. ABOUT THE DATA

The following is information on the CCB survey:

- a. Survey Name: Customer Service.
- b. Surveyor: Staff of the Construction Contractors Board.
- c. Date Conducted: April, May, and June 2011.
- d. Population: Active and inactive licensed contractors.
- e. Sampling Frame: Contractors who received a license card during the three-month period of April, May, and June 2011.
- f. Sampling Procedure: The survey form was sent to each contractor who received a license card during the three-month period of April, May, and June 2011.
- g. Sample Characteristics: Data from each survey received was entered by CCB staff into the agency's database and tracked. Responses to each question are available individually as well as cumulatively.
- h. Weighting: No weighting was applied.

<b>KPM #10</b>	Best Practices – Percent of best practices met by the Board.	2007
<b>Goal</b>	Best Practices Percent of best practices met by the Board.	
<b>Oregon Context</b>	CCB has no primary links to the Oregon Benchmarks.	
<b>Data Source</b>	During Board meeting(s), Board Members individually voted on each of the 15 Best Practices as they perceived them for the fiscal year. Data is contained in Board meeting minutes.	
<b>Owner</b>	Administrator Craig P. Smith (503) 934-2184.	



**1. OUR STRATEGY**

To develop and implement recommended statewide “Best Practices” for Boards and Commissions to improve the governance provided by the agency. This statewide measure for Boards and Commissions was instituted by the Construction Contractors Board in FY 08. The agency administrator reviewed the measure’s 15 Best Practices with Board members throughout the year, and discussed each of them individually.

**2. ABOUT THE TARGETS**

The target for 2012 was 95 percent.

**3. HOW WE ARE DOING**

The agency did well, scoring 100 percent.

**4. HOW WE COMPARE**

We shall look at comparables for the FY 2012 report when they become available.

**5. FACTORS AFFECTING RESULTS**

New Board members and the press of meeting the expectations of the legislature, stakeholders, and agency customers sometime present challenges to reaching the level of performance sought by the agency.

**6. WHAT NEEDS TO BE DONE**

Maintain 100 percent performance.

**7. ABOUT THE DATA**

Board members individually evaluated group performance and met to discuss their observations. A collective score was determined based upon the individual evaluations.

The Construction Contractors Board strives to perform its internal functions according to DAS policies and procedures and other appropriate guidelines. During a Board meeting in June 2012, Board Members individually voted on each of the 15 Best Practices as they perceived them for the FY 2012.

<b>CONSTRUCTION CONTRACTORS BOARD</b>	<b>III. USING PERFORMANCE DATA</b>
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**Agency Mission:** The Construction Contractors Board protects the public's interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through education, contractor licensing, dispute resolution, and

<b>Contact:</b> Craig P. Smith, Administrator	<b>Contact Phone:</b> 503-934-2184
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<b>Alternate:</b> Stan Jessup, Budget & Finance Manager	<b>Alternate Phone:</b> 503-934-2188
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**The following questions indicate how performance measures and data are used for management and accountability purposes.**

<b>1. INCLUSIVITY</b>	<p><b>* Staff :</b> Several methods were used to obtain input by staff, including discussions during monthly management and program unit meetings. The agency management team worked with the Oregon Progress Board to examine the agency’s mission, goals and performance measures.</p> <p><b>* Elected Officials:</b> Legislators reviewed the agency’s performance measures during the 75th Legislative Assembly and recommended changes for the next biennium.</p> <p><b>* Stakeholders:</b> The agency management team worked with stakeholders and Board members, to review and discuss the agency’s performance measures.</p> <p><b>* Citizens:</b> The agency’s performance measures are available on the agency’s website for citizen review and comment. Citizens are encouraged to provide public comment at monthly agency public meetings.</p>
<b>2 MANAGING FOR RESULTS</b>	<p>The agency uses its performance measures to gauge agency progress, effectiveness, efficiencies, and levels of customer satisfaction. Program managers review individual sections performance and customer satisfaction survey results to fine tune programs. Board members are provided with annual performance measure results. They are used to develop agency efficiencies and evaluate policy issues. The agency’s management team continues to analyze performance measures and their results in an effort to fine tune the measures and guarantee that these measures represent meaningful management tools.</p>
<b>3 STAFF TRAINING</b>	<p>Agency staff participated in training offered by DAS. This training was instrumental in the agency’s efforts to develop, monitor, and report its performance measures. Agency managers have reviewed measures with program staff who, in turn, have offered suggestions on fine tuning and perfecting reliable methods of collection and interpretation of data.</p>
<b>4 COMMUNICATING RESULTS</b>	<p><b>* Staff :</b> Results are reported during public Board meetings and at staff meetings.</p>



\* **Elected Officials:** Results are reported at legislative committee meetings.

\* **Stakeholders:** Stakeholder meetings are held and performance measure results are reported.

\* **Citizens:** Agency web address: [www.oregon.gov/CCB](http://www.oregon.gov/CCB) Each agency programs quarterly report reflects statistical data relating to its program. Statistics are reviewed to determine if the measure indicates cost-effectiveness. The reports are located in the Board packet materials on the agency's website and are discussed at Board meetings on a quarterly basis.

# CONSTRUCTION CONTRACTORS BOARD

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PO Box 14140  
Salem OR 97309-5052  
503-378-4621  
503-373-2007 FAX



## Interoffice Memo

**To:** Craig P. Smith, Administrator  
**From:** Gina Fox, Education Manager  
**Date:** November 26, 2012  
**Subject:** Action Item: 10.23.B.2.a -- Consumer Awareness KPM 915-002

---

During the October 23, 2012 Board meeting, you discussed with Board members KPM 915-002 (Consumer Awareness). The following includes:

1. The steps we are taking to improve through the Consumer Outreach Plan; and
2. A recommendation to seek legislative authority to modify this key performance measure (KPM).

### **Current Outreach Plan**

Based on the results of the annual survey, we are developing several cost effective ideas and working to incorporate these into the Consumer Outreach Plan.

1. Increase outreach at home shows by revised planning and research of possible home improvement shows and providing consumer workshops.
2. Increase internet presence by creating an internet-based consumer video channel: This could target the internet savvy users when searching the internet for home remodeling, or home improvement. Topics such as:
  - Best practices for searching for a contractor
  - What should be in a contract
  - Why a licensed contractor
3. Create a targeted consumer speech program: In this targeted plan, each year the Education section would create a speech/workshop dedicated to a specific subject and market that to civic organizations, governmental and elder-assisting non-profit agencies and home show producers for consumer workshops groups.
  - Breaking the silence when construction fraud targets the elderly
4. Develop CCB presence at building permit offices: Staff would research the possibility of creating a CCB presence by supplying permit offices with CCB publications aimed at homeowners.

### **Modification of KPM**

The current measure is based on all Oregon home and property owners. The use of all Oregon home and property owners fails to accurately measure the performance of CCB's Consumer Outreach Program, whose focus is largely targeted to home and property owners planning or have construction projects.

Due to the downturn in the economic conditions, in 2009 the Legislature eliminated the \$500,000 consumer outreach budget. This significantly reduced the agency's efforts to reach all Oregon homeowners. Our limited resources were best utilized on our primary target audience: Oregon homeowners planning or have home improvement projects.

The best way to reach our target audience is at the home improvement and remodeling shows. Though the reduction in funds eliminated our ability to pay for space at the shows, many show producers (but not all) saw the value in agency attendance and compensated booth space.

In 2007, Senator Bates suggested a more accurate measure would be based on home or property owners that have had construction services in the past five years. Since that suggestion, the agency tracked this separately and believes it is likely the most accurate picture of the program<sup>1</sup>.

I recommend seeking approval for Senator Bates' suggested measure.

### **Challenges**

The agency faces significant challenges in its consumer outreach.

1. Loss of funding for consumer outreach.
2. Recognition of the agency as a trustworthy source.

Though the survey data supports year after year a majority of homeowners recognize the importance of using licensed contractors (since 2010 this has remained consistent at 93 percent), many do not take the necessary step of verifying the license. Most common themes when asked why they did not verify the license was 'trust' in their contractors, trust their own judgment and mistrust of governmental agencies.

3. Limited resources are likely for the future. It will be important to use social media and internet experiences as that consumer population grows.

### **Summary**

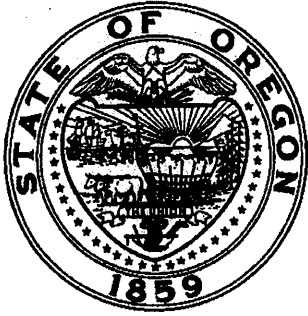
The survey results can be improved upon.

Reviewing and increasing our efforts in what we currently do is important. The addition of consumer videos should target those planning home projects but are not interested in attending shows.

By measuring with the demographic we now focus on, we can accurately evaluate the program and plan accordingly.

---

<sup>1 1</sup> KPM #2 using home and property owners that had a recent construction project (2009 – 79%) (2010– 79%) (2011– 79%) (2012– 83%)



# **Construction Contractors Board**

## **Education Section**

### **2011-13 Consumer Outreach Plan**

Submitted by:

Gina Fox, Education Manager  
Nancy Weber, Education Specialist  
Tori Garcia, Communications Specialist  
Holly Eilertson, Education Assistant

November 28, 2012

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## **1.0 Executive Summary**

### **1.1 INTRODUCTION**

The Construction Contractors Board (CCB) is the state agency licensing construction contractors since 1971. The agency currently licenses more than 39,000 construction businesses.

The structure of the CCB protects Oregon home and property owners by holding contractors accountable for their business practices. This is done through Licensing, Dispute Resolution Services, Enforcement, Field Investigations and Education.

The Consumer Education program is one of five education programs<sup>1</sup> under the Education section. It is dedicated to educating homeowner's on the things they can do to have a successful construction project. Most outreach is by live contact (workshops, community group presentations, attendance at home improvement shows). In 2011 we attended 21 home shows and other booth events around the state and gave 12 presentations to community groups. In the 2008 we created radio spots for an advertising campaign but due to the economic downturn, this funding was suspended.

The program's performance is measured by a state wide survey providing results on consumer awareness (KPM 915-002).

### **1.2 PROGRAM GOAL**

The goals of the Consumer Education Program are:

1. Reduce the number of construction related disputes due to poor consumer decisions.
2. Encourage consumers to go to the CCB website to verify a contractor's license before asking for a bid or entering into any agreements.
3. Encourage consumers to insist upon a thoroughly written contract.
4. Educate consumers about their rights and responsibilities in a construction project.
5. Encourage consumers to rely on the facts and information available through the CCB and its website, other than their "instincts" when hiring a contractor.

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<sup>1</sup> Pre-Licensure Education, Continuing Education, Home Inspector Education and Locksmith Education make up the other four programs.

### **1.3 STAFFING**

The Consumer Education program is coordinated and implemented by the Education Specialist, who additionally coordinates and implements the pre-licensure education program. This additional responsibility was necessary due to the implementation of the Continuing Education program and the position authorized in the 2011-13 Budget to cover the workload was not filled due to economic conditions.

### **1.4 CONSUMER EDUCATION PROGRAM (OVERVIEW)**

Much of the consumer education outreach is through live contact (workshops, community group presentations, attendance at home improvement shows). We additionally reach consumers through a consumer-friendly website and consumer publications.

The Education Specialist is responsible for:

- Managing contracts for home show venues;
- Attending at home show events;
- Give workshops and presentations to consumers;
- Assists in revisions of consumer related publications and website information;
- Coordinates annual homeowner survey;
- Researches opportunities for additional consumer outreach;
- Assists in program evaluation and improvement.

### **2.0 CONSUMER EDUCATION RESEARCH**

Based on staff research, the Consumer Education Plan is developed with the following in mind:

- Even though there are other consumer protection groups in Oregon, the CCB is the key organization charged with preventing and resolving construction disputes.
- According to the Census, approximately 66.3 percent of Oregonians own their own 2010.<sup>2</sup>

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<sup>2</sup> <http://www.census.gov/compendia/statab/2012/tables/12s0993.pdf>

- According to the most recent annual consumer survey, about 63 percent of the state's homeowners know about the CCB and what it does. About 75 percent of homeowners that contracted for work on their home indicate that the contractor they used was licensed by the CCB but only 36 percent verified the contractor's license.<sup>3</sup>
- About 70 percent of homeowners indicate that prior to any future hiring, they would first verify the contractor's license, while 18 percent said they would not.<sup>2</sup>
- Of the approximately 200 complaints received by the CCB-DRS each month, about 63% are consumer vs. contractor complaints.
- A majority of the enforcement actions taken by the CCB's Special Investigations Unit involve consumers as victims of scams, theft or fraud.
- The agency believes there are large numbers of construction disputes are resolved outside the CCB through the court system.

### 3.0 CONSUMER EDUCATION CHALLENGES

To reach the program goals, it is necessary recognize the many challenges facing the program. The staff experience and research indicate the following:

- Many homeowners trust in their instincts, believing they will never be cheated or would recognize a scam. They may also trust what the contractor tells them or what their friend referring the contractor says, making it difficult for homeowners to accept CCB's message.
  - According to the 2011 Homeowner survey 93% of the homeowners surveyed strongly agree or somewhat agree it is important to use properly licensed contractors.
  - In the same survey only 70 percent said they would be likely to check a contractor's license in the future.
  - Of the 166 home/property owners who said they would not verify the license, 22% said they know the contractor and 21% said they would ask around and get referrals.
- The agency focuses much of its resources at home shows where we can target homeowners planning construction projects. Of the 500 people surveyed only 41% had attended a home show in the past year. This percentage is down 7% from the last survey.
- Home show producers have cut back on the number of shows due to economic factors resulting in less outreach opportunities.
- Consumers tend not to pay attention to CCB information until after they have a problem.
- The homeowners not attending home shows, do research on the web or belong to organizations where the CCB publicizes its services are harder to reach and public service announcements are limited or unavailable.

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<sup>3</sup> CCB Homeowner Survey, Intercept Research, November 2011.



- A large number of consumers choose a contractor based solely on cost. They are willing to risk using an unlicensed contractor, often have unrealistic expectations of what their money will buy, and are shocked and disappointed with the results.
- The media's focus on construction related consumer problems make it difficult for more proactive types of news stories.
- With limited staff resources and the recent increase in legislative mandates, the education specialist must focus nearly 50 percent of time on CCB pre-licensure program.

## 4.0 LONG TERM PLANNING

### 4.1 TARGET AUDIENCE

- Homeowners having new construction, remodeling or home repairs done.
- Buyers purchasing, remodeling and repairing newly-built homes.
- Vulnerable homeowners
  - Elderly
  - Trusting
  - Live alone
  - Churches (Often hire unlicensed contractors to work on the church.)
- Community groups
  - Neighborhood associations
  - Homeowner associations
  - Senior centers
  - Rotary
  - Kiwanis
  - Elks
  - Lions
  - Chamber of Commerce
  - Etc.
- Agencies
  - DCBS (Insurance, Securities, BCD)
  - DOJ
  - DHS (Senior/Disabled Services)
  - Oregon Housing and Community Services
  - Local government
    - ◆ Building officials
    - ◆ Other govt.
- Partners
  - Real estate agents
  - Title/escrow professionals
  - Senior Centers

- Lenders
- Landlords
- Materials suppliers (hardware stores)
- Trade associations
- Permits Protect group
- DCBS SAFE Organization
- Community College Adult Education programs (Chemeketa Project)
- Governor's Task Force Protecting the Elderly

## 4.2 KEY MESSAGES

### **General CCB**

- The CCB licenses contractors, resolves disputes, educates consumers and contractors, and enforces laws affecting the construction industry. OR
- The CCB is the state agency that regulates and licenses the construction industry in Oregon.
- All construction contractors must be licensed with the CCB. OR
- Individuals or businesses must be licensed with the CCB if they do construction, remodeling, repairs, alterations or improvements to real property for compensation or with the intent to sell.

### **Finding and Selecting a Contractor**

- Know your contractor. Verify a contractor's license at [www.hirelicensedcontractor.com](http://www.hirelicensedcontractor.com) or by calling 503-378-4621.
- Check to make sure the contractor's license is active, the bond and insurance are current, the contractor's complaint and disciplinary history are satisfactory and that the contractor doesn't have unpaid construction debts.
- Choosing a contractor with an active CCB license means the contractor can legally work in Oregon, offers some financial protection through bond and insurance and gives you access to the CCB's dispute resolution services.
- Develop a list of potential contractors.
- Verify a contractor's license is active before asking for a bid.
- Interview several potential contractors. Ask each contractor for references.
- Don't automatically accept the lowest bid.

### **Working with a Contractor Basic**

- Plan your project carefully. Know your budget. Know specifics about what you want.
- Use a written contract and written change orders. Read the contract before signing it.
- Communicate. Ask questions before and during the project. Have reasonable expectations.

- Get necessary building permits. Although most contractors will get permits for you, you are ultimately responsible for them.
- Pay wisely.
- Keep good written records.
- If a problem occurs, try first to resolve it with the contractor. If unable to resolve, contact the CCB about filing a complaint.

### **Working with a Contractor Advanced**

- Think carefully before becoming an owner-builder.
- Avoid construction liens.

### **Scams**

- Be wary of door-to-door and telephone solicitations.
- Look for scam warning signs.
  - Fake references from neighbors.
  - Offer to use leftover materials.
  - Want 100 percent payment up front.
  - Use high pressure tactics. No time to think it over.
  - Fake CCB numbers.
- Take the time to check out a contractor.
- Report fraudulent, suspect activity to CCB or local police.

### **Home Inspectors**

- Individuals who inspect two or more components of a home must be certified and licensed with CCB. Verify certification and licensure by calling 503-378-4621 or visiting [www.hirelicensedcontractor.com](http://www.hirelicensedcontractor.com)
- Inspector must have CCB license, but not certification if doing a WDO (pest and dry rot) inspection as part of a real estate transaction.
- An inspection is an educated opinion, not a guarantee.
- Some deficiencies can only be found by tearing apart a structure, which inspectors do not do.
- A written contract is required for all home inspections. Read it and ask questions **before** the inspection.
- The inspection contract may include a clause that limits the inspector's liability. Read it carefully.
- It's a good idea to be present at the inspection and to discuss findings with the inspector.
- If major repairs are recommended, consider getting a second opinion from a contractor before making a buying decision.
- Be careful about do-it-yourself repairs.

### **Liens**

- What is a lien? Construction liens have been a part of Oregon law for over 100 years. Under this law, anyone who constructs improvements on property or supplies materials, equipment or services for improvements

and is not paid has a right to go to court to collect payment against the property. In other words, if the general contractor isn't paid or doesn't pay subcontractors, laborers or material or equipment suppliers, anyone who is unpaid may look to the property owner for payment through recording a lien.

- This is a complicated issue that consumers should be aware of and be prepared to seek legal advice if necessary.
- Some basic information is available from CCB. (website)
- For additional information, consult an attorney who specialized in construction liens.

### **Permits**

- Usually contractors obtain permits for customers, but ultimately, the customer is responsible for making sure the required permits are obtained.
- For more information about permits, visit [www.permitsprotect.info](http://www.permitsprotect.info) or contact your county building official.

## 5.0 CONSUMER OUTREACH PLAN (2011-2013)

### 5.1 TARGET GOALS

- A. Increase outreach at home shows
- B. Increase internet presence
- C. Develop and market a target presentation
- D. Develop CCB presence at building permit offices

### 5.2 OBJECTIVES, TARGET AUDIENCE, STRATEGIES AND TACTICS

#### Target Goal A: Increase outreach at home shows

##### Target Audience:

- Homeowners planning to improve, remodel and repair existing homes.
- Homeowners planning to build new homes.

**Strategy 1:** Plan an anticipated calendar of shows based on previous year.

##### Tactics:

- Create a tentative calendar based on the previous year

**Strategy 2:** Add new Oregon home shows

##### Tactics:

- Internet research on home and remodeling shows that we are not currently attending.
- Contact any show producers that are found.

**Strategy 3:** Increase consumer workshops at home shows.

##### Tactics:

- After scheduling participation, contact show producers to offer a consumer training

**Strategy 4:** Increase booth attraction

##### Tactics:

- Re-examine give-away items
- Use video loops

*Objective A Measure: Report numbers of strategy 1 – 3; Comparison chart of booth contacts; general survey of booth contacts about why they stopped at the booth.*

#### Target Goal B: Increase the internet presence of CCB

**Target Audience:**

- Internet surfing consumers
- Homeowners that don't attend home shows

**Strategy 1:** Re-examine the consumer website information.

**Tactics:**

- Information review
- Search function for licensed contractors

**Strategy 2:** Develop web-based video channel and videos.

**Tactics:**

- Create a separate U-Tube channel for Consumers
- Create a plan for developing videos
- Create a script for a short video on "Why a license contractor is important".

*Target Goal B Measure: Number of visits.*

**Target Goal C: Develop and market targeted presentations/workshop.**

**Target Audience:**

- Community groups
- Vulnerable Oregon homeowners and families

**Strategy 1:** Develop a plan for target presentations

**Tactics:**

- Identify the Who, what, when, where, how and how many

**Strategy 2:** Create a high profile theme work shop –Stopping the Silence:  
Recognizing and Reporting construction fraud

**Tactics:**

- Contact the community groups to offer to their group.
- Use for home show workshops

*Target Goal C Measures: number of presentations and attendees.*

**Target Goal D: Develop CCB presence at building permit offices.**

**Target Audience:**

- Homeowners pulling permits

**Strategy 1:** Research locations of permitting offices

**Tactics:**

- Reach out to several local to develop interest in having CCB publications at the offices.

**Strategy 2:** Develop plan for publication distribution

**Tactics:**

- Which offices
- Which publication(s)
- How to get counts/follow up on how helpful
- How to get more.
- Holders, etc

**Strategy 3:** Begin Implementation

*Target Goal D Measures: number of offices and publications.*

## 11. Reclassifications

### Abolished:

- Management Service HRA1 (X1320) - Messinger

### Upward Re-classes to eliminate long standing Work Out of Class:

- DRS Admin Assistant from AS1 C0107 \$3,236 to AS2 C0108 \$3,601
- Enforcement Admin Assistant from AS1 C0107 \$3,437 to AS2 C0108 \$3,601
- Field Investigation Admin Assistant from OS2 C0104 \$2,376 to AS2 C0108 \$2,776
- Information Technology ISS4 C1484 \$5,040 to ISS5 C1485 \$5,113
- Information Technology ISS5 C1485 \$5,278 to ISS6 C1486 \$5,997
- Field Investigator2 from C5232 \$2,856 to Investigator3 C5233 \$3,653
- Field Investigator2 from C5232 \$2,989 to Investigator3 C5233 \$3,487

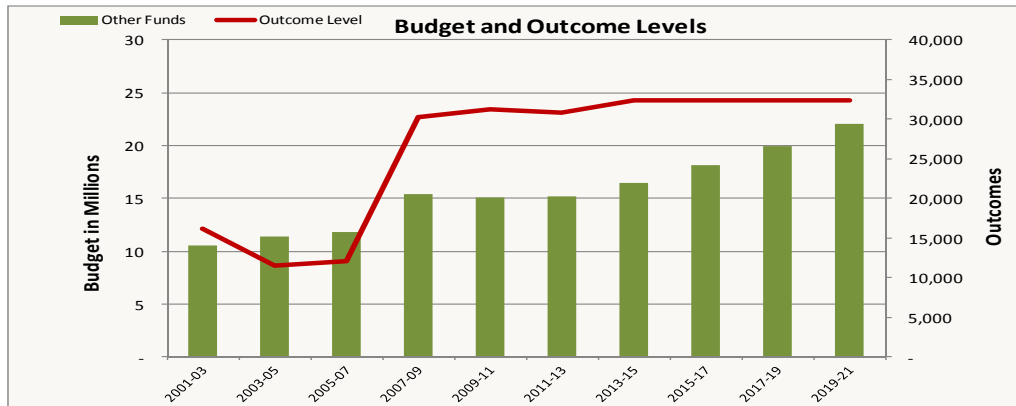
### New Hires for 2011-13:

- Services Specialist – Step 4 to fit within previous salary
- Electronic Publishing Design Spec2 – Step 6 Current state employee within state policy
- Licensing Specialist - Step 1 within range
- Licensing Specialist - Step 6 Current state employee within state policy
- Information System Specialist 3 – Step 3 Past state employee within state policy
- Information System Specialist 5 – Step 1 within range



# Construction Contractors Board: All Programs

Primary Outcome Area: Economy & Jobs  
Secondary Outcome Area: Economy & Jobs  
Program Contact: Craig P. Smith, Administrator, 503-934-2184



## Executive Summary

The Construction Contractors Board (CCB) is the Oregon state agency tasked with licensing and regulating all Oregon construction contractors.

The agency programs work collectively to identify, screen, educate, test, provide financial protections, resolve disputes, and most importantly hold contractors accountable for their business activities. Agency regulations provide protections for consumers as well as workers and serve to stabilize, provide transparency, and accountability in Oregon's construction industry. These outcomes serve to increase consumer confidence, which stimulates demand and results in increased growth for Oregon jobs and our economy.

## Program Description

### ◆ *Education*

- **Contractors:** The agency educates contractors through the administration of pre-licensure, testing, and continuing education programs. These programs are administered through public/private partnerships.
- **Consumers:** The agency educates consumers about the value, added security, and benefits of hiring properly licensed contractors, by outreach to various community organizations, issuing news releases, responding to phone inquiries, and maintaining a special consumer oriented website.

### ◆ *Licensing*

The agency issues licenses and certificates and maintains data on business entities, names, owners, agents, continuing education, liability insurance, workers compensation, and surety bonds. The agency issues licenses to a diverse group of construction related businesses that include: construction contractors, home inspectors, lead-based paint, locksmith, and the Energy Efficiency and Sustainable Technology (EEAST) businesses.

◆ ***Contractor Discipline/Accountability and Dispute Resolution***

Three related sections within the agency work collectively to encourage contractors to comply with licensing regulations and promises contained in contractor construction contracts:

- CCB Field Investigation (FIS)
- CCB Enforcement (ENF)
- CCB Dispute Resolution (DRS)

These sections respond to complaints from the public. In addition, FIS and ENF work proactively. The agency gathers information to identify possible violations. FIS performs routine job site checks, sweeps, stings, and prepares violation reports. ENF reviews information and determines whether to initiate a sanction. ENF prepares necessary notices and obtains evidence for use at hearings.

DRS resolves contract disputes that involve contractors. These disputes may be initiated by owners, other contractors, employees or material suppliers. DRS offers mediation for construction disputes involving residential contractors. Mediations typically resolve 60 percent of disputes, saving the parties from the cost of litigation. The agency arranges for bond payments when contractors are unable to pay court ordered judgments.

◆ ***Partners and Cost Drivers***

CCB partners with community and construction groups, and many state and local government agencies, including: Department of Justice, Department of Revenue, Department of Consumer and Business Services, Federal EPA, and the Oregon Health Authority (lead-based paint) to guarantee the success of its programs. Major cost drivers include decreased licensing and increased unlicensed activity driven by a weak economy. Increased complaints may result from financial failure in a weak economy or increased homebuilding in a strong economy.

**Program Justification and Link to 10-Year Outcome**

CCB's programs operate in the context of "local business" rather than the "traded sector" market for goods and services outside Oregon. Its primary impact is on construction industry; and Oregon consumers that purchase construction industry goods and services.

Due to the great recession and tightening of money markets, the Oregon construction industry has declined significantly. Nevertheless, Oregon's construction industry is on the rebound and will benefit from the accountability and stabilization afforded by the agency's programs. Contractor accountability and proper financial protections for consumers will become even more important over the next ten years. Construction jobs are estimated to increase from 2010 to 2020 by 27 percent. Fridley, Dallas, "Construction Last Out of Recession," Oregon Employment Department, January 6, 2012, <http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00005457>.

The agency focuses on contractor accountability, consumer protection, a level-playing field for contractors, education, and enforcement. The agency encourages competition and growth in the construction contracting industry. CCB focuses on providing cost-effective, common sense regulatory services:

- Provides "one stop" access for construction contractors, which includes education, testing, licensing, and dispute resolution services.
- Maximizes resources by leveraging technology and offering an ever increasing variety of business activities with agency online services.
- Ensures that the licensing process is respectful, timely, and responsive to stakeholder needs.
  - Uses well-trained staff to provide answers in a "call center" format or by e-mail response.
- Applies bottom-up process for policy and program design, incorporating community and contractor involvement.
  - The Board is composed of nine-members appointed by the Governor.
  - CCB uses advisory committees and stakeholder meetings.

**Program Performance**

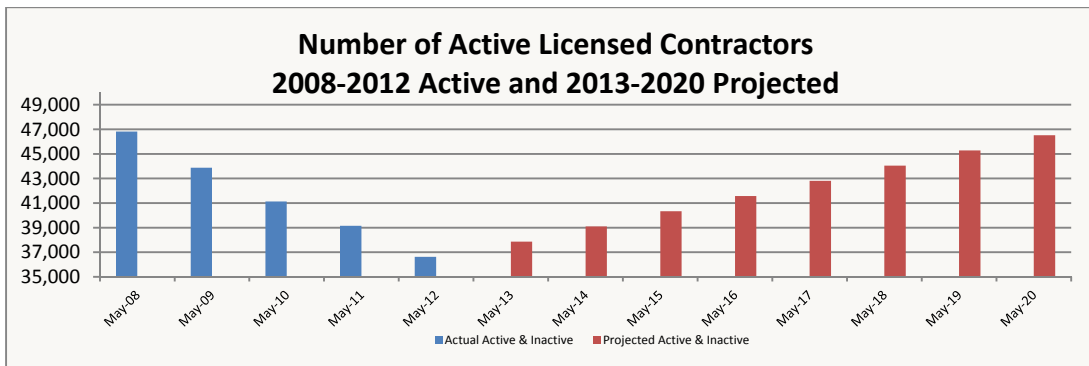
◆ **Number of Licenses**

As of April 2012, active licensees numbered as follows.

Business Licenses	Number	Individual Licenses	Number
• Contractor	34,551	• Home Inspector	428
• EEAST	62	• Lead Work (4 licenses)	75
• Lead – Abatement	15	• Locksmith	422
• Lead – Inspection	22		
• Lead – Renovation	4,200		

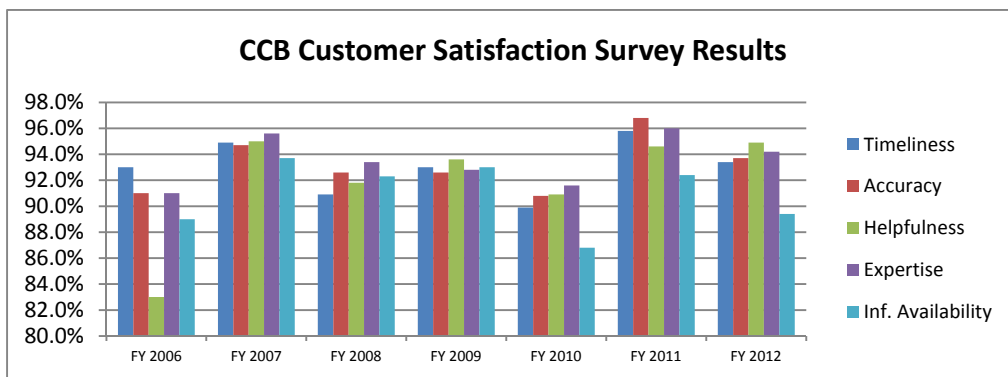
◆ **License Forecast**

Assuming a 27 percent increase in construction jobs as forecast by “Construction Last Out of Recession,” will translate into an equal increase in licensees, we forecast the following increased workload for the agency. The chart below illustrates the number of CCB licenses issued from May 2008 through May 2012. The red bars forecasts the projected number of licenses (an increase of 1,236 per year). By 2020 it is predicted that the agency’s number of licensees will have returned to 2008 levels.



◆ **Quality and Timeliness of Services**

The chart below indicates the percent of survey respondents that rated services provided by CCB’s Customer Service Unit as “excellent” or “good.”



◆ **Cost per Service Unit**

The chart on page one is based on:

- CCB’s legislatively approved budget (green bars), and
- “Accountability” Service Levels, which adds together the following: (red line)
  - ENF warnings,

- ENF final orders,
- FIS complaints,
- FIS job checks,
- FIS incident reports,
- DRS claims, and
- DRS investigation/mediations.

CCB estimates that approximately 75 percent of its budgeted resources are used for service levels as outlined above. The remaining 25 percent is licensing activity. On that basis, CCB’s cost per service unit is as follows.

<b>Cost Per Unit</b>	<b>2001–03</b>	<b>2003–05</b>	<b>2005–07</b>	<b>2007–09</b>	<b>2009–11</b>
Licensing Service Level	\$65.39	\$66.48	\$64.22	\$88.81	\$96.89
Accountability Service Level	\$487.61	\$743.51	\$737.54	\$381.12	\$362.33
<b>Total Cost Per Service Unit</b>	<b>\$553.00</b>	<b>\$809.99</b>	<b>\$801.76</b>	<b>\$469.93</b>	<b>\$459.45</b>

Licensing cost per unit has increased as the number of licenses has declined due to the construction downturn. In 2007, CCB significantly increased quantity of field investigations (thereby reducing cost per unit) by eliminating contracted investigators and adding the FIS. CCB anticipates it will need to increase its enforcement activity to promote strong economic growth in the future.

**Enabling Legislation/Program Authorization**

The program is created by the Oregon Construction Contractors Licensing Act, ORS chapter 701.

**Funding Streams**

CCB is funded through licensing fees, dispute resolution fees, continuing education program charges, provider approval fees, and civil penalties. Such funds are continuously appropriated for the use of CCB’s programs. The agency returns 80 percent of the ordinary civil penalty revenue to the General Fund (approximately \$1,000,000 per biennium).

**Significant Proposed Program Changes from 2011-13**

None.

## Jobs & Innovation: 10-Year Goals, Strategies & Metrics

10-YEAR GOAL What we want to accomplish	STRATEGIES How we get there	SUCCESS METRICS How we measure progress
<p><b>Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians.</b></p>	<ul style="list-style-type: none"> <li>• Prepare Oregon's workforce for the 21st century economy.</li> <li>• Drive down the cost of doing business in Oregon by reforming major cost drivers like health care.</li> <li>• Grow Oregon's traded sector and industry clusters.</li> <li>• Leverage Oregon's global competitive advantage for industries like advanced manufacturing, clean technology, high technology, forestry products, specialty agriculture and apparel.</li> <li>• Seed innovation and bring new ideas to market through Signature Research Centers.</li> <li>• Increase access to capital, markets, and support for small businesses.</li> <li>• Improve the regulatory environment for large and small businesses.</li> <li>• Leverage private dollars for investments in local infrastructure.</li> <li>• Revamp workforce training to better align with employer needs.</li> <li>• Support regional solutions and align local, regional, and state economic development priorities.</li> <li>• Increase access to opportunities for state contracts among minority- and women- owned businesses.</li> <li>• Maintain a balance of sustainable timber supply and environmental protection on private, state, and forest lands.</li> <li>• Improve access to water, land and lower energy costs for agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>• 25,000 net new jobs are created per year.</li> <li>• Oregonians are earning family wages with per capita income exceeding the national average.</li> <li>• The objectives of the Oregon Business Plan are met.</li> <li>• The value of Oregon's agricultural production and net farm income increases by an average of 5% per year over the next 10 years.</li> <li>• State contracts with minority- or women-owned businesses meet or exceed 10% of the value of all agency contracts every year where eligible firms exist.</li> <li>• More community participation directing community investment priorities.</li> </ul>

## Jobs and Innovation

**Forest Collaboratives** – The Governor’s budget provides \$4.5 million of Lottery-backed bond proceeds to fund the implementation of forest collaborative projects to increase timber supply to mills in central and eastern Oregon. The state intends that this funding will be contingent on commitments by the U.S. Forest Service to provide land-term supply agreements for key mills in this part of the state. The budget also provides \$1.6 million in Lottery-backed bond proceeds for efforts to provide a sustainable supply of timber from federal Oregon California Revested Grantlands (O&C lands).

**State Fair** – The Governor’s budget maintains funding of \$3.8 million Lottery funds for the operations of the Oregon Exposition Center (State Fairgrounds).

### Jobs and Innovation Programs

Page	Program	GF/LF	OF/FF	Total funds
E-7	Agricultural Experiment Station	51.8	-	51.8
E-7	Agriculture Market Access and Development	4.4	20.9	25.3
E-8	Aircraft Registration	-	0.1	0.1
E-8	Airport Capital Construction	-	0.4	0.4
E-8	Airport Pavement Maintenance	-	2.0	2.0
E-9	Alcoholic Beverage Public Safety Services Prog	-	17.0	17.0
E-9	Aviation Operations and Oversight	-	4.1	4.1
E-10	Basic Rehabilitative Services	16.4	66.9	83.3
E-10	Blind Rehabilitative Services	0.5	7.9	8.4
E-11	Bridge Inspection and Preservation	-	372.3	372.3
E-11	Business and Employment Services	-	105.4	105.4
E-12	Business Development Lottery Bond Debt Service	56.4	5.0	61.4
E-12	Business Enterprises for the Blind	-	0.7	0.7
E-12	Business, Innovation, Trade	70.4	32.0	102.4
E-13	CCWD Federal and Other Support	-	112.5	112.5
E-13	Clean Water Revolving Fund	-	111.9	111.9
E-14	Construction Contractors Board	-	15.9	15.9
E-14	Distilled Spirits Program	-	21.9	21.9
E-15	Energy Development Services	3.4	198.5	201.9
E-15	Environmental Quality Cross Program/Regional Solution	0.7	1.2	1.9

## Jobs and Innovation

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environment by offering financial assistance to communities and special districts for water pollution control projects to meet the demands of growing populations and expanding economies. The Governor's budget for this program is \$111.9 million total funds, comprised mostly of bond proceeds, federal grants, interest income, and loan repayments. The Governor's budget will provide approximately \$110 million in loans to around 30 communities to improve wastewater treatment systems and mitigate nonpoint source pollution, with a special focus on providing technical assistance to small communities. The Nonlimited portion of the CWSRF program does not include positions.

### Construction Contractors Board:

The Construction Contractors Board encourages competition and growth in the construction contracting industry, focuses on contractor accountability, and protects the public interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through testing and licensing contractors, investigating complaints, adjudicating claims, and educating customers and contractors. The Board oversees approximately 39,000 licensed contractors, conducts field investigations, enforcement, and dispute resolution.

The Governor's budget for this program is \$15.9 million Other Funds. The Construction Contractors Board is funded by Other Funds, primarily through registration and renewal fees. In the agency's annual survey, 77 percent of Oregonians stated they believe it is important to use a properly licensed contractor when having work done on their home or property. This same survey found that homeowners also believe the Oregon regulatory requirements for contractors are at an appropriate level. The Governor's budget supports increasing the two year licensing and renewal fee from \$325 to \$365. This fee increase is estimated to generate an additional \$1.4 million in revenues during the 2031-15 biennium and will provide the agency with an estimated ending balance equivalent to roughly three months of operating expenditures.

### Distilled Spirits Program:

The Oregon Liquor Control Commission Distilled Spirits program makes available a broad selection of more than 2,000 distilled spirits items. As designed by the Oregon Liquor Control Act, the state-controlled system generates significant government revenue but avoids practices that would promote excessive consumption. The OLCC centrally selects, purchases, warehouses, and distributes bottled spirits to 249 liquor stores, even to locations in the farthest reaches of the state, and ensures uniform pricing statewide. It operates a Milwaukie Distribution Center that safeguards \$30 million worth of vendor-owned spirits inventory. The program coordinates the appointment of and oversees contracted liquor agents' operation of the stores, ensuring quality of services to the public and the more than 4,600 businesses licensed to sell distilled spirits.

The state's control of the distribution of alcohol affects the administrative details but not the general level of economic activity related to alcohol distribution in Oregon. It may boost the general level of alcohol production and related employment in Oregon by providing shelf space to Oregon distillers that otherwise may have difficulty gaining shelf space. The Governor's budget for this program is \$21.9 million and funds 71 positions. The revenue source is liquor sales. This budget continues the program's current level

# Construction Contractors Board Budget and Finance Services

## MEMO

**DATE:** February 20, 2013  
**TO:** Craig P. Smith  
Administrator  
**FROM:** Stan Jessup  
Budget and Finance Manager  
**SUBJECT:** Revenue Documents

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Attached are the Construction Contractors Board Revenue documents.



## 2013-15 GBB DRAFT SUMMARY

### SUMMARY

A	CSL Beginning Balance	\$1,909,951	Equals Estimated Ending Balance in 11-13 LAB
B	Adjust from 09-11 Bien	\$1,126,653	From Actuals in 09-11 vs 09-11 LAB
C	Estimated CSL Revenue	\$14,005,040	From Revenue Estimates 13-15
	POP 100 Fee Increase to \$365	\$1,431,200	
D	Total Available Revenue	\$18,472,844	SUM of A+B+C+POP
	DAS Reductions from ARB	(\$513,948)	
	CSL Expenditures	\$16,458,661	
E	Total GBB Expenditures	\$15,944,713	
F	Projected Ending Balance	\$2,528,131	SUM of D - E
G	10% Reduction	\$1,594,471	10% of GBB Expenditures (E)
H	3 Month Ending Balance	\$1,993,089	GBB Divided by 24 times 3

**Projected BASE Revenue July 2011-June 2013  
New Apps Projected at 325/mo  
Renewals Projected at 75% Average Renewal Rate**

A	B	C	D	E	F	G	H	I	J	K	L	M	N
	No. of Projected Expirations	Projected Renewals (75% renewal rate)	Projected Renewal Revenue (\$365)	Projected New Licenses per month	Projected New License Revenue (\$365)	Claim Processing Fees	Lead Base Paint	Locksmith	Continuing Education	Civil Penalties	LBP Civil Penalties	All Other Fees (Incl Home Inspector)	Total Projected Revenue (see below)
1	1,698	1,290	\$470,850	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$668,423
2	1,603	1,218	\$444,570	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$642,143
3	1,434	1,090	\$397,850	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$595,423
4	1,523	1,157	\$422,305	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$619,878
5	1,285	977	\$356,605	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$554,178
6	1,284	976	\$356,240	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$553,813
7	1,546	1,175	\$428,875	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$626,448
8	1,684	1,279	\$466,835	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$684,408
9	2,129	1,618	\$590,570	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$788,143
10	1,999	1,520	\$554,800	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$752,373
11	1,935	1,470	\$536,550	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$734,123
12	2,104	1,599	\$583,635	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$781,208
13	1,594	1,212	\$442,980	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$639,953
14	1,504	1,143	\$417,195	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$614,768
15	1,348	1,024	\$373,760	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$571,333
16	1,430	1,087	\$396,755	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$594,328
17	1,206	917	\$334,705	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$532,278
18	1,206	917	\$334,705	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$532,278
19	1,447	1,099	\$401,135	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$598,708
20	1,583	1,203	\$439,095	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$636,668
21	1,926	1,464	\$534,360	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$731,933
22	1,792	1,362	\$497,130	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$694,703
23	1,711	1,300	\$474,500	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$672,073
24	1,583	1,203	\$439,095	270	\$98,550	\$4,000	\$14,000	\$1,375	\$54,938	\$11,250	\$2,860	\$13,460	\$636,668
25	<b>38,552</b>	<b>29,300</b>	<b>\$10,694,500</b>	<b>6,480</b>	<b>\$2,365,200</b>	<b>\$96,000</b>	<b>\$336,000</b>	<b>\$33,000</b>	<b>\$1,318,500</b>	<b>\$270,000</b>	<b>\$68,640</b>	<b>\$223,040</b>	<b>\$15,436,240</b>
26													
27													
28													
29													
30													
31													

July 2013-January 2014 based on actual expirations (Crystal Report "Licensing Stats-CCB Expirations")

February 2014 - June 2015 expirations determined as follows:

Example: February 2012 Expirations of 1791 - 6% = 1684 net expirations for February 2014 with 76% of those renewing (1279 net for Feb 2014)

\$0

## 2013 - 2015 REVENUE PROJECTION ASSUMPTIONS

<b>Renewals</b>	<p>The average renewal rate from July 2011-February 2012 is 76.5%. Based on biennial historical data and some economic recovery, CCB projects a 76% average renewal rate for 2013-2015 at \$325 per 2-year license. CCB anticipates 38,552 expirations for 2013-15.</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Calendar Period</u></th> <th style="text-align: center;"><u>Renewal Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">July 2001 - June 2003</td> <td style="text-align: center;">76.3%</td> </tr> <tr> <td style="text-align: center;">July 2003 - June 2005</td> <td style="text-align: center;">80.1%</td> </tr> <tr> <td style="text-align: center;">July 2005 - June 2007</td> <td style="text-align: center;">81.7%</td> </tr> <tr> <td style="text-align: center;">July 2007 - June 2009</td> <td style="text-align: center;">77.1%</td> </tr> <tr> <td style="text-align: center;">July 2009 - June 2011</td> <td style="text-align: center;">75.5%</td> </tr> </tbody> </table>	<u>Calendar Period</u>	<u>Renewal Rate</u>	July 2001 - June 2003	76.3%	July 2003 - June 2005	80.1%	July 2005 - June 2007	81.7%	July 2007 - June 2009	77.1%	July 2009 - June 2011	75.5%	<p>38,552 x .76 = 29,300 x \$365</p> <p><b>\$10,694,500</b></p>
<u>Calendar Period</u>	<u>Renewal Rate</u>													
July 2001 - June 2003	76.3%													
July 2003 - June 2005	80.1%													
July 2005 - June 2007	81.7%													
July 2007 - June 2009	77.1%													
July 2009 - June 2011	75.5%													
<b>New Licenses</b>	<p>CCB assumes the improving economy will result in a slightly higher number of people becoming licensed contractors. Based on current economic data, CCB projects an average of 270 new contractor licenses each month at \$325 per 2-license period.</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Calendar Period</u></th> <th style="text-align: center;"><u>New License Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">July 2001 - June 2003</td> <td style="text-align: center;">330</td> </tr> <tr> <td style="text-align: center;">July 2003 - June 2005</td> <td style="text-align: center;">417</td> </tr> <tr> <td style="text-align: center;">July 2005 - June 2007</td> <td style="text-align: center;">473</td> </tr> <tr> <td style="text-align: center;">July 2007 - June 2009</td> <td style="text-align: center;">377</td> </tr> <tr> <td style="text-align: center;">July 2009 - June 2011</td> <td style="text-align: center;">269</td> </tr> </tbody> </table>	<u>Calendar Period</u>	<u>New License Rate</u>	July 2001 - June 2003	330	July 2003 - June 2005	417	July 2005 - June 2007	473	July 2007 - June 2009	377	July 2009 - June 2011	269	<p>270 x 24 mo. = 6480 X \$365</p> <p><b>\$2,365,200</b></p>
<u>Calendar Period</u>	<u>New License Rate</u>													
July 2001 - June 2003	330													
July 2003 - June 2005	417													
July 2005 - June 2007	473													
July 2007 - June 2009	377													
July 2009 - June 2011	269													
<b>Lead Base Paint</b>	<p>2013-15 monthly average should remain stable at 280 LBPR licenses and renewals at \$50.</p>	<p>280 x 24 x \$50</p> <p><b>\$336,000</b></p>												
<b>Locksmith</b>	<p>Projected Locksmith Revenue 2013-2015</p>	<p>Current Average \$1,375 per month x 24 months.</p> <p><b>\$33,000</b></p>												
<b>Home Inspector Fees</b>	<p>Based on current Home Inspection Certifications, it is projected that renewal and new certifications will remain relatively unchanged for 2013-15.</p>	<p>Roughly the equivalent of 18 renewals (\$2,758)</p> <p><b>\$66,200</b></p>												
<b>EEAST</b>	<p>It is projected that the revenue from EEAST Certifications will remain consistent at 4.5 certificates/renewals per month @\$50 each.</p>	<p>4.5 x 24 x \$50</p> <p><b>\$5,400</b></p>												
<b>DRS Complaint Processing Fee</b>	<p>The monthly average for 2011-13 has been 70 filing fees collected per month. It is anticipated that as the economy improves homeowners will use contractors' services more, causing an increase in complaints. CCB projects complaints that the agency has jurisdiction over will be approximately 80 Complaints filed per month @ \$50</p>	<p>80 x \$50 = \$4,000 x 24 mo.</p> <p><b>\$96,000</b></p>												

<p><b>Civil Penalties</b></p>	<p>CCB is projecting civil penalty receipts in the amount of \$1,350,000 during 2013-15; the agency retains 20%.</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">\$1,350,000</td> <td>Projected Receipts</td> </tr> <tr> <td><u>-\$1,080,000</u></td> <td>Transfer to General Fund</td> </tr> <tr> <td>\$ 270,000</td> <td>Net Retained by Agency</td> </tr> </table>	\$1,350,000	Projected Receipts	<u>-\$1,080,000</u>	Transfer to General Fund	\$ 270,000	Net Retained by Agency	<p>\$1,350,000 (avg) \$56,250/mo) x 20% = \$270,000</p>	<p><b>\$270,000</b></p>
\$1,350,000	Projected Receipts								
<u>-\$1,080,000</u>	Transfer to General Fund								
\$ 270,000	Net Retained by Agency								
<p><b>Lead Paint Civil Penalties</b></p>	<p>It is difficult to project with certainty how much LBP civil penalty debt will be collected. CCB is projecting collections of \$68,640 during 2013-15; the agency retains 100% for use on Lead Based Paint Activities.</p>	<p>\$2,860 avg/mo x 24 mos</p>	<p><b>\$68,640</b></p>						
<p><b>Continuing Education</b></p>	<p>CCB projects that the revenue from Continuing Education will be consistent with the renewal estimates. Each renewal requires 3 hours of CCB classes at \$15/hour for a total revenue of \$45 per renewal.</p>	<p>29,300 Renewals x \$45</p>	<p><b>\$1,318,500</b></p>						
<p><b>Other Fees</b></p>	<p>Misc fees (change fees, record requests, data sales, etc..)</p>		<p><b>\$182,800</b></p>						

**TOTAL**

**\$15,436,240**

**SUMMARY OF REVENUE FY 2012-13**

		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	PROJECTED FIRST YEAR 2011-12	ACTUALS FIRST YEAR 2011-12	TOTAL ACTUAL REV FY 11-12	TOTAL ACTUAL REVENUE
Projected Revenue July 2012 - June 2013	Projected	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	530,333	691,320	236,036	766,369
	Actuals	38,058	34,237	39,844	56,246	32,133	35,518	0	0	0	0	0	0	0	0	0	0
Civil Penalties Lead Based	Projected	500	500	500	500	500	500	500	500	500	500	500	500	0	6,000	0	9,372
	Actuals	2,887	600	600	912	1,715	2,658	0	0	0	0	0	0	0	0	0	0
Civil Penalty Offsets (DOR/PC)	Projected	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	0	28,680	0	9,372
	Actuals	2,570	2,182	1,980	3,442	2,226	1,323	0	0	0	0	0	0	31,233	0	0	0
<b>Total Civil Penalties</b>	Projected	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	750,129	726,000	259,130	1,009,259
	Actuals	43,515	37,019	42,424	60,599	36,074	39,489	0	0	0	0	0	0	0	0	0	0
Civil Penalty Transfer to G.F. (AO 0200, 0202, 0204)	Projected	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(522,781)	(576,000)	(189,367)	(712,148)
	Actuals	(28,953)	(30,446)	(27,389)	(31,875)	(44,996)	(25,707)	0	0	0	0	0	0	0	0	0	0
License Renewals	Projected	413,075	387,400	343,200	360,750	322,400	305,825	446,550	519,350	612,950	585,000	558,350	556,400	4,631,833	5,411,250	2,189,215	6,821,048
	Actuals	399,635	379,675	330,385	394,600	337,755	347,165	0	0	0	0	0	0	0	0	0	0
New Licenses	Projected	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	967,374	1,053,000	363,735	1,331,109
	Actuals	72,475	67,010	56,875	61,100	53,950	52,325	0	0	0	0	0	0	0	0	0	0
Locksmith Fees	Projected	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	41,820	18,000	8,220	50,040
	Actuals	2,760	1,380	600	1,800	540	1,140	0	0	0	0	0	0	0	0	0	0
DRS Processing Fees	Projected	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	66,550	60,000	16,012	82,562
	Actuals	1,800	2,700	2,150	2,912	3,500	2,950	0	0	0	0	0	0	0	0	0	0
Lead Base Paint Fees	Projected	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	60,255	63,000	102,435	162,690
	Actuals	20,470	20,025	18,990	16,700	13,250	13,000	0	0	0	0	0	0	0	0	0	0
Education Fees	Projected	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	8,750	504,000	253,900	262,650
	Actuals	48,095	42,995	39,945	48,120	37,335	37,410	0	0	0	0	0	0	0	0	0	0
Home Inspector Fees	Projected	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	37,940	27,000	13,800	51,740
	Actuals	2,950	2,300	2,000	3,325	1,725	1,500	0	0	0	0	0	0	0	0	0	0
EEAST Fees	Projected	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Actuals	50	100	100	100	250	200	0	0	0	0	0	0	0	0	0	0
Misc Income	Projected	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	72,995	60,000	23,445	60,000
	Actuals	4,686	5,183	3,782	3,397	3,496	2,902	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUE</b>	Projected	574,325	548,650	504,450	522,000	483,650	467,075	607,800	680,600	774,200	746,250	719,600	717,650	6,114,825	7,346,250	3,041,325	7,346,250
	Actuals	567,483	527,940	469,861	560,778	442,879	472,385	0	0	0	0	0	0	0	0	0	0

**SUMMARY OF REVENUE FY 2011-12**

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	PROJECTED FIRST YEAR 2011-12	ACTUALS FIRST YEAR 2011-12	TOTAL ACTUAL REV FY 11-12
Projected Revenue July 2011 - June 2012															
Civil Penalties	Projected	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	57,610	691,320	530,333	530,333
	Actuals	46,276	50,160	41,766	48,118	34,356	54,056	47,924	53,131	41,090	47,501	36,191			
Chill Penalties Lead Based	Projected	500	500	500	500	500	500	500	500	500	500	500	6,000	40,074	40,074
	Actuals	1,850	527	4,350	1,783	2,450	3,800	5,200	3,800	2,503	5,463	5,397			
Civil Penalty Offsets (DOR/PC)	Projected	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	28,680	25,107	25,107
	Actuals	2,104	1,631	2,272	1,563	1,016	4,413	3,116	2,293	2,047	2,474	2,057			
<b>Total Civil Penalties</b>	Projected	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	60,500	726,000	595,515	595,515
	Actuals	50,230	52,318	48,388	51,464	37,823	62,269	56,240	59,225	45,641	55,438	43,645			
Civil Penalty Transfer to G.F. (AO 0200, 0202, 0204)	Projected	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)	(576,000)	(435,120)	(435,120)
	Actuals	(39,806)	(37,021)	(40,128)	(33,413)	(38,495)	(23,811)	(43,245)	(38,339)	(42,505)	(32,872)	(38,001)			
License Renewals	Projected	281,775	402,350	389,675	410,150	342,550	473,850	436,475	550,875	518,700	501,800	545,675	5,224,375	5,223,280	5,223,280
	Actuals	426,195	389,835	326,220	362,975	328,110	506,325	487,030	520,325	510,900	500,580	494,970			
New Licenses	Projected	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	87,750	1,053,000	812,055	812,055
	Actuals	65,650	68,575	64,350	57,655	54,600	62,660	69,290	83,260	82,570	81,895	75,725			
Locksmith Fees	Projected	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	25,440	25,440
	Actuals	1,080	360	1,380	480	660	1,740	4,440	3,540	2,460	2,940	5,640			
DRS Processing Fees	Projected	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	35,090	35,090
	Actuals	2,800	2,750	3,450	3,150	2,600	3,470	3,050	2,350	2,920	2,900	2,550			
Lead Base Paint Fees	Projected	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000	226,790	226,790
	Actuals	21,100	19,075	16,250	17,675	12,750	14,775	15,745	20,800	25,175	26,125	25,895			
Education Fees	Projected	36,658	36,658	36,658	36,658	42,000	42,000	42,000	42,000	42,000	42,000	42,000	482,632	526,190	526,190
	Actuals	3,505	10,390	26,350	42,725	44,840	65,340	62,425	62,745	54,825	57,630	51,570			
Home Inspector Fees	Projected	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000	36,250	36,250
	Actuals	3,575	3,300	1,400	2,450	2,900	2,825	3,850	3,825	3,350	3,925	3,050			
EEAST Fees	Projected	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Actuals	0	50	150	0	100	200	500	700	630	150	0			
Misc Income	Projected	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	53,578	53,578
	Actuals	3,945	5,000	3,997	4,466	3,826	5,131	4,524	4,647	5,022	4,894	4,387			
<b>TOTAL REVENUE</b>	Projected	437,683	558,258	545,583	566,058	503,800	635,100	597,725	712,125	679,950	663,050	706,925	7,138,007	7,102,297	7,102,297
	Actuals	538,274	514,632	451,807	509,628	449,714	701,124	663,849	723,078	690,988	703,605	669,431	0		

**ESTIMATED REVENUES FOR 2013-15 BUDGET PREPARATION  
CONSTRUCTION CONTRACTORS BOARD**

BUDGET #	AGENCY OBJECT		POP 100 Fee Increase	2013-15 PROJECTED BASE REVENUE
0025	<b>BEGINNING BALANCE</b>			<b>\$1,909,951</b>
0030	<b>Actuals Beginning Balance Adjustment</b>			<b>\$1,126,653</b>
0205	208	CCB CHANGE FEE		
0205	215	LEAD PAINT LICENSING		\$336,000
0205	216	EEAST FEES		\$5,400
0205	217	DRS CLAIMS FILING FEE		
0205	223	HOME INSPECTOR APPLICATIONS		\$4,800
0205	224	HOME INSPECTOR EXAMS FEES		\$2,900
0205	225	HOME INSPECTOR CERTIFICATES		\$10,500
0205	226	HOME INSPECTOR CERTIFICATIONS RENEWALS		\$48,000
0205	230	PUBLIC WORKS ESCROW		\$0
0205	231	PURCHASE OF COMPUTERIZED INFORMATION		
0205	240/242	LOCKSMITH APPS / TESTS / CERTS		\$33,000
0205	270	NEW LICENSES	\$259,200	\$2,365,200
0205	260	VENDOR CORE CE APPLICATION FEE		
0205	261	VENDOR CORE CE COURSE REVIEW FEE		
0205	262	CONTINUING EDUCATION FEES		
0205	263	RESIDENTIAL CE MEDIA FEE		
0205	264	RESIDENTIAL CE LIVE TRAINING		
0205	280	RENEWALS	\$1,172,000	\$10,694,500
POP 100 Fee Increase		<b>1431200</b>	<b>\$1,431,200</b>	<b>\$13,500,300</b>
0410	208	CCB CHANGE FEE		\$99,960
0410	217	DRS CLAIMS FILING FEE		\$96,000
<b>CHARGES FOR SERVICES TOTAL</b>			<b>\$0</b>	<b>\$195,960</b>
0505	200	CIVIL PENALTY PAYMENTS COLL AGENCY		\$0
0505	202	CIVIL PENALTY PAYMENTS DOR		\$0
0505	204	CIVIL PENALTY PAYMENTS CONTRACTOR - OF		\$1,350,000
0505	404	LBP PENALTY		\$68,640
<b>FINES AND FORFEITS TOTAL</b>			<b>\$0</b>	<b>\$1,418,640</b>
0605	810	INTEREST INCOME	\$0	\$240
<b>INTEREST AND INVESTMENTS TOTAL</b>				
0705	231	PURCHASE OF COMPUTERIZED INFORMATION		\$10,500
<b>OTHER SALES INCOME TOTAL</b>			<b>\$0</b>	<b>\$10,500</b>
0975	260	VENDOR CORE CE APPLICATION FEE		\$7,500
0975	261	VENDOR CORE CE COURSE REVIEW FEE		\$2,000
0975	262	CONTINUING EDUCATION FEES		\$1,318,500
0975	213	MISC CASH RECEIPTS		\$14,000
0975	214	DOJ RESTITUTION		\$0
0975	290	PCF FEE OFFSET		\$5,000
0975	291	DOR FEE OFFSET		\$43,600
<b>OTHER REVENUE TOTAL</b>			<b>\$0</b>	<b>\$1,390,600</b>
1010	1301	TRANSFER IN INTRAFUNDS	\$0	\$0
2010	1401	TRANSFER OUT INTRAFUND		
2060	207	CIVIL PENALTY TRX TO GENERAL FUND		(\$1,080,000)
<b>TOTAL TRANSFERS OUT</b>			<b>\$0</b>	<b>(\$1,080,000)</b>
<b>NET CURRENT REVENUE</b>				<b>\$15,436,240</b>
<b>TOTALS</b>			<b>\$1,431,200</b>	<b>\$16,516,240</b>
(DOES NOT INCLUDE TRANSFER OUT)				

Available Projected Revenue  
Expenditures  
Ending Balance 6/30

**\$18,472,844**  
\$15,944,713  
\$2,528,131

# CONSTRUCTION CONTRACTORS BOARD

700 Summer St NE Suite 300  
PO Box 14140  
Salem OR 97309-5052  
503-378-4621  
503-373-2007 FAX



## Interoffice Memo

**To:** Craig P. Smith, Administrator  
**From:** Gina Fox, Education Manager  
**Date:** January 24, 2013  
**Subject:** Continuing Education: Executive Summary and Attachments

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You requested information on CCB continuing education program that may help answer questions during committee and work sessions for upcoming bills.

The following documents are attached:

- A. Business & Implementation Plan: revised December 21, 2012 (p 2-17)
- B. Planning for Live Course Delivery: revised December 21, 2012 (p 18-21)
- C. ORS 701.124; 701.126 and 701.127 (p 22)
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# **Construction Contractors Board**

## **Business & Implementation Plan: Continuing Education Program**

**Developed: June 2010**  
**Revised: May 2011**  
**August 2011**  
**September 2011**  
**November 2012**  
**December 21, 2012**

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## **I. LEGISLATIVE HISTORY**

During the 2007 Legislative Session, House Bill 2654 (2007) passed mandating the Construction Contractors Board (CCB) to develop a continuing education system for all contractors. (ORS 701.126) HB 2654 was based largely on recommendations from the Task Force on Construction Claims that had been assembled by the legislature to look at construction defects and insurance liability.

At the same time, HB 3242 was passed which separated commercial and residential contractors and added a prescriptive continuing education component to the commercial side. Commercial continuing education is self-certifying.

In June 2008, the Continuing Education System (CES) committee met to begin defining program implementation, keys to success and discuss policy issues.

### **Commercial**

Though the statute was prescriptive in the hours and the content of the continuing education for commercial contractors, other clarifying policy issues were discussed and rules developed by CES committee. These were completed and adopted by the Board as OAR 812 Division 20 in October 2008.

### **Residential**

The committee had substantial work to develop policy on residential continuing education. The committee completed its work on the residential continuing education and the rules were passed at the June 23, 2009 Board meeting.

## **II. FOUNDATIONS AND DRIVERS**

Several factors and developmental processes were included as part of the policy making decisions for continuing education. These include:

### **A. Developmental Processes:**

#### **Stakeholder Input**

In September of 2007, staff sent a letter to all stakeholders explaining the continuing education requirement and asking for written input. Several stakeholder meetings were held throughout the state beginning in October of 2007.

#### **Contractor Input**

In March and June of 2008, the agency developed a survey that was sent to every licensee through the newsletter asking for input on the continuing education requirement.

**Subcommittee Work**

The board created a three-member Continuing Education Systems (CES) subcommittee that would make recommendations for a continuing education system consistent with statutory mandates. The committee met approximately each month for more than a year.

**B. Foundations:**

**Task Force on Construction Claims (TFCC)**

In a 2007 report to the Legislature, the TFCC findings determined the problem of defects in the building envelope and poor construction, led to construction claims, higher insurance costs and poor consumer confidence in the industry. To address the TFCC concerns on improving the construction of the building envelope, a building shell component and building code requirement were included in continuing education.

**III. PROGRAM OUTLINE**

**A. Commercial Continuing Education (OAR 812 Division 20)**

For commercial continuing education (CCE), the statute was prescriptive in the number of hours required and the subject matter of the continuing education.

Hours required during a 2-year license period:

Commercial Contractor Level 1	5 or more Key Employees	80 Hours
	4 Key Employees	64 Hours
	3 Key Employees	48 Hours
	2 Key Employees	32 Hours
	1 Key Employee	16 Hours
Commercial Contractor Level 2	Any # of Key Employees	32 Hours

Continuing Education topics are construction means, methods and building codes.

Issues regarding inactive or lapsed licenses, endorsement changes, recordkeeping and other areas were discussed and rules developed by CES committee.

These rules were completed and adopted by the Board as OAR 812 Division 20 in October 2008.

Commercial contractors began complying with continuing education requirements beginning July 1, 2010.

Staff developmental work is complete.

**B. Residential Continuing Education(OAR 812 Division 21)**

**1. Explanation of Residential Continuing Education**

Residential continuing education was planned with a total of sixteen hours to be completed over a two-year licensing period: Eight hours in a mandatory component and eight hours in a discretionary component.

The mandatory component (CORE) is comprised of two areas determined to address the findings of the Task Force on Construction Claims. This includes a broad, high level building exterior shell training and building codes (or green/sustainable construction\*). The third area is where the agency believes that a requirement in laws, regulations and business practices would be a benefit to both contractors and consumers.

The discretionary component (Electives) is comprised of education that the contractor chooses to be best for the business. It must consist of training that is construction related or construction business related offered by a various sources.

Approved providers can offer building exterior shell training (BEST), building codes and green or sustainable construction\*.

The CCB is the sole provider of CCB laws and business practices and may offer building exterior shell training.

The agency does not approve elective education or its providers.

**2. Chart of Residential Continuing Education (2-year license period):**

CORE: (Total of 8 hours)	Building Exterior Shell Training (BEST)	3 hrs
	Building codes; or green & sustainable building practices	2 hrs
	CCB laws, regulations & business practices	3 hrs
Electives (Total of 8 hours)	Any combination of construction or business related training such as: <ul style="list-style-type: none"> <li>• Manufacturer training/demonstration</li> <li>• Trade or association training</li> <li>• CE taken for construction related license/certification</li> <li>• Training by colleges, universities, public agencies, private companies</li> </ul>	8 hrs
<b>Total Hours</b>		<b>16</b>

\* In September 2011 the Board approved rules to move green and sustainable construction to an elective status.

### 3. Subject Areas

#### a) **Laws, Regulations and Business Practices**

This education consists of information on laws, regulations and business practices that help contractors maintain a successful business. The CCB mandates contractors complete three (3) hours during their license period. A license period is every two years. This is given by the CCB.

#### b) **Building Exterior Shell Training (BEST)**

This education consists of a specific curriculum designed to be a high level overview on the building envelope, the importance of building and sound envelope and maintaining its integrity, and the how poor shell construction impacts both homeowners and contractors. This is a one-time course and was rolled into the prerequisite training in January 2011. BEST is given by approved providers. In June 2011, the Board approved temporary rules to exempt plumbing and electrical contractors, and licensees that had an owner or officer with an Oregon architect or engineering license. In August 2011, the Board authorized the Administrator to file temporary rules that would exempt contractors whose business practices do not include the residential structure. This excluded contractors involved with excavation, grading, paving and concrete work. The Board approved these rules at the September 2011 Board meeting. (See Program Assessment)

#### c) **Building Codes**

This education consists of code change and code related courses relating to specialty codes adopted by the Department of Consumer and Business Services Building Codes Division including residential specialty code, electrical code, plumbing code and boiler and pressure vessel codes. The CCB mandates contractors complete 2 hours during their license period. A license period is every two years. This is given by approved providers. Contractors were permitted to substitute an approved green and sustainable building practice course.

In June 2011, the Board approved temporary rules to exempt plumbing and electrical contractors, and licensees that had an owner or officer with an Oregon architect or engineering license. In August, the Board authorized the Administrator to file temporary rules that would exempt contractors whose business practices do not include the residential structure. This excluded contractors involved with excavation, grading, paving and concrete work.

These rules were passed at September 2011 Board meeting. (See Program Assessment)

**d) Green and Sustainable Building Practices**

This education consists of increasing the efficiency with which buildings use resources such as energy, water, and materials, while reducing building impacts on human health or the environment. It was created as an optional track for contractors who may find that code and code related courses didn't necessarily apply to their work.

In April 2011, the Board voted in favor for staff to develop draft rules that would move green and sustainable building practices to an elective status. The Board passed these rules at the September 2011 Board meeting. (See Program Assessment)

**IV. PROGRAM ASSESSMENT:**

With close to two years of implementation and other processes, staff has gained experiences and insight. We have been reviewing policy and rules to determine if areas can or should be revised, streamlined or additional resources were needed.

Specific areas that were revised include:

- Exemptions from BEST and building codes for certain contractors
- Increase building code course availability by changing rules and processes
- Removing Green and Sustainable Business Practices from CORE

The original analysis and the proposed changes or revisions are outlined below.

**A. BEST and Building Code exemptions for specific trades**

At the June 14, 2011 Board Meeting, Board members discussed this topic and chose at that time to exempt electrical and plumbing contractors as well as contractors that have a licensed engineer or architect listed as an owner or officer. These exempted contractors must supplement the core hours with 5 elective hours.

At the August 9, 2011 special Board Meeting, the Board authorized the Administrator to file temporary rules to allow contractors whose business practices do not touch a residential dwelling or outbuilding, to be exempt from obtaining the BEST and building code continuing education. This exemption does not include the following whose business practices included the following:

- Excavation;
- Grading;
- Cement work; or
- Paving

The rationale is as follows:

- a) Contractors that do not perform work on a residential dwelling or outbuilding will not directly benefit from building code course or a Building Exterior Shell Training.
- b) The current economic conditions have put a huge burden on small business, many which makeup a large segment the of CCB licensees, it was important to bring forward again to review. Staff has heard from several contractors about the burden a mandated continuing education places on them.
- c) Excavation, grading, concrete and paving work can affect the envelope of a residential dwelling and have code –related requirements. For these reasons, contractors who perform these activities should be required to obtain the BEST and building codes continuing education.

Placing a financial burden on a contractor (when in all likelihood the acquired information will not help improve the quality of that specific business information) puts an additional strain on an industry already facing huge losses.

The Board will hold a hearing to make these rules permanent at the September 2011 Board meeting.

## **B. Increase Building Codes Options**

The original policy was developed because the rationale was that BCD were experts in code courses, so the CCB should only accept courses approved by BCD. The problem was that BCD only approved limited courses (those relating to code change and the code –related courses receiving subsidies from the one-percent fee attached to building permits.

This was limiting on the code courses available.

At the April Board meeting, the Board authorized the Administrator to file temporary rules allowing the agency to approve code courses for the purposes of CCB continuing education requirements.

The Board will hold a hearing to make these rules permanent at the September 2011 Board meeting.

## **C. Moving Green and Sustainable Building Practices from CORE to electives**

At the April 2011 meeting, Board members voted to proceed with moving the green and sustainable building practices to an elective status. This is planned as a permanent rule for the September 2011 board meeting.



Green and sustainable building practices courses were intended to be an option for contractors that building code courses didn't directly benefit. What became clear was that contractors that could benefit from building codes courses were taking green and sustainable instead of the code courses. This seemed to undermine the Task Force on Construction Claims<sup>1</sup> (TFCC) recommendation that contractors should be educated in building codes.

Draft rules remove the Green and Sustainable Building Practices (GSP) as a core option effective October 1, 2011.

Contractors that have taken GSP courses through the September 30, 2011, may use them to qualify as building code core continuing education during the applicable renewal period.

The rationale to move green and sustainable building practices to elective is as follows:

- a) Require building codes as a CORE course as recommended by the TFCC.
- b) Increase offerings of building codes

The temporary rules authorized by the Board allow the CCB to approve code related courses. With CCB approving courses, providers will find an easier approval method which will increase the offerings.

- c) Create logical exemptions from building codes

The temporary rules exempt some contractors do not perform work that involves actual work on the dwelling or outbuilding. Since the purpose of Green and Sustainable Building Practices was to help those meet the requirement, the exemptions have eliminated the need for this. And though important, Green and Sustainable Building Practices may not lend itself to a mandatory status.

## V. RESIDENTIAL CONTINUING EDUCATION COMPONENTS

The residential continuing education program has three specific components.

### A. Program Administration:

This component consists of carrying out the program processes and procedures, identifying operational strengths and weaknesses and recommending corrective actions. It can be summarized in the following:

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<sup>1</sup> TFCC Report to the 74<sup>th</sup> Legislature (page 10)

#### Development and Monitoring:

This includes the development of the processes and tools for provider and course approvals, course objectives; planning for future educational needs; providing communications to contractors and approved providers. It includes monitoring the providers, courses and the availability and accessibility.

This component has been developed quickly in order to begin implementation. It requires reevaluation and quality improvements.

#### Measurement:

This includes the creating the processes and tools needed to evaluate if the program goals, outcomes and objectives are being met.

The agency uses surveys at the end of the courses offered by the agency to gain insight on the quality and learning objectives from the student. We plan to enhance the licensing survey to include the ability to provide additional input on all of the continuing education.

We also plan to use Key Performance Measure (KPM) #1 that measures the number of tested contractors that have a final order for damages that remain unpaid after 60 days or that are discharged in bankruptcy.

While this measure may not be completely on target for continuing education since it is focused on contractors completing prerequisite testing, we will gather information on all contractors (whether tested or grandfathered in).

#### **B. CCB Offered Courses:**

This component consists of the content development, production element and final product delivery of several one hour online self-study modules in CCB's Laws, Regulations and Business Practices courses. The agency may also produce a three hour offering of a Building Exterior Shell Training (BEST) course.

The primary delivery will be online but the agency has begun to include offering the courses in a live format. Currently the live courses are held in Salem using the auditorium in the Veterans Building. In the future we hope to add locations around the state several times each year. We also may develop a non-online self-study option in a DVD format.

By the end of the 2011-13 Biennium the agency expects to have a library of at least 6 available Laws, Regulations and Business Practices courses

The agency will plan to continue to add more based on contractor needs, assess the available modules and revise as needed.

#### **C. Systems Administration:**

This component consists of the development and maintenance of web-based tools to carry out the administration and delivery of CCB's continuing education program.

### CCB Courses

Currently, the Information Technology (IT) team has developed components of the Learning Management System (LMS) that allows contractors to register, pay for and complete the CCB courses on Laws, Regulations and Business Practices online. At the end it provides a certificate for their records.

### Development and Monitoring:

The IT staff is currently developing the additional functions of the learning management system tables and structures that will allow the agency the ability to capture the entered data, and hold, display, analyze and report provider, student and course data. It allows for the delivery of CCB's continuing education courses and course payment structures.

This includes the processes and tools needed to evaluate the systems working functionality, maintain system integrity, and add needed enhancements.

Future Additions: Based on stakeholder and industry input, the agency would like to develop a system that would be an online catalog for elective courses. This product is anticipated to mimic the current functionality of the Market Assistant Program (MAP). This product allows insurance and bond professionals to enter their information into a database in which contractors can search to find liability insurance providers in their area.

### **D. Customer Service Needs in Licensing:**

The agency expects and has been experiencing an increase in calls, emails and letters with questions about the continuing education requirements.

The agency also recognizes that once the continuing education obligation is required to renew the CCB license beginning October 1, 2011, this will increase.

Based on the experience of Building Codes Division use of a system to upload their student course completion information, they needed staff to research entry errors and the records of students that were unmatched to a business. The CCB anticipates this also as we currently experience it with our prerequisite program.

## **VI. IMPLEMENTATION PLAN**

### **CCB RCE Laws, Regulations and Business Practices Course Implementation Plan:**

#### **A. Summary:**

The Construction Contractors Board (CCB) plans to develop and offer several one hour modules in CCB's Laws, Regulations and Business Practices course in the following formats:

- Online,
- Live; and
- Self-study DVD (tentative)

CCB's Education Section will be responsible to develop the learning objectives, course content and produce the final product for the online modules. The agency will produce a live curriculum and study material for live delivery.

The agency believes that issues of availability and accessibility of online and live courses requires the agency to create the modules in self-study DVD formats. This will augment the online and live delivery so contractors can meet the CCB continuing education requirement.

#### **B. Section Responsibilities:**

CCB's Education section is responsible to:

- Develop and produce the CCB laws, regulations and business practices courses;
- Administer and monitor the overall continuing education program including subject requirements, approved providers and courses; and
- Measure program outcomes.

The CCB Information Technology (IT) section is responsible to development and maintenance of web-based tools needed to enter, hold, display, analyze and report provider, student and course data. They will also be responsible for housing and delivery of the CCB online courses and course payment structures.

The CCB Licensing section is responsible to respond to contractor inquiries regarding the continuing education program, credits needed and research and respond to inquiries from provider record uploads. They will implement procedures to renew licenses that meet continuing education requirements.

#### **C. Course Development**

The agency's goal was to have three one-hour courses in place for contractors to complete by June 30, 2011. This would allow contractors renewing with the October 1, 2011 implementation date, three months to complete the required hours. (Actual completion of three courses was July 21, 2010.)

By the end of the 2011-13 Biennium the CCB expects to have a library of at least six available Laws, Regulations and Business Practices courses with plans to continue to add more based on contractor needs.

Using our existing Electronic Publishing Design Specialist, we began and continue to add to a still photo and video library for use in the courses. We currently own nearly 1000 construction related, digital images and video segments.

The following courses are being offered online and live:

- 1) Course One: Residential Contracts, Contract Terms and Required Notices:  
This course was launched and available to take online on April 25, 2011.
- 2) Course Two: Structure Types and Endorsements: Why they matter:  
This course was launched and available to take online on June 20, 2011.
- 3) Course Three: Residential Contractors Guide to Preventing and Resolving Disputes  
This course was launched and available to take online on July 21, 2011.
- 4) Course Four: Legislation and Rule Updates:2011 and 2012  
This course was launched and available to take online July 20, 2012.
- 5) Course 5: Being an Employer: By Accident or Design  
The tentative launch date was Dec 30, 2012. Due to staff illness this was delayed and anticipated date is Jan 31, 2013.
- 6) Course 6: Maintaining Your CCB License  
This course is finishing the script and will begin production on February 1, 2013. The expected launch date remains April 1, 2012.

The currently adopted format is each course is one hour in length. They are designed with approximately six - twelve chapters. At the end of each chapter is a three-question interactive knowledge check with an estimated average of 5 minutes to complete.

#### **D. Course Delivery Methods**

1) Online Course:

The primary method to deliver CCB RCE courses is online. Contractors are able to find, register and pay for courses from the CCB website.

CCB's IT section developed the Learning Management System (LMS) to manage this delivery method. They continue to add pieces that will assist in staff administration and contractor tools.

In the original design only owners, officers, LLC members and those on the license were able to access the CCB online courses that were designed with the information that was most important to them. After contractor input, the CCB recognized that in some rare cases, the licensee's employee managed the operations and the courses were of value to employees.

On December 21, 2012, CCB launched the ability for employees to access online CCB Laws, Regulations and Business Courses.

2) Live Courses:

A secondary delivery method will be live courses. We offered our first live course in September 2011.

The agency plans include offering additional live courses in strategically located areas throughout the state partnering with professional associations to secure locations.

3) Self-Study Courses

Implementation plans tentatively include converting the online module to a self-study DVD format.

We anticipate this will require ongoing professional services to either convert the online, or create in the required format. At this time the rates are unknown for the professional services or the additional printing (DVD and instructional material costs).

## **E. Website/ IT Systems**

1. Developed:

- a) System for contractors to find Core education;
- b) Contractors to register and take the online, CCB provided education;
- c) Auto notification systems for payments and CCB course completion;
- d) CCB to track the online, CCB provided education;
- e) Contractors to track the online CCB provided education they or others in the business have completed. through their Online Services account

2. Under Development/Improvement (September 1, 2011)

- a) Structure to manage and approve providers and courses
- b) IT structure to manage student records
- c) Course catalog and website improvements
- d) Contractors to track the education they or others in the business have completed. through their Online Services account
- e) Additional auto systems for unfinished courses, credit not applied.

3. Future Planning

- a) Management and display of elective courses
- b) Online application for providers and courses

## **F. Communication Plan**

1. Internal Communications

- a) Development meetings: During initial development ED/IT were meeting weekly. As the next phase gets underway ED/IT and LIC plan weekly meetings.
- b) Licensing and CSU meetings: The Administrator and the Education Manager frequently brief staff during these meetings. The Licensing Manager and Supervisor typically open discussion at their weekly meetings.
- c) All staff communications (email, intranet, etc) include:
  - Release of courses
  - Staff ability to view courses
  - Things to do better
    - Blog postings
    - E-newsletter releases

## 2. External Communications

### a) Publications

- 1) CE Flyer: The flyer has been distributed with license cards for two years. Initially it was combined with the commercial information. Two separate flyers were created as more information about the programs developed.
- 2) Reminder Notice: Staff has created a new reminder that continuing education is ongoing for those licensees that have complied with the first licensing period obligations.
- 3) Now Required notice: On July 28, 2010, renewal forms for October licenses were mailed. Included for residential contractors was a flyer explaining RCE was required and FAQ's.

b) Website: Pages were developed to explain the continuing education program.

c) Blog: Staff has blogged RCE several times over the past few years.

d) e-Newsletter: The e-newsletter comes out quarterly. RCE is a topic as needed.

e) Stakeholders: The following are ways the agency reaches out:

- Press releases: The CCB distributes information directly to industry stakeholders.
- Meetings: CCB attends or provides information for association meetings.

## VII. Outline of Phases

### A. Phase I

- Online Services registration rollout
- Course development
- Deployment of RCE online course
- Data trapping
- Auto email notifications
- Surveys for CCB courses

### B. Phase II

Review and improvements

### C. Phase III

- Approved provider entry and display
- Approved course entry and display
- View/track through online services
- Viewable through public website
- Rating system of courses for all courses

### D. Phase IV

- Provider and courses application and approval online

### E. Phase V

- Elective tracking (MAPS similar system)





**Construction Contractors Board  
Laws, Regulations and Business Practices (LRB)**

**Planning for Live Course Delivery**

**Developed: August 1, 2011**  
**Revised: September 19, 2011**  
**October 6, 2011**  
**February 17, 2012**  
**December 1, 2012**

## I. PLANNING

- A. **Purpose:** To supplement the CCB's current online delivery of required residential continuing education in Laws, Regulations and Business Practices (LRB) subject area with live courses.
- B. **Rationale:** During business and budget planning, online courses were the primary focus. Live and self study courses were future items after a solid start to the online launch. It was likely that most contractors have the ability to take the courses online by utilizing:
- a) Their own computer/internet
  - b) The public library
  - c) A family member computer/internet service
  - d) CCB lobby workstation located at the agency.

Live and self study course are likely to be supplemental and most contractors will utilize the online system.

Live course planning will encompass local sessions at the CCB and sessions taken to target areas.

### C. Local Sessions:

#### 1. General Philosophy

- a) Provide a minimum of one live session at the CCB each quarter.
- b) Three continuing education hours will be provided at each live session. Contractors may choose to attend one or all sessions.
- c) Local sessions allow staff experience for logistical planning of course delivery, registration and payment in off-site classes.

2. Schedule: Two classes were held as soon as possible. (September and October 2011). Beginning in January 2012 courses will be held once per quarter. The agency will hold classes in Salem (VA auditorium). **CHANGE: Because of the large response, the agency will explore offering two sessions on the same day each quarter.** After the first of the year the agency will look to partner with industry to hold them in other locations throughout the state.

3. Course Delivery: The courses developed for online will be presented for the live delivery. An instructor/facilitator will show each course chapter, the facilitator presents and discusses a PowerPoint of the "Check your Knowledge" questions.
4. Registration and Payment:
  - a) Preregistration: Contractors can preregister by completing a registration form and faxing in or mailing the credit card payment or mailing in both the registration and a check. They will also have the option to register and bring the payment to the workshop.
  - b) At the workshop: Contractors can register beginning 30 minutes before the classes begin.
  - c) Payment types: Check and credit card.

#### **D. Off-site Sessions**

##### 1. General Philosophy

- a) To provide training for Residential Continuing Education that reaches outside the Salem/Portland area.
- b) Primary partnership is with stakeholders that participated in statutory mandate and political processes.
- c) Secondary partnerships would include other industry groups or community colleges.
- d) Four trainings over 12 month period. (not attached to a home show.) In 2012, the agency will explore offering CCB LRB courses with home show producers.)
- e) Geographical considerations for off-site training:
  - Southern Oregon (Scheduled)
  - Central Oregon (current request)
  - Eastern Oregon
  - Coast (Current Request)
  - Portland (Scheduled--two)
  - Eugene
- f) Resource considerations
  - 1) Limited staff to conduct sessions

- 2) Cost to deliver training will likely not be recovered in a live session.
- 3) Need partnerships to be able to provide location and marketing support.

2. Implementation Schedule

<u>DATE</u>	<u>LOCATION</u>	<u>PARTNERSHIP</u>
9/12/2011	VA	CCB
10/13/2011	VA	CCB
1/10/2012	VA	CCB
3/3/2012	VA	CCB
3/14/2012	Grants Pass	Home Builders Association of Josephine County "A Day of Education"
4/12/2012	Portland	Home Builders Association of Metropolitan Portland "EcoVative"
4/19/2012	Wilsonville	Oregon Remodelers Association "Education Day"
5/4/2012	Redmond/Bend	Central Oregon Home Builders Association
6/5/ 2012	VA	CCB
8/14/2012	Astoria/Seaside	North Coast Home Builders Association
12/12/2012	CCB	"CANCELLED VA AVAILABILITY"
3/13/2013	CCB	"CANCELLED VA AVAILABILITY"
4/19/2013	Portland	Home Builders Association of Metropolitan Portland "EcoVative"
6/13/2013	CCB	
7/19/2013	Central Oregon	Oregon Home Builders Association

## Oregon Revised Statute for Continuing Education

**701.124 Key employee continuing education.** (1) A commercial general contractor level 1 or commercial specialty contractor level 1 shall have a key employee, or combination of key employees, who completes at least 40 hours of continuing education per year.

(2) A commercial general contractor level 2 or commercial specialty contractor level 2 shall have a key employee, or combination of key employees, who completes the equivalent of at least 16 hours of continuing education per year.

(3) Notwithstanding subsection (1) of this section, if a commercial general contractor level 1 or commercial specialty contractor level 1 has no more than four key employees, the contractor shall have a key employee, or combination of key employees, that completes continuing education each year equivalent to the number of key employees multiplied by eight hours.

(4) Continuing education may be provided by post-secondary institutions, trade schools, trade associations, professional societies, private companies, public agencies, business associations and contractor-provided in-house training programs. Continuing education topics may include, but need not be limited to, construction means, methods and business practices.

(5) A contractor applying for renewal shall certify the number of continuing education hours completed during the preceding licensing period.

(6) A contractor subject to this section shall maintain records of the continuing education completed by key employees.

(7) This section does not apply to a commercial contractor:

(a) That is subject to regulation under ORS 479.510 to 479.945 or 480.510 to 480.670 or ORS chapter 693; or

(b) As provided by rule by the Construction Contractors Board. [2007 c.836 §9]

**701.125** [1971 c.740 §14; 1973 c.832 §57; 1975 c.721 §6; 1983 c.180 §3; 1999 c.402 §26; 2005 c.432 §12; renumbered 701.056 in 2007]

**701.126 Continuing education; rules; fees.** (1) The Construction Contractors Board shall adopt rules establishing a continuing education system for all persons licensed by the board. The rules adopted by the board shall include, but need not be limited to, rules establishing the required number of hours and course content for continuing education. The board may establish reasonable fees for courses and instruction provided by the board, or for approving the course content and instruction for continuing education provided by other sources.

(2) The continuing education required for a contractor may include training in construction means and methods, compliance with the state building code and business practices.

(3) A person may not renew a license issued by the board unless the person certifies to the board at the time of license renewal that the licensee has completed the amount and type of continuing education required by the board.

(4) Subsections (1) to (3) of this section do not apply to a licensed developer. [2007 c.648 §2]

**701.127 Continuing education exemption.** (1) Notwithstanding ORS 701.126, the Construction Contractors Board shall adopt criteria for allowing the exemption of a residential contractor from any board rule requiring continuing education in state building code compliance or requiring building exterior shell training.

(2) The board may require a residential contractor to take continuing education or training in other subjects to offset the reduction in continuing education or training hours created by the exemption described in subsection (1) of this section. [2011 c.170 §5]

DIVISION 20

CONTINUING EDUCATION FOR  
COMMERCIAL CONTRACTORS

**812-020-0050**

**Authority, Purpose, and Scope of Rules – Continuing Education for Commercial Contractors**

(1) Authority. These rules are promulgated in accordance with ORS 670.310(1) and 701.124, which authorize CCB to adopt rules to administer a continuing education system for commercial contractors.

(2) Purpose. The purpose of these rules is to further explain and detail the requirements for continuing education under ORS 701.124.

(3) Scope. These rules establish:

- (a) Procedures for commercial contractors to report continuing education hours;
- (b) Sanctions for commercial contractors failing to comply; and
- (c) Processes for prorating requirements.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08)

**812-020-0055**

**Definitions – Continuing Education for Commercial Contractors**

The following definitions apply to OAR 812-020-0050 to 812-020-0073:

(1) “Building code” means a specialty code as defined in ORS 455.010(7).

(2) “Commercial contractor” means a licensed contractor as defined under ORS 701.005(2).

(3) “Inactive commercial contractor” means a commercial contractor that has voluntarily placed its license in inactive status in accordance with OAR 812-003-0330 to 812-003-0370 and has not converted the license back to active status in accordance with ORS 812-003-0380.

(4) “Lapse in license” has the meaning given that term by OAR 812-002-0420.

(5) “License period” means the two-year period from the date a contractor’s license is first issued or last renewed until the date the license is next scheduled to expire.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08, temp. 5/10, 8/10 eff. 9/1/10)

**812-020-0060**

**Effective Date – Continuing Education for Commercial Contractors**

OAR 812-020-0050 to 812-020-0073 and the amendment to OAR 812-003-0280(2) take effect upon passage, and apply to commercial contractors that renew their licenses on and after July 1, 2010.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08)

**812-020-0062**

**Exemptions – Continuing Education for Commercial Contractors**

(1) Commercial contractors subject to regulation under ORS 479.510 to 479.945 or 480.510 to 480.670 or ORS chapter 693 do not need to satisfy the continuing education requirements. These contractors include, but are not limited to:

- (a) Electrical contractors subject to regulation under ORS 479.510 to 479.945.
- (b) Plumbing contractors subject to regulation under ORS chapter 693; or
- (c) Boiler contractor subject to regulation under ORS 480.510 to 480.670.
- (d) Elevator contractors subject to regulation under ORS 479.510 to 479.945.
- (e) Renewable energy contractors subject to regulation under ORS 479.510 to 479.945.
- (f) Pump installation contractors subject to regulation under ORS 479.510 to 479.945.
- (g) Limited sign contractors subject to regulation under ORS 479.510 to 479.945.

(2) Commercial contractors endorsed only as commercial developers do not need to satisfy the continuing education requirements.

(3) If, during the two years immediately preceding the expiration date of the license, a commercial contractor served on active duty in the United States armed forces, including but not limited to mobilization or deployment, the continuing education requirement is waived for that two-year period. This exemption applies only if the commercial contractor is a:

- (a) Sole proprietor;
- (b) Sole owner of a corporation; or
- (c) Sole member of a limited liability company.

Stat. Auth.: ORS 670.310, 701.124 & 701.235  
Stats. Implemented: 701.124  
(11/08, 11/09 (eff. 1/1/10))

#### **812-020-0065**

##### **Minimum Requirements – Continuing Education for Commercial Contractors**

- (1) Commercial contractors shall have a key employee, or combination of key employees, who complete continuing education.
- (2) Education hours may be earned by attending offerings provided by any of the following:
  - (a) Post-secondary institutions such as colleges or universities;
  - (b) Trade schools;
  - (c) Trade associations;
  - (d) Professional societies;
  - (e) Private companies;
  - (f) Public agencies;
  - (g) Business associations; or
  - (h) Contractor-provided in-house training programs.
- (3) Courses shall be a minimum of one clock hour to qualify for one hour of continuing education credit.
- (4) Credit shall not be applied for the same key employee repeating the same continuing education course during a two-year period.

Stat. Auth.: ORS 670.310, 701.124 & 701.235  
Stats. Implemented: 701.124  
(11/08)

#### **812-020-0070**

##### **Certification of Hours – Continuing Education for Commercial Contractors**

- (1) Upon renewal, a commercial contractor must certify that one or more key employees obtained the continuing education required by OAR 812-020-0050 to 812-020-0073.
- (2) For a commercial general or specialty contractor – level 1 with five or more key employees, the commercial contractor must certify that one or more key employees completed at least 80 hours during the preceding license period.
- (3) For a commercial general or specialty contractor – level 1 with four or fewer key employees, the commercial contractor must certify as follows:
  - (a) With four key employees, that one or more key employees completed at least 64 hours during the preceding license period.
  - (b) With three key employees, that one or more key employees completed at least 48 hours during the preceding license period.
  - (c) With two key employees, that one or more key employees completed at least 32 hours during the preceding license period.
  - (d) With one key employee, that the key employee completed at least 16 hours during the preceding license period.
- (4) For a commercial general or specialty contractor – level 2, the commercial contractor must certify that one or more key employees completed at least 32 hours during the preceding license period.
- (5) For purposes of this rule, the required amount of continuing education hours for the renewing contractor is determined based on the contractor's endorsement status as of the previous date of license issuance, reissuance or renewal. If the contractor was not endorsed as a commercial contractor on the previous date, continuing education does not apply.
- (6) For purposes of this rule, if a contractor is subject to the continuing education requirement, the number of key employees is the number of such persons employed by the commercial contractor as of the previous date of license issuance, reissuance or renewal as a commercial contractor.

Stat. Auth.: ORS 670.310, 701.124 & 701.235  
Stats. Implemented: 701.124  
(11/08, 1/09 (eff. 2/1/09), 2/10)

#### **812-020-0071**

##### **Hours Earned as Residential Contractor – Continuing Education for Commercial Contractors**

A commercial contractor also endorsed as a residential contractor may take credit for continuing education earned under ORS 701.126 and OAR division 21.

Stat. Auth.: ORS 670.310, 701.126 & 701.235  
Stats. Implemented: ORS 701.126  
(6/09)

#### **812-020-0072**

##### **Recordkeeping and Review – Continuing Education for Commercial Contractors**

(1) Every commercial contractor shall maintain records of its key employees' participation in continuing education activities for a period no less than 24 months after the renewal date.

(2) The agency may request any commercial contractor's continuing education records for review.

(3) If a commercial contractor cannot prove that the commercial contractor's key employees completed the continuing education, the agency may suspend the license until the commercial contractor proves compliance or the commercial contractor's key employees complete the missing courses.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08)

#### **812-020-0080**

##### **Inactive Commercial Contractor – Continuing Education for Commercial Contractors**

If a commercial contractor's license is placed in an inactive status during any part of the license period, the commercial contractor needs only complete the continuing education hours for the period the license was active. The continuing education hours required under OAR 812-020-0070 will be prorated for the period that the license was active. For example, if a commercial contractor is inactive 6 months during the license period (inactive 25% of the time), the contractor needs to certify completion of 75% of the hours otherwise required.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08)

[812-020-0082 repealed February 1, 2010]

#### **812-020-0085**

##### **Lapse in License – Continuing Education for Commercial Contractors**

If a license expires and is not renewed for a period not exceeding one year, the commercial contractor may seek renewal and backdating of the license. To renew the license, the commercial contractor must certify that it has satisfied the continuing education requirements either during the license period or during the lapse in license period, or both.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08)

#### **812-020-0087**

##### **Courses Completed by Key Employees – Continuing Education for Commercial Contractors**

A commercial contractor may certify continuing education hours based upon courses completed by its key employees; provided that a key employee was employed by the commercial contractor when he or she completed a course. If a commercial contractor employs a key employee who completed continuing education course(s) before being hired by the commercial contractor, the commercial contractor may not include those hours to certify that it satisfied the continuing education requirement.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08)

#### **812-020-0090**

##### **Key Employee of More than One Commercial Contractor – Continuing Education for Commercial Contractors**

If a key employee who completes a continuing education course is employed by more than one commercial contractor when the course is completed, each commercial contractor may include those hours to certify that it satisfied the continuing education requirement.

Stat. Auth.: ORS 670.310, 701.124 & 701.235

Stats. Implemented: 701.124

(11/08, 12/10 eff. 1/1/11)



## DIVISION 21

### CONTINUING EDUCATION FOR RESIDENTIAL CONTRACTORS

#### 812-021-0000

##### Authority, Purpose, Scope – Continuing Education for Residential Contractors

(1) Authority. These rules are promulgated in accordance with ORS 701.126, which requires CCB to establish a continuing education system for contractors, other than licensed developers.

(2) Purpose. The purpose of these rules is to create a continuing education system, including training in:

- (a) Construction means and methods;
- (b) Compliance with the state building code;
- (c) Business practices; and
- (d) Other topics as determined by the Board.

(3) Scope.

(a) These rules establish the content and hours required for continuing education.

(b) These rules establish procedures for recordkeeping, for verifying continuing education hours and for sanctions for failing to comply.

(c) These rules establish procedures for provider and course approval.

(d) These rules establish fees for provider and course approvals and for training offered by the agency.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

#### 812-021-0005

##### Definitions – Continuing Education for Residential Contractors

The following definitions apply to OAR 812-021-0000 to 812-021-0047:

(1) “BEST” means Building Exterior Shell Training.

(2) “Building code” means a specialty code as defined in ORS 455.010(7).

(3) “Employee” means any individual employed by a contractor. “Employee” does not include either a subcontractor, which is an independent contractor, or a leased or temporary employee.

(4) “Green” or sustainable building practices” means the practice of increasing the efficiency with which buildings use resources such as energy, water, and materials, while reducing building impacts on human health or the environment.

(5) “License period” means the two-year period from the date a contractor’s license is first issued or last renewed until the date the license is next scheduled to expire.

(6) “Officer” means an individual person as defined in OAR 812-002-0533.

(7) “Owner” means an individual person as defined in OAR 812-002-0537.

(8) “Residential contractor” means a licensed contractor as defined in ORS 701.005(12).

(9) “Responsible managing individual (RMI)” means an individual person as defined in ORS 701.005(15).

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, temp. 1/13/12 eff. 1/13/12, 4/12 (eff. 5/1/12) (eff. 5/1/12))

#### 812-021-0010

##### Effective Date – Continuing Education for Residential Contractors

OAR 812-021-0000 to 812-021-0047 take effect upon passage, and apply to residential contractors that renew their licenses on or after October 1, 2011.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

#### 812-021-0011

##### Residential Developer Exemption – Continuing Education for Residential Contractors

Residential developers are exempt from the continuing education requirements in OAR 812-021-0000 to 812-021-0047.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

**812-021-0015**

**Minimum Continuing Education Requirements – Continuing Education for Residential Contractors**

(1) Residential contractors, other than residential limited contractors, shall have an owner, officer, RMI or employee, or a combination of those persons, who complete a minimum of 16 hours of continuing education every license period as described in sections (3) and (4).

(2) Residential limited contractors shall have an owner, officer, RMI or employee, or a combination of those persons, who complete:

(a) A minimum of eight hours of continuing education as described in subsection (3)(a), for license renewals on or after October 1, 2011, and before October 1, 2013;

(b) A minimum of eight hours of continuing education, for license renewals on or after October 1, 2013 as follows:

(A) Five core hours as described in subsection (5)(a); and

(B) Three elective hours as described in OAR 812-021-0019.

(3) For a residential contractor renewing on or after October 1, 2011, and before October 1, 2013, continuing education hours shall consist of the following:

(a) Eight core hours consisting of the following:

(A) Three hours of BEST offered by the agency or an approved provider;

(B) Two hours of education on one or more building codes offered by:

(i) A provider approved by the agency to offer courses in building codes; or

(ii) A provider offering a building codes course completed by the contractor on or before June 30, 2012, and approved by the Oregon Department of Consumer and Business Services, Building Codes Division, or the International Codes Council; and

(C) Three hours of education on laws, regulations, and business practices offered by the agency.

(b) For residential contractors renewing on or after October 1, 2011, and before October 1, 2013, education on “green” or sustainable building practices may satisfy the requirement for education on one or more building codes as required in paragraph (B) of subsection (a) provided that the contractor completes the education on “green” or sustainable building practices on or before September 30, 2011.

(c) Eight elective hours which may be satisfied by completing additional core hours or by completing other construction related courses or as otherwise set forth in OAR 812-021-0019.

(4) Effective October 1, 2011, if a residential contractor renews its license on or after October 1, 2011, but before October 1, 2013, for that renewal period only, the contractor may include any continuing education hours that it earned from July 1, 2009, to the renewal date.

(5) For a residential contractor renewing on or after October 1, 2013, continuing education hours shall consist of the following:

(a) Five core hours consisting of the following:

(A) Two hours of education on one or more building codes offered by a provider approved by the agency to offer courses in building codes; and

(B) Three hours of education on laws, regulations, and business practices offered by the agency.

(b) Eleven elective hours which may be satisfied by completing additional core hours or by completing other construction related courses or as otherwise set forth in OAR 812-021-0019.

(6) Courses shall be a minimum of one clock hour to qualify for one hour of continuing education credit.

(7) Credit shall not be given for a person repeating the same continuing education course during a two-year period.

(8) If, during the two years immediately preceding the expiration date of the license, a residential contractor served on active duty in the United States armed forces, including but not limited to mobilization or deployment, the continuing education requirement is waived for that two-year period. This exemption applies only if the residential contractor is a:

(a) Sole proprietor without employees;

(b) Sole owner of a corporation; or

(c) Sole member of a limited liability company.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, temp. 7/1/11 eff. 7/1/11, 9/11 eff. 10/1/11, temp. 11/18/11, 3/12)

### **812-021-0016**

#### **Fees for Agency Courses – Continuing Education for Residential Contractors**

(1) The agency may charge a fee of \$15 per course hour for the following courses:

(a) Building Exterior Shell (BEST), offered by the agency as provided in OAR 812-021-0015(3)(a)(A).

(b) Construction Laws, Regulations, and Business Practices, offered by the agency as provided in OAR 812-021-0015(3)(a)(C) and 812-021-0015(4)(a)(B).

(2) In addition to the fee for the course, CCB may charge for processing, shipping and handling course materials made available other than online.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(8/10 eff. 9/1/10, temp 4/28/11, 6/11 eff. 7/1/11)

### **812-021-0019**

#### **Elective Hours – Continuing Education for Residential Contractors**

(1) Elective hours may be earned by completing construction or construction business related offerings provided by any of the following:

(a) Post-secondary institutions such as colleges or universities;

(b) Trade schools;

(c) Trade associations;

(d) Professional societies;

(e) Private companies;

(f) Public agencies;

(g) Business associations;

(h) Contractor-provided in-house training programs;

(i) Non-profit organizations; or

(j) Manufacturers or businesses in the construction industry.

(2) Elective hours may be earned by completing trainings or demonstrations offered by building component manufacturers on product use, capabilities, or installation.

(3) Elective hours may be earned by completing education classes required to maintain another construction industry license, such as a certified home inspector or a registered professional engineer.

(4) Elective hours may be earned by completing core classes not otherwise completed for core credit.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, 6/11 eff. 7/1/11, 3/12)

### **812-021-0021**

#### **Exemptions from Continuing Education**

(1) For purposes of this rule, “dwelling” means a shelter in which people live, such as buildings used exclusively for residential occupancy, including single-family, two-family (e.g. duplex) and multi-family (e.g. apartment) buildings.

(2) For purposes of this rule, “outbuilding” means a building accessory to a dwelling that is used by the persons who occupy the dwelling, including detached garages, shops, sheds and barns.

(3) The following persons are exempt from obtaining BEST education as required under OAR 812-021-0015(2) or (3)(a)(A):

(a) Contractors that are licensed as:

(A) Plumbing contractors under ORS 447.010 to 447.156; or

(B) Electrical contractors under ORS 479.630.

(b) Contractors that have an owner or officer who is licensed as:

(A) An architect under ORS 671.010 to 671.220, whether or not operating within the scope of that license; or

(B) A professional engineer under ORS 672.002 to 672.325, whether or not operating within the scope of that license.

(c) Unless provided otherwise, contractors that do not perform work on a residential structure that is a dwelling or an outbuilding, including but not limited to:

(A) Contractors that only perform tree pruning, tree and stump removal, or tree and limb guying;

(B) Contractors that only forge, weld or fabricate ornamental iron, so long as the contractor does not attach or install the ornamental iron in or on a residential structure that is a dwelling or outbuilding;

(d) The following contractors are not exempt under subsection (c) of this section:

(A) Contractors that perform excavation for residential construction;

(B) Contractors that perform grading for residential construction;

(C) Contractors that perform concrete work for residential construction; and

(D) Contractors that perform paving for residential construction.

(4) The following persons are exempt from obtaining education in building codes as required under OAR 812-021-0015(2), (3)(a)(B) or (4)(a)(A):

(a) Contractors that are licensed as:

(A) Plumbing contractors under ORS 447.010 to 447.156; or

(B) Electrical contractors under ORS 479.630.

(b) Contractors that have an owner or officer who is licensed as:

(A) An architect under ORS 671.010 to 671.220, whether or not operating within the scope of that license; or

(B) A professional engineer under ORS 672.002 to 672.325, whether or not operating within the scope of that license.

(c) Unless provided otherwise, contractors that do not perform work on a residential structure that is a dwelling or outbuilding, including but not limited to:

(A) Contractors that only perform tree pruning, tree and stump removal, or tree and limb guying;

(B) Contractors that only forge, weld or fabricate ornamental iron, so long as the contractor does not attach or install the ornamental iron in or on a residential structure that is a dwelling or an outbuilding;

(d) The following contractors are not exempt under subsection (c) of this section:

(A) Contractors that perform excavation for residential construction;

(B) Contractors that perform grading for residential construction;

(C) Contractors that perform concrete work for residential construction; and

(D) Contractors that perform paving for residential construction.

(5) Contractors that are exempt from the continuing education requirements under sections (3) or (4) of this rule must complete additional elective continuing education, as provided in OAR 812-021-0019, in an amount totaling the number of core hours that the contractor would otherwise be required to complete under OAR 812-021-0015 but for the exemption.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(temp. 7/11 eff. 7/1/11, temp. 9/2/11 eff. 9/2/11, 9/11 eff. 10/1/11)

### **812-021-0023**

#### **Carry Forward of Excess Hours – Continuing Education for Residential Contractors**

If a residential contractor exceeds the requirement for continuing education in any license period, the residential contractor may carry forward a maximum of eight education hours into the next license period. The carry-forward hours will be credited as elective hours.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

### **812-021-0025**

#### **Provider Approval, Standards, Fees, Renewal and Withdrawal for Core – Continuing Education for Residential Contractors**

(1) The agency will review and approve providers offering core continuing education.

(2) Providers will apply for approval on a form prescribed by the agency. Providers may, but need not, apply for approval at the same time they apply for course approval.

(3) Providers seeking approval to offer training in BEST or building codes must submit the following to the agency:

(a) Name, address and contact information of the provider;

(b) Business entity type of the provider and, if applicable, the Corporation Division business registry number;

(c) Description of provider business plan;

(d) Description of the core subject area(s) provider intends to offer; and

(e) Such other information or documentation as the agency may request.

(4) Notwithstanding sections (1) through (3) of this rule, a provider offering education on “green” or sustainable building practices that obtained provider approval before January 1, 2011, may continue to offer courses qualifying for mandatory core continuing education until September 30, 2011.

(5) Providers must remit to the agency together with their application:

- (a) A non-refundable fee of \$2,000 if applying to offer BEST;
- (b) A non-refundable fee of \$500 if applying to offer building codes; or
- (c) A non-refundable fee of \$2,500 if applying to offer both BEST and building codes.

(6) To qualify for approval, providers must:

(a) Certify the programs offered meet the minimum standards and content objectives established by the Board;

(b) Employ or contract with educators who have at least four years work experience or four years of education, or any combination of both, in the subject that they instruct;

(c) Be capable of entering and transmitting electronic data to the agency;

(d) Describe a process for prompt resolution of complaints by registrants;

(e) Describe a process for cancellations and refunding registrant payments; and

(f) If applying to offer BEST, provide a surety bond in an amount of \$20,000 obligating the surety to pay registrants to whom the provider owes money for cancellation or other refunds that the provider fails to pay. The bond must be in the form adopted by the board as the “Continuing Education Provider Surety Bond” dated December 1, 2009.

(7) Only an approved provider may offer or provide training to a contractor or a contractor’s employees.

(8) An approved provider may not allow any person not approved by the agency as a provider to offer or provide training or courses of the approved provider.

(9) For purposes of this rule, “offer or provide” includes, but is not limited to, assisting the contractor or the contractor’s employees in obtaining or completing the courses or acting on behalf of an approved provider in advertising or soliciting the courses.

(10) Provider approval will be valid for two (2) years from the date the provider is approved by the agency.

(11) Providers must re-submit application and fees required under sections (3) and (5) of this rule for renewal of approval. Renewal of approval will be subject to the same requirements as initial approval.

(12) The agency may withdraw approval issued to any provider that violates ORS 701.126 or any rule of the agency.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, 12/09 (eff. 1/1/2010), 8/10 eff. 9/1/10, 9/11 eff. 10/1/11, temp. 2/12 eff. 2/9/12, 3/12, 4/12 (eff. 5/1/12))

#### **812-021-0028**

##### **Course Approval, Standards, Fees and Renewal for Core – Continuing Education for Residential Contractors**

(1) The agency will approve courses that provide training in BEST or building codes.

(2) Approved courses may be offered as an individual course or as part of a comprehensive curriculum.

(3) A provider seeking approval of its courses must submit the following:

(a) Course name, course description, objectives of the offered course, and number of hours of continuing education credit;

(b) A written description of the course educator’s credentials;

(c) Copies of the course materials provided to registrants as described in section (4)(b);

(d) Cost of the offered course(s) to registrant;

(e) For live classes and classes held in real-time:

(A) Anticipated date, time, place of the course; and

(B) Number of registrants that each course can accommodate;

(f) For self-study courses:

(A) Anticipated date when the course will first be offered;

(B) Description of provider’s procedures to answer student questions; and

(C) The length of time a student has to complete the course and receive credit; and

(g) A non-refundable fee of \$50 per credit hour submitted for approval.

(4) To meet minimum standards for course approval, the provider must:

(a) Submit the course syllabus describing the course objectives and content on BEST or building codes, as appropriate;

(b) Submit a comprehensive course outline on BEST or building codes, as appropriate;

(c) Have materials for each registrant;

(A) Of sufficient explanation and quality to provide information about the subject of BEST or building codes, as appropriate;

(B) A course syllabus; and

(C) A statement that the provider is responsible for the content of the course.

(d) Have no attendance restrictions except for payment of money or membership in the provider organization.

(5) Notwithstanding sections (1) through (4) of this rule, a course on “green” or sustainable building practices that obtained approval before January 1, 2011, may continue to qualify for mandatory core continuing education if completed on or before September 30, 2011.

(6) Providers seeking to offer BEST must offer training substantially equivalent to criteria established by the agency.

(7) Except as provided in section (5) of this rule, course approval will be valid for two (2) years from the date the course is approved by the agency.

(8) Providers must re-submit application and fees under this section for renewal of approval. Renewal of approval will be subject to the same requirements as initial approval.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, temp. 7/1/11 eff. 7/1/11, 9/11 eff. 10/1/11)

#### **812-021-0030**

##### **Core Hours: BEST – Continuing Education for Residential Contractors**

(1) Only the agency and providers approved by the agency as BEST providers may offer or provide BEST. For purposes of this section, “offer or provide” includes, but is not limited to, assisting the contractor or the contractor’s employees in obtaining or completing the courses or acting on behalf of the approved provider in advertising or soliciting the courses.

(2) Only the agency or approved providers may charge contractors for BEST. Approved providers may charge contractors an amount determined by the provider.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, temp. 2/12 eff. 2/9/12, 4/12 (eff. 5/1/12))

#### **812-021-0031**

##### **Core Hours: Building Codes – Continuing Education for Residential Contractors**

(1) Only providers approved by the agency in building codes may offer or provide training in their approved subject area. For purposes of this section, “offer or provide” includes, but is not limited to, assisting the contractor or the contractor’s employees in obtaining or completing the courses or acting on behalf of the approved provider in advertising or soliciting the courses.

(2) Only approved providers may charge contractors for building code training. Approved providers may charge contractors an amount determined by the provider.

(3) Notwithstanding sections (1) and (2) of this rule, a provider approved by the agency before January 1, 2011 as qualified to offer training in “green” or sustainable building practices for mandatory core education may:

(a) Offer such training, so long as the course is completed on or before September 30, 2011; and

(b) Charge contractors for such training in an amount determined by the provider.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, 9/11 eff. 10/1/11, temp. 2/12 eff. 2/9/12, 4/12 (eff. 5/1/12))

#### **812-021-0032**

##### **Core Hours: Agency Law, Rules, and Business Practices – Continuing Education for Residential Contractors**

(1) The agency will make available to all contractors education on agency laws, regulations, and business practices.

(2) The agency may charge contractors for the law, regulation training, and business practices.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

**812-021-0033**

**Notification of Completion of Core Hours – Continuing Education for Residential Contractors**

Provider will transmit data, as directed by the agency, notifying the agency when a contractor completes an approved course.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

**812-021-0034**

**Notification of Completion of Elective Hours – Continuing Education for Residential Contractors**

(1) Contractors may provide data, as directed by the agency, notifying the agency when a contractor has taken an elective course.

(2) Contractors will certify completion of elective hours upon renewal.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

**812-021-0035**

**Agency Tracking of Hours – Continuing Education for Residential Contractors**

(1) The agency will track completion of core hours.

(2) The agency may notify contractors, in advance of their renewal dates, of the number and type of core hours left to be completed before renewal.

(3) The agency may notify contractors, in advance of their renewal dates, of the reported elective hours and the number left to be completed before renewal.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, 9/11 eff. 10/1/11)

**812-021-0037**

**Certification, Recordkeeping, and Review – Continuing Education for Residential Contractors**

(1) Contractors shall maintain records of continuing education courses completed for a period of:

(a) 24 months after the renewal date for which the education was reported; or

(b) For a lapsed license, a period of 24 months after the date the license ceased to be lapsed.

(2) The agency may request any contractor's continuing education records for review.

(3) If a contractor cannot prove that it completed the continuing education, the agency may suspend or refuse to renew the license until the contractor proves compliance or completes the missing courses.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09, 10/12 eff. 11/1/12)

**812-021-0040**

**Inactive Status During the License Period or Upon Renewal – Continuing Education for Residential Contractors**

(1) If a contractor is inactive for less than a year and seeks to renew in an active status, the contractor must complete the total continuing education hours required in OAR 812-021-0015 in order to renew. If the inactive contractor cannot prove that it completed the continuing education, the agency may refuse to convert the license to active status until the contractor proves compliance or completes the missing courses.

(2) If a contractor is inactive for one year or more during the license period and seeks to renew in an active status, the contractor is not required to complete the continuing education hours as required in OAR 812-021-0015 in order to renew.

(3) If a contractor is inactive for any period of time and seeks to renew in an inactive status, the contractor is not required to complete the continuing education hours required in OAR 812-021-0015 in order to renew.

(4) If a contractor is active at the time of renewal and seeks to renew in an inactive status, the contractor is not required to complete the continuing education hours required in OAR 812-021-0015 in order to renew.

(5) Notwithstanding section (4) of this rule, if an active contractor renews to an inactive status and seeks to change to active status during the two-year license renewal period, the contractor must complete the continuing

education requirements in OAR 812-021-0015 in order to change to active status. Continuing education hours earned during the prior two-year license period and the period of inactivity may be included for determining compliance. If the inactive contractor cannot prove that it completed the continuing education, the agency may refuse to convert the license to active status until the contractor proves compliance or completes the missing courses. Notwithstanding OAR 812-021-0015, hours completed during this same period and credited towards renewal to active may not be included for the contractor's next renewal.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.063; 701.126

(6/09, 3/12, 10/12 eff. 11/1/12)

#### **812-021-0042**

##### **Lapse in License – Continuing Education for Residential Contractors**

If a license lapses and the contractor applies for renewal as provided in ORS 701.063(4) and OAR 812-003-0300, the contractor must satisfy the continuing education requirement in OAR 812-021-0015. The contractor may satisfy the requirement by continuing education completed during the lapse period.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

#### **812-021-0045**

##### **Claiming Continuing Education Credits – Continuing Education for Residential Contractors**

(1) A contractor may claim continuing education hours for courses completed during the time an employee is employed by the contractor.

(2) If an employee completed continuing education before being hired by a contractor, the contractor may not claim those hours to satisfy its continuing education requirement.

(3) A contractor may claim continuing education hours for courses completed at the time the owner, officer or RMI is associated with the contractor.

(4) If an owner, officer or RMI completed continuing education before associating with a contractor, the contractor may not claim those hours to satisfy the continuing education requirement.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)

#### **812-021-0047**

##### **Personnel of More than One Contractor– Continuing Education for Residential Contractors**

(1) If an employee who completes a continuing education course is employed by more than one contractor at the time the employee completes the course, each employing contractor may claim the continuing education hours.

(2) If an owner, officer or RMI who completes a continuing education course is associated with more than one contractor at the time the owner, officer or RMI completes the course, each affiliated contractor may claim the continuing education hours.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(6/09)





# Oregon Construction Contractors Board

## Residential Continuing Education Executive Summary April 5, 2012

### History:

#### ORS 701.124:

Established commercial continuing education requirements by statute, but was silent with regard to residential continuing education requirements (HB 3242 [2007] – Commercial Licensing Act [AGC]).

#### ORS 701.126:

Required the agency to set up continuing education requirements for all contractors. (HB 2654 [2007] – TFCC super bill).

Since HB 3242 was prescriptive on the commercial continuing education, the Board concluded ORS 701 required the CCB to set Residential Continuing Education (RCE) requirements.

The Board created a three person subcommittee to research and recommend rules to establish Residential Continuing Education (RCE) requirements by rule. The committee spent a year gathering information from stakeholders and staff and made their recommendations to the Board. The Board adopted rules OAR 812-021-0000 through 812-021-0047 that established the RCE program, which were initially adopted June 25, 2009. The rules have been amended several times since that date, fine tuning the program and establishing various exemptions.

#### ORS 701.127:

Provided authority for some targeted exemptions. (SB 155 [2011])

### Premise of Residential Continuing Education

CCB Subcommittee on Residential Continuing Education (RCE) began with the premise that based on the Task Force on Construction Claims Report to the Legislature (2007), the RCE should work towards:

1. Preventing buildings that leak;
2. Educating on building codes; and
3. Educate on the laws regulating contractors.

### Research

Research on contractor continuing education in other states indicates an average number of required hours are 11 hours biennially and 6 of the 9 states adopted some mandatory “core” subject areas.

## CCB's Current Residential Continuing Education (2-year license period):

CORE: (Total of 8 hours)	Building Exterior Shell Training (BEST)	3 hrs
	Building Codes	2 hrs
	CCB Laws, Regulations & Business Practices	3 hrs
Electives (Total of 8 hours)	Any combination of construction or business related training	8 hrs
<b>Total Hours</b>		<b>16</b>

## CCB Exemptions (SB 155 [2011])

Senate Bill 155 [2011], provided the CCB authority to adopt rules exempting the following from BEST and Building Codes:

1. Electrical contractors;
2. Plumbing contractors;
3. Licensees that had an owner or officer with an Oregon architect or engineering license; and
4. Contractors that do not perform work on the residential dwelling. This excluded contractors involved with excavation, grading, paving and concrete work.<sup>1</sup>

## Program Future

Beginning October 1, 2013, BEST will be eliminated as a requirement because it is fully implemented into pre-licensure education and all existing contractors will have completed the curriculum.

At this time, there are not discussions by the Board to make continuing education more restrictive.

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<sup>1</sup> The Board discussed excavation, grading, paving and concrete work and determined that this type of work, if done improperly, compromised the integrity of the building shell.

# CONSTRUCTION CONTRACTORS BOARD

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## Interoffice Memo

**To:** Craig P. Smith  
Administrator

**From:** Kathleen Dahlin  
Policy Analyst

**Date:** July 20, 2011

**Subject:** Amending OAR 812-021-0015; 812-021-0025; 812-021-0028; 812-021-0031; 812-021-0038; new rule OAR 812-021-0021

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**ELIMINATE "GREEN" OR SUSTAINABLE  
BUILDING PRACTICES  
(OAR 812-021-0015, 812-021-0025,  
812-021-0028, 812-001-0031)**

### Background

On April 26, 2011, the Board voted to move "green" or sustainable building practices out of mandatory core continuing education and into the elective continuing education.

### Problem

The Task Force on Construction Claims (TFCC) recommended that contractors be educated in building codes in order to improve construction practices. However, over the past year and a half, staff noted that only a few contractors took building code classes. Most took "green" or sustainable practice courses to satisfy the requirement. This option had originally only been intended for those few contractors that generally do not work on residential buildings.

Also, staff were concerned that changing the requirement would leave contractors with too few options to complete their continuing education (CE) requirements.

### **Solution**

Staff recommends realigning the CE subject matter with recommendations of the TFCC by removing “green” or sustainable practices from mandatory core continuing education. Because “green” or sustainable practices will become elective courses, the need to approve the providers and courses is eliminated. Therefore, rules relating to approval of providers and courses are amended. Finally, there is a “grandfather” clause that allows persons who have taken (or will soon take) these courses to obtain mandatory core credit.

By expanding the qualifying building code courses (see discussion below), the problem of insufficient building code courses is eliminated.

### **EXPAND BUILDING CODE COURSE OFFERINGS (OAR 812-021-0015; 812-021-0028)**

### **Background**

On June 14, 2011, the Board directed staff to adopt temporary rules that would allow CCB to accept building code courses completed by contractors that had been approved by either the Building Codes Division (BCD) or the International Codes Council (ICC). On July 1, 2011, CCB adopted such a temporary rule.

### **Problem**

The current rules require that CCB approve all building code courses. However, for CCB to issue an approval, the course must first be approved by the BCD. BCD approves (1) code change courses and (2) courses funded with a 1% building permit surcharge. There are not enough courses approved by CCB to satisfy the needs of its licensees.

### **Solution**

There are BCD-approved courses that have not been approved by CCB. There are other code courses that are approved by ICC, but not BCD. By changing the rules, there are more options for building code courses (required for core CE). Soon, CCB will begin approving more courses. By accepting these other courses completed on or before June 30, 2012, there should be adequate courses.

There is one slight modification from the language in temporary OAR 812-021-0015. The permanent rule clarifies that the provider approved by CCB must be approved to offer courses in building codes. Otherwise, BEST-approved providers would qualify.

**CLARIFY USE OF  
OLDER COURSES  
(OAR 812-021-0015(4))**

**Problem**

The current language in OAR 812-021-0015(3)(c) was confusing. It required reading the introduction in section (3) with subsection (c), which was not always apparent. The purpose of the rule was simply to allow contractors, during their first renewal cycle (10/1/2011 – 10/1/2013) to use not only the CE they obtained in the previous license period (10/1/2009 – 10/1/2011) but also for the three months prior (7/1/2009 – 9/30/2009).

**Solution**

The solution was to draft a new rule section that clarifies the intent of the repealed section.

**MODIFY SUBMISSIONS FOR  
COURSE APPROVAL  
(OAR 812-021-0028)**

**Problem**

Some of the course approval standards are not consistent with best practices. They do not adequately reflect the documents needed for approval.

**Solution**

The rule is amended to provide more specifics for course approval submission. (Housekeeping rule).

**CREATE EXEMPTIONS  
FROM CE REQUIREMENTS  
(NEW RULE OAR 812-021-0021)**

**Background**

On June 14, 2011, the Board directed staff to adopt temporary rules that would exempt certain contractors from the requirements of BEST and building codes CE. Exemptions were to be made for (1) licensed plumbing contractors; (2) licensed electrical contractors; (3) contractors that are owned by or have an officer who is a

licensed architect; and (4) contractors that are owned by or have an officer who is a licensed engineer. On July 1, 2011, CCB adopted such a temporary rule.

While CCB has authority to adopt exemptions under ORS 701.126, the 2011 legislature also passed a law that *requires* CCB to adopt criteria to exempt residential contractors from certain CE requirements. The law takes effect January 1, 2012. CCB may require that those contractors take additional elective courses. (Or Laws 2011, ch. 170; SB 155).

### **Problem**

There are individuals who work for contractors that already take considerable continuing education in areas of good building practices and building codes. Yet, CCB does not recognize their education for its purposes.

Also, there are residential contractors that perform no work on dwellings or their outbuildings. They, too, are required to complete the BEST and building code training.

### **Solution**

The rule recognizes that plumbers, electricians, architects and engineers already complete continuing education that covers much the same subjects as BEST and building codes. The rule crafts an exemption recognizing the continuing education of these licensed individuals. (The rule exempts plumbing and electrical contractors. By law, they must employ plumbers and electricians, respectively.)

The rule also recognizes specific groups of residential contractors that do not work on dwellings or related outbuildings. These contractors will be exempt from the BEST and building code CE requirements.

# CONSTRUCTION CONTRACTORS BOARD

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## Interoffice Memo

**To:** Craig P. Smith  
Administrator

**From:** Kathleen Dahlin  
Policy Analyst

**Date:** August 16, 2011

**Subject:** Temporary Rule to Exempt Contractors Not Working on Residential Dwellings or Outbuildings (OAR 812-021-0021)

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### Background

The Board directed staff to adopt temporary rules that would exempt certain contractors whose work does not involve the dwelling or its outbuildings.

CCB has authority to adopt exemptions under ORS 701.126.

### Problem

Some CCB licensed residential contractors do not perform work on the actual dwellings or the outbuildings to dwellings. Under current requirements these contractors are required to complete the CCB RCE BEST and Building Code (BC) training, even though it is not applicable to their work (i.e. arborists, and iron metal fabricators).

Arguably these contractors may have less need for CCB RCE BEST and BC training and wish to be exempted from these requirements.

### Solution

Expand the temporary rule recognizes specific groups of residential contractors that do not work on dwellings or related outbuildings. These contractors will be exempt from the BEST and BC CCB RCE requirements.

### **Emergency**

If the Board wishes to implement this policy choice, it may wish to consider doing so under its emergency rule authority.

### **Emergency Justification**

Following the permanent rulemaking process instead of adopting a temporary rule will result in serious prejudice to the public interest. OAR 812-021-0021 (temporary) will exempt those contractors who are licensed residential but who do not work on dwellings or outbuildings.

Emergency adoption of the exemption is necessary because the renewal period requiring mandatory CE is imminent (begins October 1, 2011). These contractors may not have adequate CE BEST and BC courses to satisfy the requirements. Yet, CCB plans to make an exemption for them. To do so, and make the exemption work in the necessary time frame, requires an emergency temporary rule.

### **Procedure**

CCB adopted a new temporary rule on July 1, 2011, to exempt from RCE requirements the following:

- (1) Licensed plumbing contractors;
- (2) Licensed electrical contractors;
- (3) Contractors owned by or having an officer who is a licensed architect; and
- (4) Contractors owned by or having an officer who is a licensed engineer.

Since the new temporary rule will "amend" the existing temporary rule, the following must occur. CCB will repeal the existing temporary rule and adopt a new temporary rule containing both (1) the existing provisions and (2) the new provisions relating to contractors that do not work on dwellings or outbuildings. See attached.



Rule	Explanation
<p><b>812-021-0021</b>  <b>Exemptions from Continuing Education</b>  (1) The following persons are exempt from obtaining BEST education as required under OAR 812-021-0015(2) or (3)(a)(A):  (a) Contractors who are licensed as:  (A) Plumbing contractors under ORS 447.010 to 447.156; or  (B) Electrical contractors under ORS 479.630.  (b) Contractors who have an owner or officer who is licensed as:  (A) An architect under ORS 671.010 to 671.220, whether or not operating within the scope of that license; or  (B) A professional engineer under ORS 672.002 to 672.325, whether or not operating within the scope of that license.  (2) The following persons are exempt from obtaining education in building codes or on “green” or sustainable practices as required under OAR 812-021-0015(2), (3)(a)(B) or (4)(a)(A):  (a) Contractors who are licensed as:  (A) Plumbing contractors under ORS 447.010 to 447.156; or  (B) Electrical contractors under ORS 479.630.  (b) Contractors who have an owner or officer who is licensed as:  (A) An architect under ORS 671.010 to 671.220, whether or not operating within the scope of that license; or  (B) A professional engineer under ORS 672.002 to 672.325, whether or not operating within the scope of that license.  (3) Persons who are exempt under sections (1) and (2) of this rule from completing mandatory core continuing education must substitute an equivalent amount of elective continuing education. Total continuing education for the license period is 16 hours.  Stat. Auth.: ORS 670.310, 701.126 &amp; 701.235  Stats. Implemented: ORS 701.126  (temp. 7/11 eff. 7/1/11)</p>	<p>Existing rule: Repealed.</p>
<p><b>812-021-0021</b>  <b>Exemptions from Continuing Education</b>  <u>(1) For purposes of this rule, “dwelling” means a shelter in which people live, such as buildings used exclusively for residential occupancy, including single-family, two-family (e.g. duplex) and multi-family (e.g. apartment) buildings.</u>  <u>(2) For purposes of this rule, “outbuilding” means a building accessory to a dwelling that is used by the persons who occupy the dwelling, including detached garages, shops, sheds and barns.</u>  (3) <u>The following persons are exempt from obtaining BEST education as required under OAR 812-021-0015(2) or (3)(a)(A):</u>  <u>(a) Contractors that are licensed as:</u>  <u>(A) Plumbing contractors under ORS 447.010 to 447.156; or</u>  <u>(B) Electrical contractors under ORS 479.630.</u>  <u>(b) Contractors that have an owner or officer who is licensed as:</u>  <u>(A) An architect under ORS 671.010 to 671.220, whether or not operating within the scope of that license; or</u>  <u>(B) A professional engineer under ORS 672.002 to 672.325,</u></p>	<p>New rule.</p> <p><i>Sections (1), (2), (3)(c) and (4)(c) are new provisions.</i></p> <p><i>Sections (3)(a), (3)(b), (4)(a) and (4)(b) are old provisions.</i></p> <p>Exempts from residential CE BEST and building codes those contractors that do not “touch” a residential structure that is a “dwelling” or “outbuilding.”</p> <p>Defines the terms “dwelling” and “outbuilding.”</p>

whether or not operating within the scope of that license.

(c) Unless provided otherwise, contractors that do not perform work on a residential structure that is a dwelling or an outbuilding, including but not limited to:

(A) Contractors that perform tree pruning, tree and stump removal, and tree and limb guying;

(B) Contractors that forge, weld or fabricate ornamental iron, so long as the contractor does not attach or install the ornamental iron in or on a residential structure that is a dwelling or outbuilding;

(C) Contractors that build fences, so long as the contractor does not attach or install the fence in or on a residential structure that is a dwelling or outbuilding; and

(D) Contractors that install, repair or replace in-ground wells.

(d) The following contractors are not exempt under subsection (c) of this section:

(A) Contractors that perform excavation for residential construction;

(B) Contractors that perform grading for residential construction;

(C) Contractors that perform cement work for residential construction; and

(D) Contractors that perform paving for residential construction.

(4) The following persons are exempt from obtaining education in building codes as required under OAR 812-021-0015(2), (3)(a)(B) or (5)(a)(A):

(a) Contractors that are licensed as:

(A) Plumbing contractors under ORS 447.010 to 447.156; or

(B) Electrical contractors under ORS 479.630.

(b) Contractors that have an owner or officer who is licensed as:

(A) An architect under ORS 671.010 to 671.220, whether or not operating within the scope of that license; or

(B) A professional engineer under ORS 672.002 to 672.325, whether or not operating within the scope of that license.

(c) Unless provided otherwise, contractors that do not perform work on a residential structure that is a dwelling or outbuilding, including but not limited to:

(A) Contractors that perform tree pruning, tree and stump removal, and tree and limb guying;

(B) Contractors that forge, weld or fabricate ornamental iron, so long as the contractor does not attach or install the ornamental iron in or on a residential structure that is a dwelling or an outbuilding;

(C) Contractors that build fences, so long as the contractor does not attach or install the fence in or on a residential structure that is a dwelling or outbuilding; and

(D) Contractors that install, repair or replace in-ground wells.

(d) The following contractors are not exempt under subsection (c) of this section:

(A) Contractors that perform excavation for residential construction;

(B) Contractors that perform grading for residential

Lists examples of contractors that are exempt, and those that are not.

Requires that contractors exempt from mandatory BEST and building code hours must complete an equivalent number of elective hours.

Readopts temporary rule adopted July 1, 2011, dealing with certain professions and occupations.

construction;

(C) Contractors that perform cement work for residential construction; and

(D) Contractors that perform paving for residential construction.

(5) Contractors that are exempt from the continuing education requirements under sections (3) or (4) of this rule must complete additional elective continuing education, as provided in OAR 812-021-0019, in an amount totaling the number of core hours that the contractor would otherwise be required to complete under OAR 812-021-0015 but for the exemption.

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Stats. Implemented: ORS 701.126

(temp. 7/11 eff. 7/1/11)



# Construction Contractors Board

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## Understanding CCB's Residential Continuing Education Exemption for "No Touch" Rule

(September 27, 2011)

On September 27, 2011, the Construction Contractors Board (CCB) adopted rules exempting contractors whose business practices **do not and will not** "touch" a residential dwelling or outbuilding from the Residential Continuing Education Core Building Exterior Shell Training (BEST) and Building Codes requirement.

This exemption is not permitted for contractors whose work includes excavation, grading, concrete work or paving.

Contractors taking the exemption (3 hours in BEST and 2 hours of building codes) must increase the amount of elective hours required by 5 hours.

If a contractor changes their business practices and intends to perform work on residential dwelling or outbuilding, they must complete the education prior to providing the work.

The CCB strongly recommends all contractors complete BEST and the Building Codes requirement. Completing the education eliminates the potential for a contractor to violate the law by "touching" the residential dwelling or outbuilding. Additionally all contractors have an interest and a role (directly or indirectly) in ensuring buildings do not leak.

### What does it mean by "no touch"?

The law says "Unless otherwise provided, contractors that do not perform work on a residential structure that is a dwelling or outbuilding" may exempt themselves from BEST and Building Codes.

Perform work means at any time during your license period you perform:

- Actual hands-on work on a residential dwelling or outbuilding
- Offer or arrange work on a residential dwelling or outbuilding
- Inspection on a residential dwelling or outbuilding
- Construction Management on a residential dwelling or outbuilding
- Other activities defined as "Work as a Contractor". (OAR 812-002-0780)

Some examples of touching a structure include a fencing contractor that attaches the fence to the residential dwelling; or when a deck is attached to the dwelling.

If one project "touches" the residential dwelling or outbuilding, it means the contractor does not qualify for the exemption.

**Why is excavation, grading, concrete work or paving not exempt for the BEST and Building Codes requirement?**

The Board concluded that contractors performing excavation, grading, concrete work or paving impact the building's shell and have an important role in preventing any compromise to the building envelope.

**What is the core and elective requirement if a contractor utilizes the exemption?**

Contractors taking advantage of the exemption from BEST and Building Codes are still required to take the total number of hours required. (16 hours for Residential General and Residential Specialty Contractors and 8 hours for Residential Limited Contractors)

- 3 hours of CCB Laws, Regulations and Business Practices (LRB)
- 13 hours of electives for most contractors. For the small number of Residential Limited Contractors it will be 5 elective hours.

**How to I take the exemption?**

The exemption must be renewed each license period. After receiving your renewal form, you can request the agreement form from the CCB. Complete the form, have it notarized and return the original agreement form to the CCB with your completed renewal form.

Your renewal form must show you have completed the required elective education, including the additional five hours.

Under this agreement you have certified and agreed you do not "touch" a residential dwelling or outbuilding, **and** if you change your business practices to include work on a residential dwelling or outbuilding, you will complete the BEST and building codes requirements **prior** to performing the work.

Contractors failing to abide by the agreement may receive a \$5000 civil penalty and have their CCB license suspended.



# Construction Contractors Board

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## Background on Oregon's Commercial and Residential Continuing Education Mandate

(April 12, 2011)

The Oregon Construction Contractors Board (CCB) is moving forward with implementation of legislation passed in 2007 directing CCB to implement continuing education requirements for contractors renewing their CCB licenses.

The Board is sensitive to the fact that these are very difficult economic times for all contractors, and are particularly difficult times for residential contractors.

The CCB has worked with the residential construction industry to establish the following guiding principles for the Residential Continuing Education (RCE) program. Continuing education must:

1. Increase knowledge for the sound construction of buildings by preventing buildings that leak and other construction defects.
2. Increase knowledge for businesses to operate successfully.
3. Lowest cost with the highest quality.
4. Must give contractors flexibility and control for much of the education required.
5. Must be beneficial to contractors.
6. Must be easy to obtain.

The following is a summary on the background of Oregon's continuing education mandate for residential construction contractors.

### **How did continuing education start?**

In 2007, Oregon Legislature passed House Bill 2654 (2007) requiring the Construction Contractors Board (CCB) to implement a continuing education system for all contractors. This bill contained many of the recommendations presented to the Legislature by the Task Force on Construction Claims (TFCC)<sup>1</sup>.

At the same time, House Bill 3242 (2007) passed separating commercial and residential contractors. This bill contained a prescriptive mandate on continuing education for commercial contractors.

### **What is the current law?**

Commercial contractors were required to begin meeting the continuing education obligation July 1, 2010.

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<sup>1</sup> The TFCC was formed by a 2005 Bill to study the relationship between construction liability claims, construction defects, construction industry practices and liability insurance requirements. Their report can be accessed online at: [www.oregon.gov/DCBS/CCTF/final/report\\_recommendations.pdf](http://www.oregon.gov/DCBS/CCTF/final/report_recommendations.pdf)

Commercial continuing education (CCE) consists of between 16–80 hours during the two year license period. The amount of hours is dependent upon the commercial endorsement.

Residentially endorsed contractors will begin meeting residential continuing education (RCE) requirements with their CCB license renewal on or after October 1, 2011. This requirement is a total of 16 hours during a two-year license period. It consists of 8 hours in mandatory subject areas (3/hrs in Building Exterior Shell Training (BEST); 2/hrs in building codes; 3/hrs in CCB laws, regulations and business practices) and 8 hours in elective subject areas.

### **What has the CCB done to implement the program?**

Based on the TFCC recommendations, we began with the premise that residential contractors needed basic education in the building exterior shell and building codes. With the agency's experiences through dispute resolution and enforcement, we added laws, regulations and business practices component.

In September of 2007, the CCB sent a letter to industry stakeholders explaining the continuing education requirement and asking for written input. Public meetings were held in Portland, Salem and Eugene beginning in October of 2007.

In March and June of 2008, the agency developed a survey that was sent to every licensee through the CCB newsletter asking for input on the continuing education requirement.

For more than 18 months, the CCB and a three-member subcommittee of the Board worked with industry and other stakeholders to develop administrative rules to clarify the overall continuing education program. In October 2008, the commercial rules were passed. In June 2009, a public hearing was held on the residential continuing education and the rules were adopted by the Board.

### **What has the CCB done to inform contractors about the mandate?**

In April 2007, the CCB reported in the agency newsletter, the findings of the Task Force on Construction Claims Information and the legislation proposed. The agency used each subsequent newsletter to provide additional information. The agency began to develop web pages on the Residential Continuing Education (RCE) and the Commercial Continuing Education (CCE) mandates. In July 2009, the agency created a blog which provided current up-to-date information. This information continues to be disseminated through the CCB e-newsletter, blog and on the CCB website with specific pages designated to continuing education.

A flyer was developed in 2009 and for the past two years is sent to all new and renewing contractors along with their license.

### **What can I do if I don't like the residential continuing education mandate?**

Written input can be made to the agency. All letters will be shared with the Board.



# Contractor "HEADS UP"

November 2011

## Continuing Education for Commercial Contractors

### NEW CONTINUING EDUCATION REQUIRED FOR YOUR NEXT RENEWAL

As of July 1, 2010, all commercially endorsed contractors began certifying on their renewal that they have completed continuing education.

- WHO:** All CCB commercially endorsed contractors that renew a commercial CCB license. Training can be taken by any "key" employee of the business. (See the reverse side for more information).
- WHAT:** Commercial Continuing Education (CCE) is now part of the requirements for continued licensing with the CCB.
- WHEN:** Certification that a contractor has completed the required amount of CCE hours begins with renewals on or after July 1, 2010.
- HOW:** Determine how much CCE, who can take it for your business and what training qualifies. (See reverse side for more information.)

#### How do I provide the CCE information to the CCB?

You will be asked to certify that you have taken the training on your next CCB license renewal. You should keep records of all continuing education taken by your "key" employees.

CCB does not request proof of continuing education at the time of renewal.

(over)

Construction Contractors Board

700 Summer St. NE, Suite 300, Salem, OR 97309-5052, 503-378-4621

Commercial CE 6-1-10 rev 11-22-11



## **REQUIRED TRAINING FOR COMMERCIAL CONTRACTORS**

1. Topics may include construction means, methods, and business practices. The approved sources for commercial continuing education topics are:

- Community colleges, colleges, universities
- Trade schools
- Trade or business associations
- Professional societies
- Private companies
- Public agencies
- Product manufacturer training
- In-house training

NOTE: At present, CCB does not have a list of CCE providers. Over time, CCB plans to create a list, to be available on its website.

2. The CCE must be taken by key employees of the business. A “key employee” is an owner or employee who is one of the following:

- Corporate officer
- Manager
- Superintendent
- Foreperson
- Lead person
- Any other person who exercises management or supervisory authority over the construction activities of the business

3. CCE may be obtained by one key employee or by multiple key employees. The total number of hours required depends on how many key employees the business has. The following CCE hours are required for each **two-year** licensing period:

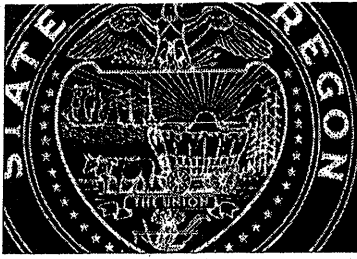
<b>Commercial Contractor Level 1</b>	<b>5 or more Key Employees</b>	<b>80 Hours Required</b>
	<b>4 Key Employees</b>	<b>64 Hours Required</b>
	<b>3 Key Employees</b>	<b>48 Hours Required</b>
	<b>2 Key Employees</b>	<b>32 Hours Required</b>
	<b>1 Key Employees</b>	<b>16 Hours Required</b>
<b>Commercial Contractor Level 2</b>	<b>Any # of Key Employees</b>	<b>32 Hours Required</b>

4. Contractors must maintain records of their key employees’ CCE.

5. CCE requirements **do not** apply to:

- a. Licensed electrical or plumbing contractors, or contractors licensed to work on boilers and pressure vessels.
- b. Commercial Developers

For more information, visit: [www.oregon.gov/CCB](http://www.oregon.gov/CCB)



# Construction Contractors Board RESIDENTIAL CONTINUING EDUCATION

January 2012

## 1. When do you need to take the Continued education?

Residentially endorsed contractors begin meeting continuing education (CE) requirements with CCB license renewals on or after October 1, 2011. They will be required to have completed the education as described below.

## 2. How much CE do I need to have?

Residential contractors must complete 16 hours of continuing education during the two year license period. Eight hours must be in mandatory subject areas (Core) and eight hours are discretionary (Electives).

Some contractors are exempt from all or some of required continuing education. (See #6 for exemptions)

## 3. Who takes CE?

Continuing education can be taken by the owners, officers, members, \*employees or any combination.

\* Employee does not include temporary or leased workers, or a subcontractor which is an independent contractor.

## 4. What is "CORE"?

Core continuing education consists of:

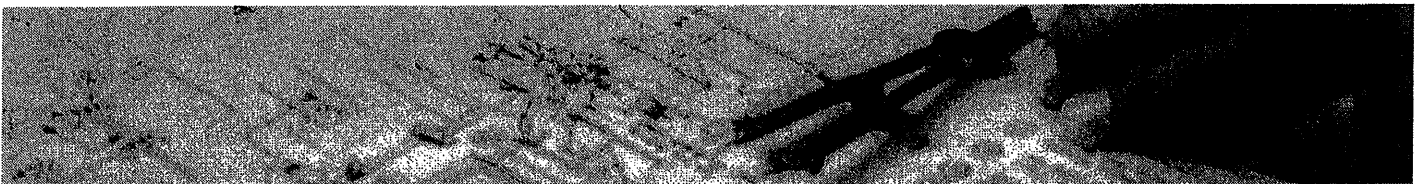
- 3 hours in Building Exterior Shell Training (BEST)
- 2 hours in Building Codes
- 3 hours in CCB Business Law and Practices

The CCB approves providers and classes for BEST and Building Codes. The CCB will deliver the training on CCB Business Practices and Law. The agency website lists the core education providers and classes currently approved.

## 5. What is "ELECTIVE"?

Electives are any construction/business related courses that a contractor determines is important for their business.

(over)



700 Summer Street NE, Suite 300 • PO Box 14140 • Salem • Oregon • 97309  
www.oregon.gov/CCB • Phone: 503-378-4621 • Fax: 503-373-2007

# Construction Contractors Board RESIDENTIAL CONTINUING EDUCATION

The following may qualify as elective CE:

- Any construction or construction related offering, or course that improves your business operations, given by colleges, universities, trade schools, trade associations, professional societies, etc.
- Attending training or demonstrations offered by building component manufacturers.
- Classes attended to maintain another construction industry license (e.g. home inspection, architects, plumbing, electrical, etc).
- Classes taken to fulfill CCB's Commercial Continuing Education (CCE) requirement.
- Additional Core hours not used to meet the Core requirement.

## 6. Who is exempt?

### Residential Developers

Contractors endorsed only as a Residential Developer (RD) are exempt from all continuing education requirements.

### Residential Limited Contractors

Residential Limited Contractors are required to complete only the core residential continuing education.

### Others

The following residential contractors are exempt from the Core subject areas of the Building Exterior Shell Training (BEST) and Building Codes.

1. Electrical contractors licensed under ORS 479.630.
2. Plumbing contractors licensed under ORS 447.010 to 446.156.
3. Contractors that have an owner or officer licensed as an architect under ORS 671.010 to 671.220.
4. Contractors that have an owner or officer licensed as an engineer under ORS 672.002 to 672.325.
5. Contractors that have certified they do not perform work on a residential dwelling or out building.

Contractors identified in 1 - 5 must substitute the five core hours with five elective hours. They are required to take three core hours in CCB Laws, Regulations and Business Practices.

## 7. Where do I get CE?

### Core:

Contractors can find the currently approved providers and courses on the CCB web site. Courses given by the CCB in Laws, Regulations and Business Practices are available online or in a live setting.

### Electives:

Education that qualifies as electives is found in many places: Manufacturers offering installation training, trade associations having educational opportunities for members and nonmembers, colleges, education for other construction related licenses, etc.

## 8. What if I have a Residential & Commercial endorsement?

Contractors having both endorsements must fulfill the requirements established for the residential continuing education requirement and the commercial requirement. The hours taken for the residential obligation will apply towards the commercial obligation.

**Core Residential Continuing Education (RCE) Estimated Course Cost  
February 2012**

	B	C	D	E	F
1	Type of Course	Delivery Method		Price	RCE Hours
2	Laws, Regulations, and Business Practices				
3	Laws, Regulations, and Business Practices	Self-study	Online Internet Needed	\$15 per credit hour	3
4	Laws, Regulations, and Business Practices	Live	Classroom	\$15 per credit hour	3
5	Building Exterior Shell Training (BEST)				
6	BEST	Self-study	Online Internet Needed	\$79	3
7	BEST	Live	Classroom	\$145	3
8	BEST	Live	Classroom	\$90	3
9	BEST	Self-study	Online Internet Needed	\$60	3
10	BEST	Self-study	Online Internet Needed	\$79	3
11	Building Codes				
12	Exterior Wall Envelope Code Change	Live	Classroom	\$65	2
13	Moisture Management: Complying with the Exterior Wall Envelope Requirements	Self-study	Online Internet Needed	\$50	2
14	Oregon Residential Specialty Code: 2011 Relevant Changes	Live	Classroom	\$65	3
15	ORSC (Oregon Residential Specialty Code) Code Update	Self-study	Online Internet Needed	\$50	3
16	Using the 2008 Oregon Residential Specialty Code	Self-study	Online Internet Needed	\$50	2
17	Building Codes	Live	Classroom	\$50	2

*New Providers  
45.00 / BEST  
? / BEST*

**Core Residential Continuing Education (RCE) Estimated Course Cost  
February 2012**

	B	C	D	E	F
18	Type of Course	Delivery Method		Price	RCE Hours
19	<b>Building Codes</b>				
20	2011 Oregon Residential Specialty Code Change	Self-study	Online Internet Needed	\$40	2
21	2011 Oregon Residential Specialty Code Change	Live	Classroom	\$50	2
22	Oregon Building Code Fundamentals for Contractors	Self-study	Online Internet Needed	\$49	2
23	Oregon Residential Specialty Code New Code Changes for CCB Contractors	Live	Classroom	\$40	2
24	CCB Residential Continuing Education-Building Codes	Self-study	Online Internet Needed	\$30	2
25	<b>Combination Courses</b>				
26	BEST, Building Codes, Electives	Self-study	Online Internet Needed	\$189	3, 3, 7
27	BEST Building Codes	Self-study	Online Internet Needed	\$100	3, 2
28	BEST, Building Codes, Electives	Live	Classroom	\$139	3, 2, 2
29	BEST, Building Codes, Electives	Live	Classroom	\$220	3, 2, 8

## Continuing Education – Comparison by States

State	Contractors Regulated	C/E Required	Hours Required	Required C/E Subjects	Providers
Alabama	Yes	Yes	16 hours biennially	8 – 16 hours technical topics, 0 – 8 hours business topics	Private providers
Alaska	Yes	No			
Arizona	Yes	No			
Arkansas	Yes	No			
California	No	Yes			
Colorado	Yes	No			
Connecticut	Yes	No			
Delaware	Yes	No			
D. C.	Yes	No			
Florida	Yes	Yes	14 hours biennially	6 hours required topics	Private providers
Georgia	Yes	No			
Hawaii	Yes	No			
Idaho	Yes	No			
Illinois	No	Yes			
Indiana	No	Yes			
Iowa	Yes	No			
Kansas	No	Yes			
Kentucky	No	Yes			
Louisiana	Yes	No			
Maine	No	Yes	4 hours annually	None	Private providers
Maryland	Yes	Yes			
Massachusetts	Yes	Yes	6 – 12 hours biennially	5 hours required topics	Private providers
Michigan	Yes	Yes	24 hours triennially	3 hours building codes	Private providers
Minnesota	Yes	Yes	14 hours biennially	1 hr. energy codes, 7 hrs. bldg. codes	Private providers

Mississippi	Yes	No				
Missouri	No	--				
Montana	No					
Nebraska	No	--				
Nevada	Yes	No				
New Hampshire	No	--				
New Jersey	Yes	No				
New Mexico	Yes	No				
New York	No					
North Carolina	Yes	No				
North Dakota	Yes	No				
Ohio	No	--				
Oklahoma	No					
Oregon	Yes	Yes	16 hours biennially	8-16 hours "core"; 0-8 hours electives	Agency and private providers	
Pennsylvania	Yes	No				
Rhode Island	Yes	Yes	8 hours biennially	None (new program)		
South Carolina	Yes	No				
South Dakota	No	--				
Tennessee	Yes	No				
Texas <sup>1</sup>	No	--				
Utah	Yes		6 hours biennially	6-8 hours "core"; 0-8 hours elective/continuing education	Agency providers	
Vermont	No	--				
Virginia	Yes	No				
Washington	Yes	No				
West Virginia	No	No				
Wisconsin	Yes	Yes	12 hours biennially	None	Private providers	
Wyoming	No	--				

<sup>1</sup> Previously, Texas regulated residential construction and may have required continuing education. In 2010, the state legislature abolished the program.

## Comparative Table Selected Oregon Licensing Agencies

Profession/Occupation	License Period	Required CE Renewal	Annualized CE	Carry Forward	Minimum Course Hours	Self-Study	Random Audits
Contractors	2 years	16 hours	8 hours	8 hours	1 hour	No	No
Architects	2 years	24 hours	12 hours	12 hours	1 hour	No	Yes
Athletic Trainers	3 years	75 hours	25 hours	None	No	No	Yes
Chiropractors	1 year	20 hours	20 hours	None	None	No	Yes
Counselors and Therapists	2 years	40 hours	20 hours	None	1 hour	No	Yes
Denturists	2 years	20 hours	10 hours	None	No	No	No
Dieticians	No continuing education requirement.						
Engineers and Land Surveyors	2 years	30 hours	15 hours	15 hours	No	Up to 6 hours	No
Geologists	No continuing education requirement.						
Landscape Architects	1 year	12 hours	12 hours	None	No	No	Yes





# CONSTRUCTION CONTRACTORS BOARD

700 Summer St NE Suite 300  
PO Box 14140  
Salem OR 97309-5052  
503-378-4621  
503-373-2007 FAX



## Interoffice Memo

**To:** Construction Contractors Board  
**From:** Craig P. Smith  
Administrator  
**Date:** February 20, 2013  
**Subject:** Consumer Protection: CCB Laws and Rules

---

### Licensing, Education and Enforcement Provide CCB Consumer Protection

The Construction Contractors Board (CCB) administers ORS chapter 701 and the rules that it adopts under the law. The statute and rules create a regulatory process for consumer protection. The law promotes consumer protection through licensing, education and enforcement. The following is a list of functions performed by each part of CCB. Each function protects consumers.

#### Licensing

- Identifies individuals who apply for a license or are associated with a business applying for a license
  - Screens for bad debts
  - Screens for criminal convictions
- Tracks individuals, associated individuals, associated businesses
  - Tracks for subsequent court judgments
  - Tracks for subsequent bad debts
  - Tracks for subsequent criminal convictions
- Requires surety bond
  - Immediate suspension for lack of bond
- Requires liability insurance
  - Immediate suspension for lack of insurance
- Requires a responsible managing individual (RMI)

#### Education

- Prerequisite training for RMI
- Testing for RMI

- Contractor requirements for dealing with consumer:
  - Consumer notices:
    - Information Notice to Owner about Construction Liens
    - Consumer Protection Notice
    - Information Notice to Property Owners about Construction Responsibilities
    - Notice of Procedure
    - Notice of Compliance with Homebuyers Protection Act
  - Minimum contract terms
  - Maintenance schedule
  - Warranty information
- Continuing education (residential)
  - BEST
  - Building codes
  - Laws, regulations and business practices
  - Elective
- Continuing education (commercial)
  - Elective
- CCB Website
- CCBlog

### **Enforcement**

- Field investigations
  - On-site job checks
  - Stings
  - Sweeps
- Craigslist review
- Member of Interagency Compliance Network (ICN)
- Information sharing with other state agencies
- Information sharing with building officials
- Information sharing with law enforcement agencies
- Subpoenas
- Increased bonds
- Civil penalties
- Suspend or revoke license
- Criminal prosecution support
- DOJ/Financial Fraud investigations and injunctions (\$360,000)

The laws governing CCB, when properly administered, provide significant consumer protection. CCB applies the laws that regulate the construction industry, which, in turn, protects homeowners, other contractors, material suppliers and others.



# Information Notice To Owner About Construction Liens

(ORS 87.093)

**This is not a lien. Your contractor is required by law to provide this notice to inform you about construction lien laws. This notice explains the construction lien law, and gives steps you can take to protect your property from a valid lien. As an owner, you should read this information notice carefully. This information notice is required to be given if you contract for residential construction or remodeling, if you are buying a new home, or at any time the contract price exceeds \$2,000.**

- Under Oregon law, your contractor and others who provide labor, materials, equipment, or services to your project may be able to claim payment from your property if they have not been paid. That claim is called a Construction Lien.
- If your contractor does not pay subcontractors, employees, rental equipment dealers, materials suppliers, or does not make other legally required payments, those who are owed money may place a lien against your property for payment. **It is in your best interest to verify that all bills related to your contract are paid, even if you have paid your contractor in full.**
- If you occupy or will occupy your home, persons who supply materials, labor, equipment, or services ordered by your contractor are permitted by law to file a lien against your property only if they have sent you a timely Notice of Right to Lien (which is different from this Information Notice), before or during construction. If you enter into a contract to buy a newly-built, partially-built, or newly-remodeled home, a lien may be claimed even though you have not received a Notice of Right to a Lien. If you do not occupy the building, a Notice of Right to Lien is not required prior to filing a lien.

**This notice is not intended to be a complete analysis of the law. You should consult an attorney for more information.**

## Common Questions and Answers About Construction Liens

**Can someone record a construction lien even if I pay my contractor?** Yes. Anyone who has not been paid for labor, material, equipment, or services on your project and has provided you with a valid Notice of Right to Lien has the right to record a construction lien.

**What is a Notice of Right to Lien?** A Notice of a Right to Lien is sent to you by persons who have provided labor, materials, or equipment to your construction project. It protects their construction lien rights against your property.

**What should I do when I receive a Notice of Right to Lien?** Don't ignore it. Find out what arrangements your contractor has made to pay the sender of the Notice of Right to Lien.

**When do construction liens need to be recorded?** In Oregon, construction liens generally need to be recorded within 75 days from the date the project was substantially completed, or 75 days from the date that the lien claimant stopped providing labor, material, equipment, or services, whichever happened first. To enforce a lien, the lien holder must file a lawsuit in a proper court within 120 days of the date the lien was filed.

**Note to Contractor:** This notice must be delivered personally, or mailed by registered mail, certified mail, or by first-class mail with a certificate of mailing. Ask the signing parties to provide you with an original or copy to retain in your files. You should retain proof of delivery of this notice for at least two years.

## Steps That Consumers Can Take to Protect Themselves

- **Contact the Construction Contractors Board (CCB) and confirm that your contractor is licensed.** The law requires all construction contractors to be licensed with the CCB. Check a contractor's license online at the CCB consumer website: [www.oregon.gov/ccb](http://www.oregon.gov/ccb), or you can call 503-378-4621.
- **Review the Consumer Protection Notice (ORS 701.330(1)),** which your contractor must provide to you at the time of contract on a residential structure.
- **Consider using the services of an escrow agent** to protect your interests. Consult your attorney to find out whether your escrow agent will protect you against liens when making payments.
- **Contact a title company about obtaining a title policy** that will protect you from construction lien claims.
- **Find out what precautions, if any, will be taken** by your contractor, lending institution, and architect to protect your project from construction liens.
- **Ask the contractor to get lien waivers or lien releases** from every subcontractor, materials provider, equipment provider, and anyone else the contractor is responsible for paying. Do this before you give your contractor a progress payment.
- **Have a written contract with your contractor.** A written contract is **required** for projects greater than \$2,000. An original contractor that fails to provide a written contract as required by law, may not place a construction lien against the owner's property.
- **If you receive a Notice of Right to Lien, ask for a statement of the reasonable value of the materials, labor, equipment, or services** provided to your project from everyone who sends you a Notice of Right to Lien. If the information is not provided in a timely manner, the sender of the Notice of Right to Lien may still be able to file a construction lien, but will not be entitled to attorney fees.
- **When you pay your contractor, write checks made jointly payable to the contractor, subcontractors, materials, equipment, or services providers.** The checks name both the contractor and the subcontractor, materials or equipment provider. The checks can only be cashed if **both** the contractor and the subcontractor, materials or equipment provider endorses it. This ensures that the subcontractor and other providers will be paid by your contractor, and can eliminate the risk of a lien on your property.
- **Should you have a dispute with your contractor,** you may be able to file a complaint with the CCB and be reimbursed in whole or in part from the contractor's bond. For more details about help available through the agency, write to the CCB at PO Box 14140, Salem, OR 97309-5052 or call 503-378-4621.
- **Consult an attorney.** If you do not have an attorney, consider contacting the Oregon State Bar Referral Service at 503-684-3763 or 1-800-452-7636.

**Signing this Information Notice verifies only that you have received it. Your signature does not give your contractor or those who provide material, labor, equipment, or services, any additional rights to place a lien on your property.**

Job Site Address: \_\_\_\_\_

CONTRACTOR: CCB#: \_\_\_\_\_

PROPERTY OWNER: \_\_\_\_\_

\_\_\_\_\_  
Print Name (as it appears on contract)

\_\_\_\_\_  
Print Name (as it appears on contract)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



# Information Notice to Owners About Construction Responsibilities

(ORS 701.325 (3))

Homeowners acting as their own general contractors to construct a new home or make a substantial improvement to an existing structure, can prevent many problems by being aware of the following responsibilities:

- Homeowners who use labor provided by workers not licensed by the Construction Contractors Board, may be considered an employer, and the workers who provide the labor may be considered employees. **As an employer, you must comply with the following:**
- **Oregon's Withholding Tax Law:** Employers must withhold income taxes from employee wages at the time employees are paid. You will be liable for the tax payments even if you don't actually withhold the tax from your employees. For more information, call the Department of Revenue at 503-378-4988.
- **Unemployment Insurance Tax:** Employers are required to pay a tax for unemployment insurance purposes on the wages of all employees. For more information, call the Oregon Employment Department at 503-947-1488.
- **Oregon's Business Identification Number (BIN):** is a combined number for both Oregon Withholding and Unemployment Insurance Tax. To file for a BIN, call 503-945-8091 or go to <http://www.oregon.gov/DOR/BUS/docs/211-055.pdf> for the appropriate forms.
- **Workers Compensation Insurance:** Employers are subject to the Oregon Workers Compensation Law, and must obtain Workers Compensation Insurance for their employees. If you fail to obtain Workers Compensation Insurance, you could be subject to penalties and be liable for all claim costs if one of your workers is injured on the job. For more information, call the Workers Compensation Division at the Department of Consumer and Business Services at 503-947-7815.
- **Tax Withholding:** Employers must withhold Social Security Tax and Federal Income Tax from employee wages. You may be liable for the tax payment, even if you didn't actually withhold the tax. For a Federal EIN number, call the IRS at 1-800-829-4933 or visit their website at [www.irs.gov](http://www.irs.gov).

## Other Responsibilities of Homeowners:

- **Code Compliance:** As the permit holder for a construction project, the homeowner is responsible for notifying building officials at the appropriate times, so that the required inspections can be performed. Homeowners are also responsible for resolving any failure to meet code requirements that may be found through inspections.
- **Property Damage and Liability Insurance:** Homeowners acting as their own contractors should contact their insurance agent to ensure adequate insurance coverage for accidents and omissions, such as falling tools, paint overspray, water damage from pipe punctures, fire, or work that must be redone. Liability Insurance must be sufficient to cover injuries to persons on the job site who are not otherwise covered as employees by Workers Compensation Insurance.
- **Expertise:** Homeowners should make sure they have the skills to act as their own general contractor, and the expertise required to coordinate the work of both rough-in and finish trades.

### CONSTRUCTION CONTRACTORS BOARD

700 Summer St NE, Suite 300, PO Box 14140, Salem, OR 97309-5052

Telephone: 503-378-4621 – Fax: 503-373-2007

Website Address: [www.oregon.gov/ccb](http://www.oregon.gov/ccb)

# Property Owner Statement Regarding Construction Responsibilities

Oregon Law requires residential construction permit applicants who are not licensed with the Construction Contractors Board to sign the following statement before a building permit can be issued. (ORS 701.325 (2))

**This statement is required for residential building, electrical, mechanical, and plumbing per mits. Licensed architect and engineer applicants, exempt from licensing under ORS 701.010 (7), need not submit this statement. This statement will be filed with the permit.**

Please check the appropriate box:

I own, reside in, or will reside in the completed structure and my general contractor is:

\_\_\_\_\_

Name	CCB#	Expiration Date
------	------	-----------------

I will inform my general contractor that all subcontractors who work on the structure must be licensed with the Construction Contractors Board.

or

I will be performing work on property I own, a residence that I reside in, or a residence that I will reside in. If I hire subcontractors, I will hire only subcontractors licensed with the Construction Contractors Board. If I change my mind and hire a general contractor, I will select a contractor who is licensed with the CCB and will immediately give the name of the contractor to the office issuing this Building Permit.

**I have read and understand the Information Notice to Homeowners About Construction Responsibilities, and I hereby certify that the information on this homeowner statement is true and accurate.**

\_\_\_\_\_  
Print Name of Permit Applicant

\_\_\_\_\_  
Signature of Permit Applicant

\_\_\_\_\_  
Date

Permit #: _____
Address: _____ _____
Issued by: _____ Date: _____





# Notice of Procedure

## Regarding Residential Construction Arbitrations and Lawsuits

(ORS 701.330)

Oregon law contains important requirements that homeowners must follow before starting an arbitration or court action against any contractor, subcontractor, or supplier (materials or equipment) for construction defects.

**Before you start an arbitration or court action, you must do the following:**

1. Deliver a written notice of any conditions that you believe are defective to the contractor, subcontractor, or supplier that you believe is responsible for the alleged defect.
2. Allow the contractor, subcontractor, supplier, or its agent, to visually inspect the possible defects and also allow the contractor, subcontractor, or supplier to do reasonable testing.
3. Provide the contractor, subcontractor, supplier, or its agent, the opportunity to make an offer to repair or pay for the defects. You are not obligated to accept any offer made.

There are strict procedures and deadlines that must be followed under Oregon law. Failure to follow those procedures or meet those deadlines will affect your right to start an arbitration or court action.

**You should contact an attorney** for information on the procedures and deadlines required under Oregon law.

**Your contractor is supplying this notice to you as required by Oregon law.**

CONTRACTOR:    CCB#: \_\_\_\_\_

HOMEOWNER:

\_\_\_\_\_  
Print Contractor Name (as it appears on contract)

\_\_\_\_\_  
Print Homeowner Name (as it appears on contract)

\_\_\_\_\_  
Signature of Authorized Representative    Date

\_\_\_\_\_  
Signature    Date



## Notice of Compliance with the Homebuyer Protection Act (HPA)(ORS 87.007)

In compliance with Oregon law, the below mentioned **Seller** has selected to comply with the requirements of ORS 87.007.

1. ADDRESS or DESCRIPTION OF PROPERTY		
Address or Location	City, State	Zip Code
2. DATE OF PURCHASE (CHOOSE ONE)		
A. <input type="checkbox"/> ORS 87.007 (which includes the provisions listed in part B of this form) does not apply to the sale of the above described <b>Property</b> .		
B. <input type="checkbox"/> ORS 87.007 applies to the sale of the above described <b>Property</b> . <b>Seller</b> complied with ORS 87.007(2) by (check which <u>one</u> applies):		
1. <input type="checkbox"/> <b>Title Insurance</b> as provided for in ORS 87.007(2)(a).		
2. <input type="checkbox"/> <b>Retained in Escrow</b> not less than 25 percent of the sale price as provided for in ORS 87.007(2)(b).		
3. <input type="checkbox"/> <b>Bond or Letter of Credit</b> as provided for in ORS 87.007(2)(c).		
4. <input type="checkbox"/> <b>Written Waivers</b> received from every person claiming a lien as provided for in ORS 87.007(2)(d).		
5. <input type="checkbox"/> <b>Completed Sale After the Deadline</b> for perfecting liens as provided for in ORS 87.007(2)(e).		
3. SELLER INFORMATION		
Company Name (if applicable)		
Agent of Company or Individual Seller		
Title of Company Agent (if applicable)		
Signature	Date	

4. BUYER INFORMATION	
Buyer Name	
Agent of Company or Individual Buyer	
Title of Company Agent (if applicable)	
Signature	Date

# Instructions

These instructions are provided to assist sellers of residential property with the Oregon Homebuyer Protection Act (HPA), codified in ORS 87.007. The HPA protects residential property buyers against construction liens filed in county records after the sale of the property where such liens arise out of new construction, additions or remodeling within 90 days of the date of the sale.

## Disclaimer

These instructions do not constitute legal advice. For questions, please contact an attorney.

## Who must complete this form?

A residential property owner selling –

- A new single family residence, condominium unit or residential building (containing four or fewer dwelling units), or
- An existing single family residence, condominium unit or residential building (containing four or fewer dwelling units) that had at least \$50,000 worth of improvements, additions or remodeling completed within 90 days of the date of the sale.

## Instructions for Section A

If the property fits the description above, but the seller knows that no person may file a lien against the property, the seller may check the box in Section A of the form.

## Instructions for Section B

If the seller knows that it is possible for someone to file a lien against the property, the seller must check Section B of the form and at least one corresponding box that applies to the action the seller took, or will take, to comply with the HPA.

**Box 1 Title Insurance** – The seller has or will purchase or provide an owner's extended coverage title insurance policy or equivalent that does not except filed or unfiled claims of lien. A standard title insurance or a lender's title insurance policy may not be sufficient. See ORS 87.007(2)(a).

**Box 2 Retain in Escrow** – The seller will arrange to retain in escrow an amount of not less than 25 percent of the sales price of the property. The escrow will pay any claims of lien not paid by the seller filed after the date of the sale. Any unused funds will be released to the seller upon fulfillment of the following conditions:

- Claims of lien have not been filed against the property **and** at least 90 days have passed since the date the construction was completed.
- One or more claims of lien were filed against the property, at least 135 days have passed since the date the liens were filed, **and** the liens were released or waived. See ORS 87.007(2)(b).

**Box 3 Bond or Letter of Credit** – The seller has or will maintain a bond or letter of credit. A Construction Contractors Board bond, required for licensure under ORS chapter 701, is not sufficient. See ORS 87.007(2)(c).

**Box 4 Written Waivers** – The seller has or will obtain written waivers from every subcontractor or supplier who claims liens of \$5,000 or more. Provide copies of the waivers to the buyer no later than the date of the sale. (The CCB recommends consulting an attorney for assistance with preparing forms for waivers). See ORS 87.007(2)(d).

**Box 5 Completed Sale after the Deadline** – The sale will not be completed until at least 75 days after the completion of all construction. See ORS 87.007(2)(e).

## Additional Instructions

The seller and the buyer must sign and date the form on or before the closing date of the sale. Both parties should retain a copy of the form. **Compliance with the HPA is the sole responsibility of the seller.**

**Disclaimer:** The only purpose of this sample contract is to serve as an educational example of the contract terms that are required by ORS 701.305. It does not constitute legal advice, nor does it substitute for legal advice. You should not rely on this sample contract when determining whether your contract is valid, complete, sufficient or enforceable

## Contract for Construction Work

This is a contract for construction work to be performed by **ABC Construction, LLC** ("ABC") for \_\_\_\_\_ ("HOMEOWNER") made this \_\_\_\_\_ day of \_\_\_\_\_.

### Information

1. ABC is a construction company licensed by the Construction Contractors Board under license No. 999900.
2. ABC is located at 1234 SE Milken St., Portland, Oregon 97999. ABC's phone is (503) 123-9999.
3. HOMEOWNER's name and address are:

[ Insert name, address and phone number. ]

4. The work site is located at:

[ Insert address or location of job site. ]

### Scope of Work

ABC shall perform the following work for HOMEOWNER:

[ Insert description of the work to be performed, who is paying for materials, material specifications if any, who is responsible to obtain permits, a reference to contract drawings if any and any other terms that define the scope of work. ]

### Payment Terms

HOMEOWNER shall pay for the work on the following schedule:

[ Insert the payment schedule. ]

### List of Required Consumer Notices

Oregon law requires construction contractors to give homeowners certain notices before and during a construction project. The following is a list of the required notices. It is important to read and understand these forms.

1. **Consumer Protection Notice**
2. **Information Notice to Owner About Construction Liens**
3. **Notice of Procedure**

**Disclaimer:** *The only purpose of this sample contract is to serve as an educational example of the contract terms that are required by ORS 701.305. It does not constitute legal advice, nor does it substitute for legal advice. You should not rely on this sample contract when determining whether your contract is valid, complete, sufficient or enforceable*

These forms are attached to and made a part of this contract.

### Explanation of HOMEOWNERS's Rights

1. Consumers have the right to receive the products and services agreed to in the contract.
2. Consumers have the right to resolve disputes through means outlined in the contract.
3. Consumers have the right to file a complaint with the CCB. Any arbitration or mediation clauses in the contract may need to be complied with during the resolution of the CCB complaint.

### Explanation of Mediation or Arbitration Clause

An "arbitration or mediation clause" is a written portion of a contract designed to settle how the parties will solve disputes that may arise during, or over the construction project. Arbitration clauses are very important. They may limit a consumer's ability to have their dispute resolved by the Oregon court system or the Oregon Construction Contractors Board.

- This contract contains an arbitration or mediation clause.
- This contract DOES NOT contain an arbitration or mediation clause.

The Oregon Construction Contractors Board urges consumers to read and understand the entire contract – including any arbitration clause before signing a construction contract. Consumers are obligated to accept contract terms proposed by the contractor, including arbitration provisions. These may be negotiated to the satisfaction of both parties.

Homeowner \_\_\_\_\_ Date \_\_\_\_\_ John Smith, Manager \_\_\_\_\_ Date \_\_\_\_\_  
ABC Construction, LLC

**CCB Recommended Contract Addendum to Satisfy  
Contract Terms Requirement  
OAR 812-012-0110**

**1. List of Required Construction Contractor Board (CCB) Consumer Notices**

Oregon law requires construction contractors to give homeowners certain notices before and during a construction project. The following is a list of the forms. It is important to read and understand these forms.

- a. **Consumer Protection Notice.**
- b. **Information Notice to Owner About Construction Liens**
- c. **Notice of Procedure**

**2. Explanation of Property Owner's Rights**

- a. Consumers have the right to receive the products and services agreed to in the contract.
- b. Consumers have the right to resolve disputes through means outlined in the contract.
- c. Consumers have the right to file a complaint with the CCB. Any arbitration or mediation clauses in the contract may prevent the CCB from processing.

**3. Arbitration/Mediation Clause**

- a. An "arbitration or mediation clause" is a written portion of a contract designed to settle how the parties will solve disputes that may arise during, or after the construction project. Arbitration clauses are very important. They may limit a consumer's ability to have their dispute resolved by the Oregon court system or the Oregon Construction Contractors Board.
- b. The following box should be checked by the contractor:
  - This contract contains an arbitration or mediation clause.
  - This contract DOES NOT contain an arbitration or mediation clause.
- c. The Oregon Construction Contractors Board urges consumers to read and understand the entire contract – including any arbitration clause before signing a construction contract. Consumers are not obligated to accept contract terms proposed by the contractor, including arbitration provisions. These may be negotiated to the satisfaction of both parties.

**4. Offer of Written Warranty (New Residential Structure Only)**

Purchaser acknowledges the contractor has offered warranty against defects in materials and workmanship to the purchaser. Purchaser has  accepted or  rejected the offer of a warranty (see appendix \_\_\_ in contract.)  
\_\_\_\_\_ purchaser \_\_\_\_\_ date

**Signature**

\_\_\_\_\_  
Consumer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date



# Moisture Intrusion & Water Damage

## Information For Home Owners

Effective July 1, 2008, contractors that build new homes must provide special information to homebuyers about moisture intrusion and water damage, and provide a home maintenance schedule in accordance with ORS 701.335. The following information was prepared by the Oregon Construction Contractors Board (CCB) to help contractors comply with this requirement.

**What is moisture intrusion and water damage?** “Moisture intrusion” means water – whether liquid, frozen, condensed or vaporized – that penetrates into your home. “Water damage” means damage or harm caused by moisture intrusion that reduces the value or usefulness of your home.

**How does moisture intrusion and water damage occur?** Some causes of moisture intrusion and water damage are:

- Missing or loose roofing materials or flashing
- Window sills or door frames without adequate caulking or weather-stripping
- Lack of caulking in siding, mortar in masonry, or grout in exterior ceramic tile installations
- Degraded paint on exterior siding or surfaces
- Overflowing or clogged gutters
- Gutter drains or downspouts that are not a sufficient distance from the structure
- Improper drainage slope next to foundation
- Plant materials too close to the structure or foundation
- Sprinklers that overspray onto the structure or foundation
- Non-working interior ventilation systems

**How can you tell if your home has water damage?** Signs of water damage may include dampness, staining, mildew (blackened surfaces with a musty smell), or softness in wood (a possible sign of dry rot).

**What to do if you see signs of water damage:** If water damage is discovered, you should investigate its source. Take steps to repair or replace any building parts or materials that allowed the moisture intrusion. You may need to take additional steps, depending on the extent of the water damage.

If you have specific questions about maintaining your new home, ask your contractor. If you need professional assistance in conducting a maintenance inspection, you may wish to contact your contractor or a licensed home inspection business.

## RECOMMENDED MAINTENANCE SCHEDULE FOR HOMEOWNERS (ORS 701.335) (OAR 812-001-0240)

Maintenance Item	Description of Maintenance	How Often	Date	Date	Date	Date
<b>Caulking/ Weather-Stripping</b>	Check and repair missing, cracked, or peeling caulking or weather-stripping around window sills, door frames, and in siding gaps.	Twice yearly				
<b>Debris Removal</b>	Inspect gutters for debris blockage. Remove debris (for example, tree needles and leaves) from downspouts and gutters.	Yearly				
<b>Foundation</b>	Check soil around foundation to make sure that it slopes in such a way that water can flow away from the foundation. Fill soil in any areas that have settled around the foundation.	Yearly				
<b>Gutters &amp; Downspouts</b>	Inspect gutters and downspouts for leaks. Repair if necessary. Check alignment of gutters, downspouts, and splash blocks to ensure that water is properly diverted away from the structure and foundation. Repair if necessary.	Yearly				
<b>Landscaping Sprinklers</b>	Check landscaping sprinklers to make sure that they are not set so that they will soak siding or form puddles near the foundation. Adjust if necessary.	Yearly				
<b>Mortar</b>	Check and repair missing mortar in exterior masonry.	Yearly				
<b>Paint</b>	Check painted surfaces for cracking, peeling, or fading. Repaint if necessary.	Yearly				
<b>Roof</b>	Check roof for damaged, loose, or missing shingles. Check flashing around roof stacks, vents, skylights, and chimneys and in roof valleys for missing or loose flashing. Repair or replace if necessary.	Yearly				
<b>Trees &amp; Shrubs</b>	Trim back tree branches, shrubs, and other plants to make sure they are not in contact with the structure.	Yearly				
<b>Ventilation Systems</b>	Check to make sure that interior mechanical ventilation systems (such as bathroom, kitchen, and utility room vent fans) are in good working order. Repair if necessary.	Every two months				
<b>Water Stains</b>	Check for water stains in the roof of the attic and in the exterior overhangs or soffits. If water stains are present, locate and repair the cause of moisture intrusion.	Yearly				

## When must a contractor offer a New Home Warranty?

By law, contractors must offer the warranty either before, or at the signing of the contract for the construction of the home.

The contractor is required to include written statements in the contract that indicate:

1. a written offer of a warranty was made **and**
2. whether the homeowner or purchaser accepted or rejected the offer

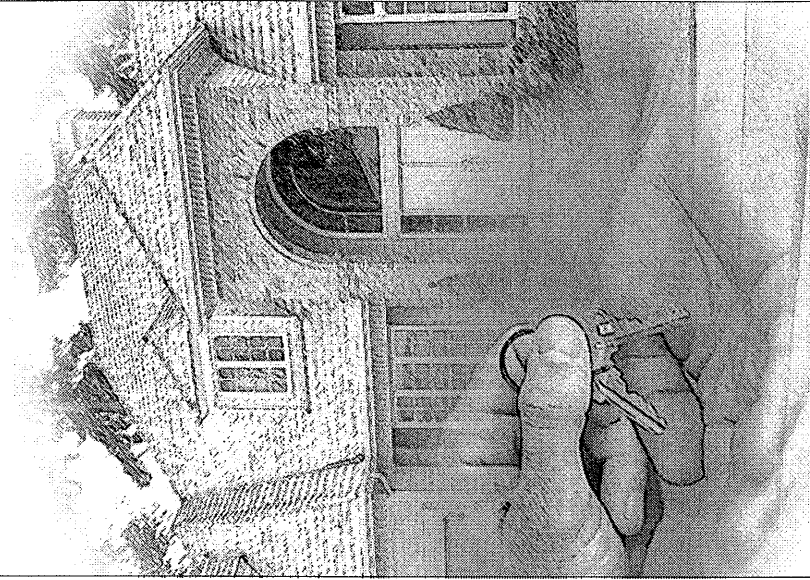
If the homeowner or purchaser rejects the warranty **before the contract is signed**, then the contractor may withdraw the offer to construct the home.



CONSTRUCTION CONTRACTORS BOARD  
700 Summer St NE, Suite 300  
PO Box 14140, Salem, OR 97309-5052  
Telephone: 503-378-4621  
Fax: 503-373-2007  
[www.oregon.gov/ccb](http://www.oregon.gov/ccb)

Construction Contractors Board  
PO Box 14140  
Salem, OR 97309-5052

# NEW HOME WARRANTIES



## What is a Warranty? What does it Cover? How is it Provided?



### **What is a New Home Warranty?**

- A new home warranty is an agreement by the seller that the seller's product (in this case, a newly built home) is free from defective materials or poor workmanship.
- A warranty includes a promise to repair or replace any defective items and faulty work.
- Generally, a warranty does not cover items that become defective as a result of homeowner neglect.
- Repair or replacement under a warranty is satisfied by meeting building industry standards.
- Some warranties may cover only major home systems, others may provide limited coverage. Certain products or installations may be exempted depending on the individual warranty.
- Any new home warranty contract satisfies Oregon's law on new home warranties (ORS 701.320).

### **What is typically covered by a New Home Warranty?**

#### **1. Structural Defects**

A new home warranty protects the homeowner against the failure of the structural components that support the house. Examples include:

- the foundation
- studs
- beams and joists

#### **2. Major Home System Failures**

A new home warranty protects the homeowner against the failure of major home systems:

- plumbing
- electrical
- heating
- air-conditioning

It may also protect against the failure of certain major appliances and other systems.

#### **3. Workmanship**

A new home warranty promises to repair defects in workmanship.

*Additional warranties (other than the New Home Warranty) may be available from your contractor or the product manufacturers on items such as: dishwashers, furnaces, siding, or roofing.*

### **How do homeowners obtain a New Home Warranty?**

By law, contractors must offer the homeowner or purchaser, in writing, a new home warranty either by supplying the warranty directly, or through a company that sells warranties:

- A direct warranty is a contract between the contractor and the new homeowner or purchaser.
- A purchased warranty is a contract between a company that sells warranties and the new homeowner or purchaser.

The contractor decides which type of warranty to offer, how long the warranty will last, and **how much to charge for the warranty.**

Typical warranty provisions may include:

- protection against structural defects for 5 to 10 years
- repair or replacement of major systems for 1 to 2 years
- an annual cost of \$250 to \$500 and an additional service fee (like a deductible) when the homeowner requests service

# Craigslist Enforcement

The sole source of revenue for Craigslist is paid job ads in selected cities and paid broker apartment listings in New York City.

Otherwise, people can post on Craigslist free of charge. Craigslist posts over 80 million new classified advertisements each month.

Oregon has 10 Craigslist regions:

Bend	Medford/Ashland
Corvallis/Albany	Oregon Coast
East Oregon	Portland
Eugene	Roseburg
Klamath Falls	Salem

In early 2007, CCB received a large number of telephone calls and faxes complaining about unlicensed contractors advertising on Craigslist. CCB started a pilot project to target Craigslist violators.

The pilot project ran from February 2007 through October 2007, when it was converted to a permanent program.

The Enforcement Section Compliance Officers review Craigslist posts to determine whether they violates the law.

For each posting, the Compliance Officer tries to locate the following information about the advertiser:

- License number (if any)
- Registered name or assumed business name
- Contact information, including an address and phone number.

The posting is "Flagged" if found to be in violation by the Compliance Officer.

<b>Construction</b>	please flag with care: <input type="checkbox"/>
_____	<u>miscategorized</u>
_____	<u>Prohibited</u>
<b>Garages, Painting, Bathroom Remodel, Lg. Fences &amp; Decks, Greenhouses Tenant Improvements, Framing, Kitchen</b>	<u>Spam/overpost</u>
	<u>best of craigslist</u>

**"Handyman For All Your Needs.** Tell me what you need done, paint, electrical, light plumbing, you name it. If I cant do it, i can direct you to who can, I have over 15 years in construction. rates are 20/hr with a 1 hour minimum, no job is too big either I have plenty of help available. Call 503-477-3890 or send me an email, ask for Gary.

**License info: Unlicensed. PostingID: 1594582227.**  
<http://portland.craigslist.org/mlt/sks/159482227.html>."

## The posting is reviewed for contact information and a warning letter is sent out for first time offenders.

\*\*\*WARNING\*\*\*

Oregon law requires businesses that advertise services of a contractor or hold out to be a construction contractor in Oregon, to be actively licensed with the CCB. Work as a contractor is very broadly defined by statute (See ORS 701.005). The law includes work performed as labor only on an hourly basis. There are very few exceptions to this law.

The Law: OAR 812-003-0120(1) states:

*“No person shall advertise or otherwise hold out to the public that person's services as a contractor unless that person holds a current, valid license, nor shall any person claim by advertising or by any other means to be licensed, bonded, or insured unless that person holds a current, valid license...”*

The Consequences:

Violations of OAR 812-003-0120(1) may result in civil penalties up to \$600 per advertisement or bid. If the CCB determines that you have violated OAR 812-003-0120(1) by advertising or holding out as a construction contractor while not licensed, a \$600 penalty will likely be sought against you. Actual performance of construction work without a CCB license will result in additional substantial penalties. Additionally, use of another's CCB license is a crime. Violation can result in up to one year in jail and \$5,000 fine.

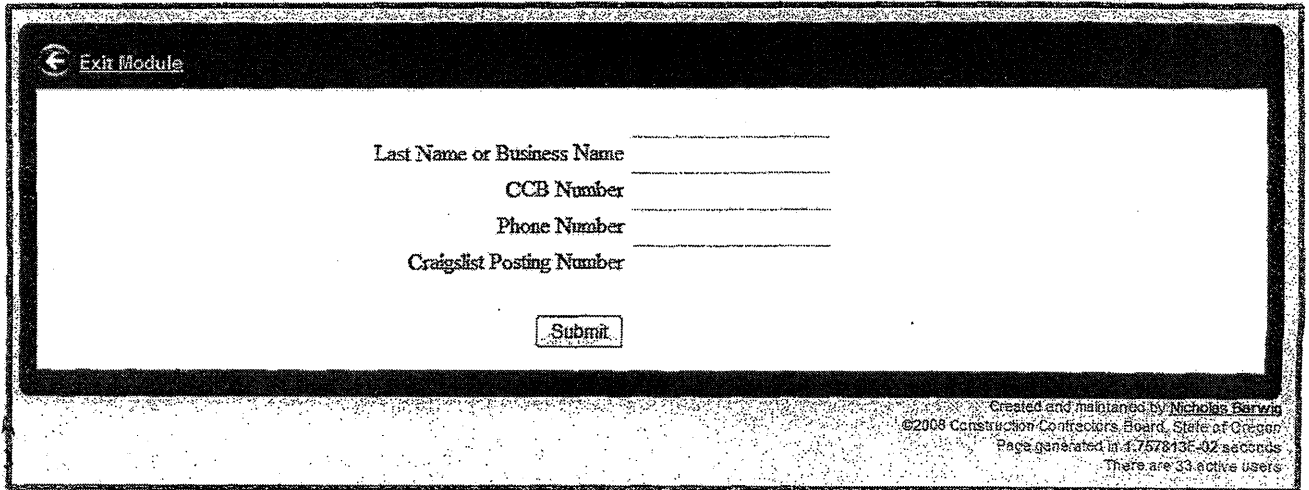
This notice is WARNING ONLY. It is designed to alert you to the possibility that you may be out of compliance with Oregon law and to inform you of the consequences of breaking the law, provide you with information about how to comply with the law, and help you understand how compliance with the law may benefit you.

This notice of warning will be maintained in our records and your ad **has been flagged as prohibited to craigslist**. You do not need to respond, but if you choose, you may provide a written response, which we will maintain with our records. If you intend to continue working as a construction contractor, you should immediately contact the CCB Licensing Section at 503 378-4621 to establish an active CCB license. You can visit our website at: [www.oregon.gov/CCB](http://www.oregon.gov/CCB).

State of Oregon  
Construction Contractors Board  
700 Summer St NE Ste 300  
Salem OR 97301

For second time or repeat offenses, a subpoena for telephone records is requested to help establish the identity of the person posting the advertisement.

Only after the subpoenaed information is obtained will the Compliance Officer determine how to proceed. They may: issue a written warning, issue a Notice of Proposed Disciplinary Action, or close the file.



The screenshot shows a web form with a dark header bar containing a back arrow and the text "Exit Module". The main content area is white and contains the following labels and input fields:

- Last Name or Business Name \_\_\_\_\_
- CCB Number \_\_\_\_\_
- Phone Number \_\_\_\_\_
- Craigslist Posting Number \_\_\_\_\_

Below the input fields is a "Submit" button. In the bottom right corner of the form, there is small text: "Created and maintained by Nicholas Barwin", "©2008 Construction Contractors Board, State of Oregon", "Page generated in 4.757213E-02 seconds", and "There are 33 active users".

Craigslist Enforcement.docx

## Lead-Based Paint Renovator Program (HB 2134 – 2009)

1. ORS 701.505-701.520, ORS 701.995, 812-007-0300 to 812-007-0374

2. **SUMMARY OF LAW:**

House Bill 2134 modifies existing statutes and created complementary program within the Department of Human Service (DHS) and the Construction Contractors Board (CCB) for licensing and certification of lead-based paint activities in order to comply with new Environmental Protection Agency (EPA) regulations.

Federal and state laws regulate contractor that perform work on homes and buildings that may contain lead-based paint.

The Construction Contractors Board (CCB) requires contractors (businesses) and individuals that perform work on “target housing” and “child-occupied facilities” to have specific licenses dependent on the work being performed.

**Costs:**

Lead-Based Paint Renovation (LBPR) License fee \$50/1 year.

3. **PROJECTED FISCAL IMPACT:**

\$3,000 AT \$50/year x 2 years = \$300,000

4. **RESOURCES:**

No FTE were allocated  
(See 2011/13 CCB POP)

5. **SUMMARY OF ACTIONS:** (What we did)

a. **Program Development**

- Approximately eight DHS/CCB planning meetings
- Developed application and internal process
- Developed rules and FAQs
- One year LBPR license
- One year business LBPR license

b. **Communications:**

- Created lead-based paint renovation informational web pages and revised lead-based paint activities web pages.
- Developed collateral material (slideshow and FAQs)
- Three blog and two news interviews

c. **LBPR Licenses:**

By Quarter							
	1 <sup>st</sup> Qtr 9/30/11	2 <sup>nd</sup> Qtr 12/31/11	3 <sup>rd</sup> Qtr 3/31/12	4 <sup>th</sup> Qtr 6/30/12	FY Total	5 <sup>th</sup> Qtr 9/30/12	6 <sup>th</sup> Qtr 12/31/12
LBPR License	3,998	4,308	4,200	4,964	4,964	5,187	4,442

**d. Enforcement Efforts:**

<b>CCB General Jobsite Inspections (both assigned and randomly done) July 1, 2011 thru December 31, 2012</b>	
1. Total Construction License Jobsite Checks (commercial and residential)	7,177
2. Total Residential Jobsite Checks (approximately- 80% of the above) *	5,742

<b>Lead-Based Paint Renovation (LBPR) July 1, 2011 thru December 31, 2012</b>	
1. Total Residential Jobsite Inspections that involve target housing and LBPR (approximately – 26% of the above) *	1,493
2. Number of Enforcement Files Opened Involving LBPR Issues	171
3. Number of Civil Penalties for No LBPR License	72
4. Total Penalties Issued for Failure of LBPR Licensee to Follow Standards of Practice.	15

\* This percentage was developed by averaging estimates provided by the CCB field investigators that perform the LBPR investigations and respond to LBPR complaints from the public and OAH.

**e. Staff Training:**

March 16, 2010 sent 22 staff to LBPR training.

**701.505 Definitions for ORS 701.505 to 701.515.** For the purposes of ORS 701.505 to 701.515:

- (1) "Abatement" has the meaning given that term in P.L. 102-550, section 1004, 40 C.F.R. 745.223 and as further defined pursuant to the authorities described in ORS 431.917.
- (2) "Accredited training program" means a training program that has been accredited by the Oregon Health Authority to provide training for individuals engaged in lead-based paint activities.
- (3) "Certified lead-based paint renovation contractor" means a contractor that is licensed by the Construction Contractors Board to conduct lead-based paint renovation under ORS 701.515.
- (4) "Inspection" has the meaning given that term in P.L. 102-550, section 1004, 40 C.F.R. 745.223 and as further defined pursuant to the authorities described in ORS 431.917.
- (5) "Lead-based paint" has the meaning given that term in P.L. 102-550, section 1004, and as further defined pursuant to the authorities described in ORS 431.917.
- (6) "Lead-based paint activities" has the meaning given that term in 40 C.F.R. 745.223 and as further defined pursuant to the authorities described in ORS 431.917.
- (7) "Lead-based paint activities contractor" means a contractor that is licensed by the Construction Contractors Board to conduct lead-based paint activities under ORS 701.515.
- (8) "Renovation" has the meaning given that term in 40 C.F.R. 745.83 and as further defined pursuant to the authorities described in ORS 431.917. [1995 c.795 §3; 2009 c.595 §1112; 2009 c.828 §68]

**701.510 License required to engage in lead-based paint activity.** (1) A contractor may not perform lead-based paint activities in this state unless the contractor is a lead-based paint activities contractor.

(2) A contractor may not perform lead-based paint renovation in this state unless the contractor is a certified lead-based paint renovation contractor.

(3) A lead-based paint activities contractor or certified lead-based paint renovation contractor must comply with the provisions of ORS 431.920 and 701.505 to 701.515 and any rules adopted pursuant thereto.

(4) A construction contractor who successfully completes an accredited training program in lead-based paint activities qualifies to have certification in that activity included in the professional credentials of the contractor as described in ORS 701.120. The provisions of this subsection do not affect the licensing requirements established in ORS 701.515. [1995 c.795 §4; 2001 c.428 §3; 2009 c.757 §8]

**701.515 Licensing system; fees; rules.** (1) In accordance with applicable provisions of ORS chapter 183, the Construction Contractors Board by rule shall establish a system to license contractors as lead-based paint activities contractors and certified lead-based paint renovation contractors. The licensing system must include the requirements described in 40 C.F.R. 745.226. The licensing system must include but need not be limited to provisions:

(a) Prescribing the form and content of the times and procedures for submitting applications for licensing or renewal.

(b) Prescribing the fees for original licensing and renewal of the license in amounts that do not exceed the cost of administering the program.

(c) Requiring an applicant for a certified lead-based paint renovation contractor license to show that an employee of the applicant has completed an accredited training program.

(d) Prescribing the actions or circumstances that constitute failure to achieve or maintain licensing requirements, or that otherwise are contrary to the public interest, for which the board may refuse to issue or renew or may suspend or revoke a lead-based paint activities contractor or certified lead-based paint renovation contractor license.

(2) The board may establish by rule the requirements for specific types of licenses for lead-based paint activities contractors.

(3) The board may impose the following licensing fees:

(a) Lead abatement contractor, up to \$50 per year;

(b) Lead inspection contractor, up to \$50 per year;

(c) Lead supervisor or lead contractor, up to \$50 per year;

(d) Lead inspector or assessor, up to \$50 per year;

(e) Lead worker, up to \$25 per year; and

(f) Certified lead-based paint renovation contractor, up to \$50 per year. [1995 c.795 §5; 2009 c.757 §9]

**701.520 Construction Contractors Board Lead-Based Paint Activities Fund.** The Construction Contractors Board Lead-Based Paint Activities Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Construction Contractors Board Lead-Based Paint Activities Fund shall be credited to the fund. The fund consists of moneys received by the Construction Contractors Board under ORS 701.995. Moneys in the fund are continuously appropriated to the Construction Contractors Board for the purposes of lead poisoning prevention, including consumer and industry outreach, public education and other activities. [2009 c.757 §11]

Note: 701.520 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 701 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.



**701.995 Civil penalties for violations related to lead-based paint activities; reporting of penalties and sanctions.**

(1) A person who violates any provision of, or any rule adopted under, ORS 701.505 to 701.515 shall pay to the Construction Contractors Board Lead-Based Paint Activities Fund established under ORS 701.520 a civil penalty of not more than \$5,000 for each violation.

(2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

(3) A civil penalty imposed under this section is in addition to and not in lieu of any other penalty or sanction provided by law.

(4) The board shall report all civil penalties or sanctions imposed under this section to each of the following state agencies:

(a) The Oregon Health Authority;

(b) The Occupational Safety and Health Division of the Department of Consumer and Business Services; and

(c) The Department of Environmental Quality. [2009 c.757 §10; 2009 c.828 §69]

**Note:** 701.995 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 701 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

## Locksmith Program (HB 3127 -2009)

1. ORS 701.475 to 701.490, OAR 812-030-0000 to 812-030-0300, and OAR-005-0800

**2. SUMMARY OF LAW:**

In 2009, the Oregon Legislature passed a law requiring locksmith in Oregon to become certified. The industry supported this to help protect consumers and increase professionalism in the Locksmith industry.

**Important Date and Information**

July 1, 2010: Locksmiths must be certified by CCB.

July 1, 2010: Businesses offering or providing locksmith services must:

Hold a CCB contractor's license; and

Have at least one owner or employee who is a certified locksmith.

The process to become an Oregon Certified Locksmith is completely online.

**3. PROJECTED FISCAL IMPACT**

Revenues: (anticipated)

2,000 application fee @ \$60                      \$120,000

2,000 two-year certification fee @ \$60    \$120,000

**4. RESOURCES**

One Program Analyst FTE (not hired).

**5. SUMMARY OF ACTIONS**

**a. Program Development:**

- 11 stakeholder and committee planning meetings
- Researched reference material and developed an 80-question test (test bank of 120 questions).
- Test is a test to 100
- Developed online application, testing and payment process (see appendix \_\_\_\_)
- Agency sponsored test allowed for additional fee @ \$60/test
- Fee structure developed:
  - \$ 60 Application
  - \$ 60 Testing
  - \$ 60 Certification 2 year
  - \$180 Total 2/year

**b. Communications:**

- Created online graphics and informational locksmith web pages
- Developed collateral material (flyer, slideshow, FAQs)
- Four news releases and three blog articles

**c. Certifications:**

	By Quarter						
	1 <sup>st</sup> Qtr 9/30/11	2 <sup>nd</sup> Qtr 12/31/11	3 <sup>rd</sup> Qtr 3/31/12	4 <sup>th</sup> Qtr 6/30/12	FY Total	5 <sup>th</sup> Qtr 9/30/12	6 <sup>th</sup> Qtr 12/31/12
Certifications – Total	386	394	422	432	432	467	405
Active							

**d. Enforcement Efforts:**

By Quarter							
	1 <sup>st</sup> Qtr 9/30/11	2 <sup>nd</sup> Qtr 12/31/11	3 <sup>rd</sup> Qtr 3/31/12	4 <sup>th</sup> Qtr 6/30/12	FY Total	5 <sup>th</sup> Qtr 9/30/12	6 <sup>th</sup> Qtr 12/31/12
Investigations Opened	1,187	1,254	1,124	1,232	4,797	1,175	1,097

Summary of Stings for 2011			
Date	Location	Staff	Violations
7/27/10	Salem Sting Operation	4 Field Investigators, 1 CCB Field Investigation Section Manager	4 Uncertified Locksmiths
8/24/10	Eugene Sting Operation	4 Field Investigators, 1 Investigative Specialist, 1 Field Investigation Section Manager	3 Uncertified Locksmiths
01/19/11 – 01/20/11	Happy Valley Sting Operation	3 Field Investigators, 1 Investigative Specialist, 1 Field Investigation Section Manager	5 Uncertified Locksmiths

Locksmith Program (HB 3127 -2009).docx

**701.475 Definitions for ORS 701.475 to 701.490.** As used in ORS 701.475 to 701.490:

(1) "Key" means a mechanical, electromechanical, electronic, electromagnetic or other device for operating a lock.

(2) "Lock" means a mechanical, electromechanical, electronic, electromagnetic or other device that is designed to control access from one area to another or control the use of a device in a structure or vehicle.

(3) "Locksmith" means a person who services, installs, repairs, rebuilds, rekeys, repins or adjusts locks, hardware peripheral to locks, safes, vaults, safe deposit boxes or mechanical or electronic security systems. [2009 c.781 §2]

**701.480 Certification; licensing; holding out as locksmith or locksmithing business.** (1) An individual may not undertake, offer to undertake or submit a bid to do work as a locksmith for compensation, or with the expectation to be compensated, unless the individual is certified as a locksmith under ORS 701.485 by the Construction Contractors Board and is an owner of, or employed by, a business that is licensed by the board.

(2) A business may not undertake, offer to undertake or submit a bid to provide locksmith services unless the business is licensed by the board under this chapter and has an owner or an employee who is certified as a locksmith under ORS 701.485.

(3) A person may not use the title of locksmith, locksmith professional, commercial locksmith, lock installer or any title using a form of the word "locksmith" that indicates or tends to indicate that the person is a locksmith or provider of locksmith services unless the person is certified as a locksmith by the board or is a business licensed by the board that has an owner or employee who is certified by the board as a locksmith.

(4) A person may not use any sign, card or device that indicates or tends to indicate that the person is a locksmith or provider of locksmith services unless the person is certified as a locksmith by the board or is a business licensed by the board that has an owner or employee who is certified by the board as a locksmith. [2009 c.781 §3]

**701.485 Standards of practice and professional conduct; determination of competency; sanctions; rules; fees.** (1) The Construction Contractors Board shall adopt rules establishing minimum standards of practice and professional conduct for locksmiths and businesses that provide locksmith services.

(2) The board shall require that an applicant for certification as a locksmith pass a test demonstrating the competency of the applicant to act as a locksmith.

(3) The board may adopt rules to regulate the practice of locksmithing, including but not limited to rules:

(a) Accepting the results of competency testing by a nationally recognized certification program for locksmiths;

(b) Establishing requirements for the issuance or renewal of a locksmith certificate, including but not limited to training and continuing education requirements;

(c) Establishing standards of professional conduct for certified locksmiths; and

(d) Establishing fees necessary for the administration of ORS 701.475 to 701.490 that do not exceed the following amounts:

(A) \$100 for application.

(B) \$100 for testing.

(C) \$300 for issuance of an initial two-year certificate.

(D) \$300 for renewal of a two-year certificate.

(4) The board shall adopt rules establishing procedures for the issuance, renewal and revocation of a locksmith certificate.

(5) The board may suspend or revoke a locksmith certificate if the locksmith:

(a) Fails to comply with a continuing education requirement established by the board; or

(b) Violates a standard of professional conduct for certified locksmiths established by board rule.

[2009 c.781 §4]

**701.490 Exemptions from certification, licensure and other requirements.** ORS 701.480 and 701.485 do not apply to:

(1) A person offering key duplication services at a fixed location or ancillary to other business activities, if the person does not undertake, offer to undertake or submit a bid to undertake other locksmith services;

(2) An individual performing work within the scope of a license described in ORS 479.905 to 479.945;

(3) A tow truck operator performing work for a towing business certified under ORS 822.205;

(4) A construction contractor licensed under this chapter or an owner, officer or employee of the licensed construction contractor, when acting within the scope of the contractor's license, if the contractor, owner, officer or employee does not hold out as a provider of locksmith services;

(5) Work performed by a manufacturer on a manufactured structure, modular building or structure or prefabricated structure that is or was produced by the manufacturer;

(6) A property owner or regular employee of the property owner, when performing work on the property;

(7) A property management company or the regular employee of a property management company, when performing work on the managed property;

(8) A real estate property manager as defined in ORS 696.010, or the employee of a property manager, performing work in the course of managing rental real estate;

(9) A landlord or landlord's agent, both as defined in ORS 90.100;

(10) A manufacturer of locks; or

(11) A person performing work as the representative of a manufacturer, wholesaler, distributor or retailer of locks. [2009 c.781 §5]

## **Energy Efficiency and Sustainable Technology (EEAST) Program (HB 2626 -2009)**

1. ORS 701.119, OAR 812-025-0000 to 812-025-0045

### **2. SUMMARY OF LAW:**

The bill directs the Construction Contractors Board (CCB) to issue a qualifying contractor certification system; allows CCB to charge a fee for certification; requires that CCB evaluate related contractor complaints; establishes the Energy Project Supplemental Fund, the Loan Offset Grant Fund, the Energy Project Bond Loan Fund, and the Energy Revenue Bond Fund.

#### **Costs:**

The fee for initial certification is \$50, and for renewal certification is \$50.

### **3. FISCAL IMPACT**

The bill allows CCB to charge a fee for certification; requires that CCB evaluate related contractor complaints; establishes the Energy Project Supplemental Fund, the Loan Offset Grant Fund, the Energy Project Bond Loan Fund, and the Energy Revenue Bond Fund.

CCB indicates that the Board plans to charge a fee for certification, and the fee will be established at a rate to cover anticipated expenditures associated with creating the certification system and related enforcement activities. More analysis is needed to determine estimated expenditures and related fee.

### **4. RESOURCES**

House Bill 2626 directs the Director of the DOE to establish and administer the EEAST loan program to provide low cost loans to individuals for projects aimed at increasing energy efficiency in homes and small business. The bill provides the Director of DOE with the authority to delay or suspend the program if there is not a sufficient amount of loans requested by individuals to offset reasonable DOE costs. The CCB is required to issue the certification to qualifying contractors and is authorized to charge a fee certification. Certification is expected to begin the second half of the 2009-11 biennium, and it's anticipated that the CCB will seek necessary expenditure limitation and position authority for this task from the Emergency Board or the February 2010 Legislative Session.

No resources for CCB.

### **5. SUMMARY OF ACTIONS (What we did)**

#### **a. Program Development:**

- Approximately \_\_\_ meetings
- Developed application and internal process

#### **b. Communications:**

- Created EEAST informational web pages.
- Developed collateral material (slideshow, FAQs)
- One blog article and one news interviews

**c. EEAST Licenses:**

By Quarter							
	1 <sup>st</sup> Qtr 9/30/11	2 <sup>nd</sup> Qtr 12/31/11	3 <sup>rd</sup> Qtr 3/31/12	4 <sup>th</sup> Qtr 6/30/12	FY Total	5 <sup>th</sup> Qtr 9/30/12	6 <sup>th</sup> Qtr 12/31/12
EEAST Licenses	42	57	60	68	68	72	74

**701.119 Certification to participate in small scale local energy project program.** (1) A licensed contractor that possesses an appropriate endorsement may apply to the Construction Contractors Board for certification to participate in the construction of small scale local energy projects financed through the energy efficiency and sustainable technology loan program. The board may issue the certification to a contractor that meets the standards established by the State Department of Energy under ORS 470.560. The board may charge a reasonable fee for certifying a contractor.

(2) If the board receives information that the contractor has failed to comply with the certification standards established by the department or has violated a wage and hours standard described in ORS 701.108, the board shall hold a hearing and may revoke the certification.

(3) The board shall give the department notice of the issuance or revocation of a certification under this section. [2009 c.753 §51]



# **Construction Contractors Board**

## **Education Program Status**

**February 19, 2013**

**DRAFT**



## **Purpose**

This report provides the current status of the Education section and its programs. Detailed information is included in the Education Strategic Plan (revision date 11-7-2012).

## **Report Contents**

A. Contracts/Vendors	(p 3)
B. Pre-Licensure Program	(pp 3-6)
1) Pre-Licensure test	
2) Oregon Contractors Reference Manual	
3) Pre-Licensure Providers	
C. Continuing Education	(pp 7-9)
1) Commercial Continuing Education (CCE)	
2) Residential Continuing Education (RCE)	
a) Laws, Regulations and Business Practices courses (development)	
b) Live class delivery	
c) Core and Elective	
D. Consumer Outreach	(pp 9-10)
E. Contractor Outreach	(p 10)
F. Home Inspector Education & Test	(p 10)
G. Locksmith Test	(p 10)
H. Publications	(p 11)
I. Public/Media Relations	(p 11)
J. Website	(pp 11-12)
K. Staffing	(p 12)

**A. Contracts/Vendors**

Education holds contracts for the following:

<u>Service</u>	<u>Vendor</u>	<u>Expiration</u>	<u>Recommendation</u>
Annual Home Owner Survey	Intercept Research Corporation	3/30/14	Extend
Pre-licensure Test	Prometric, Inc	5/17/14	RFP
Course Manual	Prometric, Inc	6/21/14	Extend
Pre-Licensure Training Providers	Multiple agreements	6/30/14	Brainstorm better ways

**B. Pre-Licensure Program**

The pre-licensure program components are as follows:

1) Pre-Licensure Test

ORS 701.122(3)

The test is 80 questions pulled from a bank of approximately 350 questions. The manual's 10 chapters have a specific number of questions appearing on the test.

Passage is 70 percent (56 out of 80 questions correct). Current first time pass rate is approximately 83%.

Current policy issues:

- The tested and untested (grandfathered) contractors are used, along with DRS unpaid final orders, in KPM 915-001 to measure the quality of the education program. This may or may not be an accurate reflection of the program.
- No current policy issues under discussion.
- In the future it may be of help to look at the way students qualify for the test. For example, after completing the training the student went to the test vendor directly with proof of completion; or the providers and test vendor exchanged the information, removing CCB from that middle position. (Brainstorm the pros and cons)

Current work issues:

- Quality of the test questions should be reviewed. A work group could be convened to review the:
  - a) Current education objectives
  - b) Test questions for accuracy, structure, performance and they match the objectives. Poor performing questions should be disregarded. This would likely catch “trick” questions and “double negative” questions.
  - c) Question maintenance is part of the contract and I do not believe it has been done. To be fair, staff did not pushed the vendor into performing maintenance as we were heavily laden with launching residential continuing education.
- Comments of some of the staff after taking the test were that they felt like criminals based on the security precautions established by the test vendor. They felt Prometric went overboard. We may be want to include the standards we want in the next RFP but when a test vendor provides tests for other licenses, different standards are difficult to administer. We experience this when contractors are not in the database system—the test proctors do not often recall the correct protocol of instructing the contractor to call the education provider. They tell them to call the CCB.
- It may be best to go out for bid when the contract expires instead of renewing. In the RFP it would be helpful to address the timeliness of test question changes, protocol standards, providing photos of the students (as PSI did and as helpful to Investigators).

d) Oregon Contractors Reference Manual:  
OAR 812-006-0200

The 10<sup>th</sup> edition was published November 2012. The next edition is due November 2014.

This publication was originally developed in 2000/2001 and is revised every two years by volunteer subject matter experts (SME's) coordinated through a subcontractor of the publishing vendor.

The Building Exterior Shell Training (BEST) chapter was added in the 9<sup>th</sup> edition revision so that by October 1, 2013, all contractors would have received training on BEST either through continuing education or pre-licensure training.

Other chapters were heavily revised at this time to work towards improving KPM results.

Current policy issues:

- Several years ago we began an online document of revisions and corrections to the manual. While teaching the current information is good and possibly the right thing to do, getting the test questions changed to reflect the new information is a 3 month process. While unacceptable, resources were not available to work out this issue.
- If there are significant changes during the annual legislative sessions, revisions on an annual basis may be considered. This will likely increase the cost of the manual.

Current work issues:

- Having SME's revise chapters seems to be the best solution. We have worked with the publisher to try to create "one voice" and it seems to get better each year. The downside of using SME's is some things are incorrect and CCB staff isn't necessarily knowledgeable in those chapter areas and the SME's are volunteers and state agencies are especially crunched on time resources.
- Providing approved providers the information on the manual revisions has been problematic. Compiling a list of changes is time consuming. Providing a final electronic copy of the manual allowed some providers to sell the manual. For both the 9<sup>th</sup> and 10<sup>th</sup> editions, we provided them with the PDF of the "marked" changes so they could see what was changed and prevent selling. During the 10<sup>th</sup> edition a marked copy caused page numbering differences in their materials.
- If the contract for the manual can be renewed, my recommendation is to renew.

e) Approved Pre-Licensure Providers  
ORS 701.122 (2)

There are currently approximately 30 approved pre-licensure providers.

Agreements must be renewed in every 2 years.

### Current policy issues:

- Determine if the requirement of training or the design of the program is simply steering the providers to teach to pass the test. Determine if the program is more about educating contractors to be minimally competent in business practices or give them tools on finding information as they need it, or both. As pre-licensure training has morphed over the years, which direction does the Board want to go. (Train or educate—Sally changed this term to train prior to my employment. Perhaps this was an issue then.)
- Minimum standards of what constitutes training may need to be established. As “legacy” would have it, some providers were able to just provide a manual and a phone number to call if there were questions about the material.
- Based on the amount of staff resources it may be time to introduce a legislative concept that would allow the agency to charge fees to the approved training providers to cover the cost of managing the program, rather than funding through contractor licensing fees. This would also separate those providers not interested in investing into a quality program as well as provide a financial deterrent to ‘name-changing’ to be at the top of the list.

### Current work issues:

- Pre-licensure has been at the low end of the priority scale for several years. Revision of the education staff position descriptions in October of 2012 has allowed more resources in pre-licensure, but it is a trade off. (It reduces the time in consumer outreach).
- ORS 701.122(2) requires periodic review of the providers and their training. To comply, staff established a renewal process where providers reapply and new agreements are signed every two years and the training materials are given a cursory review. This creates a bottle neck. It may be time to look at staggering renewals and developing better material review (or even new processes) now that these duties were moved to the PA1 position.
- A February rule hearing will ask to pass rules that require pre-licensure instructors have the same qualifications that continuing education instructors have. This would increase the standard for pre-licensure.
- Additionally, staff taking the training were, for the most part, impressed with the providers.

### **C. Continuing Education Program**

ORS 701.126 provides authority to establish continuing education for all contractors.

1) **Commercial Continuing Education (CCE)**

ORS 701.124 and OAR Division 20

There are no current work issues or policy issues regarding CCE.

2) **Residential Continuing Education (RCE)**

ORS 701.123; and 701.126 and Division 21

RCE has three large and distinct areas:

- Overall program development
- CCB's Laws, Regulations and Business Practices (LRB) courses
- Live class delivery

**Current policy issues:**

- a) Development of the internal policy for carryover hours. The Learning Management System (LMS) does not have an automation of the carryover. IT will need parameters to develop this, or Licensing staff will need procedures on how this will work at renewal. This will become a factor with renewals for October 1, 2013.
- b) Possible elimination of carryover hours. A memo outlining the issue was brought the Board at the December 4, 2012 meeting.
- c) Based on current OAR, BEST will no longer be a requirement for renewals on or after October 1, 2013.
- d) Possible development and delivery of LRB courses by approved providers. (FUTURE)
- e) Possible RCE management of providers and courses from a 3<sup>rd</sup> party vendor. (FUTURE)

**Current work issues:**

**Overall RCE Program**

- **System Documentation:** Education and IT were meeting weekly (or trying to) with the goal of Education staff trying to understand the CCB's Learning Management System (LMS) within CCB's Online Services for the creation of a technical manual and documentation

for users of the RCE console and RCE tools. These meetings began with a purpose but problems seemed to sidetrack the meetings.

- Carryover: Carryover of hours is not automatically established in the LMS. This is a work issue as well as an internal policy issue. Some contractor's data will show more extra hours than they "really" have as Licensing staff had been adding extra core hours to the elective side so it would show "8 elective hours", even though the total would have been 16.
- Provider and Course Dates: Education staff have been talking to IT staff about an issue with calculated expiration dates of providers and courses. Providers have a date that they are approved and can expire. Each course has a date in which it can be approved and expire. When a course expires or is no longer able to be taught, there isn't an available status (except active) that can be applied to them. If Education inactivates them, Licensing won't be able to see the course to apply credit for renewal. IT indicates this will be a manual thing that Education will just "know" they are expired. It will become an issue if course and provider information from the database are used to populate the website or providers are automated to apply online.
- Employee layer: The ability for employees to complete online LRB courses is working. The issues are:
  - a) What can we do to prevent owners officers and other on the license from going down that path; and
  - b) What do e require of owners, etc using the employee path.The outcome is owners do not receive immediate credit. The certificate says employees must have the employer sign the certificate and submit it with the renewal. LIC staff verify the credit after getting the certificate. IT (others?) have instructed LIC staff that the owner using the wrong path must sign the certificate and send it in. This isn't necessary as staff can easily look to verify the names on the record if a contractor calls in or writes it in on the renewal. And if they follow the certificate instructions, that will work also.
- LRB courses: With Tori out in December and then other projects competing for his time, launch of the courses are delayed. If his time can be focused on LRB courses, he may be able:
  - a) Launch "employer responsibilities" within a week.

- b) Put together "Maintaining a CCB license" by March 30.
- c) Other courses can be brainstormed with staff and who is the best person to write the script.

- Live delivery of courses

- a) Three upcoming live classes (2 with industry partners and one in the VA auditorium). Craig will likely present or partner with other staff to present the industry offerings. These sessions can be coordinated per established procedures. Class topics TBD.
- b) The work issue of who will be the instructors for the other live offerings. Field Investigators and Nancy Weber are capable; any new courses will have to be provided to them.
- c) All live class coordination (registration, payment and confirmations) is manual. This is time consuming and difficult. IT will automate this process.
- d) The Board agreed with the limits placed on live courses. One a quarter done by CCB staff and 4 a year in partnership with industry. Due to illnesses and lack of space, 4th quarter of 2012 and 1<sup>st</sup> quarter 2013 no classes were offered. Development of policy on who will be instructors would help with planning this. (b.)

#### **D. Consumer Outreach**

KPM 915-002 measures the performance of CCB's consumer outreach program. The program primarily reaches consumers through home building and improvement shows, community speaking events and partnerships with other consumer protection groups.

Measurement is through the annual homeowner survey.

#### **Current Policy Issues**

This KPM rarely reaches target. It will likely decrease as the pre-licensure education was added to the PA1 duties decreasing the amount of time spent in consumer outreach by 40%.



### Current Work Issues

- I recommend extending the contract with the current vendor of the annual homeowner survey if possible.
- Increasing internet presence is one of the few available “least expensive” resources to improve the outreach to consumers. See current Consumer Outreach plan.

## **E. Contractor Outreach**

### Current Policy Issues

No current policy issues.

### Current Work Issues

- Communication with contractors and stakeholders is critical but resources haven't allowed for the effort needed. This includes the
  - 1) Newsletter
  - 2) Blog
  - 3) Social media
  - 4) Industry press releases
  - 5) Industry relations

## **F. Home Inspector Education & Test**

Industry appears satisfied with the program. Complaints regarding education and test are minimal.

On hold due to resources

## **G. Locksmith Test**

Industry appears satisfied with the program. Complaints regarding the test are minimal.

On hold due to resources

### Current policy issue

At the December 2012 meeting, the board discussed sun-setting advisory committees once the programs are in place and appear to be operating well. If the need arises for input on an issue, industry can be contacted and advise the Board through public meetings.

This may apply to LSAC and HIAC.

## **H. Publications**

### **Current policy issue**

- Determining agency responsibility in providing contractor's paper publications and required notices is an ongoing policy issue and should be decided and written. (Lobby, mailing, etc.) All publications are available online for contractor download and CSU refers to the download the document. If they complain, then they will print a label for a mailing. The lobby shelves empty but apparently contractors were taking handfuls of notices and they would go through 100's in a matter of days.

### **Current work issue**

- Communication through publications is critical but resources haven't allowed for the effort needed to review, revise and consolidate (if needed) consumer and contractor publications.
- 16 Ways is long due for updating
- IT has an idea for the server holding the publications but it the Education staff resources needed to implement were not available.

## **I. Public/Media Relations**

Current relationships with reporters are good. The survey continues to show a lack of trust on consumers for government.

### **Current Policy Issue:**

Resources have been limited in proactive outreach and are mostly a reactive relationship. It would be helpful to the agency and its public image to devote time to this.

## **J. Website**

The vendor that contracts the template and other web-based services for the state recently switched from TeamSite to SharePoint. This transition has been loaded with connectivity issues, downtime, loading issue and other problems.

Education is responsible for the content. Unresolved is the issue of Web Master and defining whether this is a technical position or the point of contact to make changes. This appears to be a term used for both contexts.

Education acts as point of contact for changes, revisions, new page development for the static content (content that uses the template format). IT is responsible for the dynamic content (content that searches CCB data or interacts with CCB data, such as CCB Online Services). IT has developed some template pages for dynamic content so Education staff can make content changes.

**K. Staffing**

Current positions in education include:

- Manager B – WOC as D
- PA1 (filled by Nancy Weber)
- AS1 – WOC as AS2 (filled by Holly Eilertson)
- EPDS2 - (filled by Tori Garcia)

The section may be better served by utilizing the PA2 position authorized for continuing education and incorporating the duties of the EPDS 2 as well as the oversight of continuing education program. The PA2 is a higher level position and the current EPDS2 is well qualified. A position description has been drafted.

## SMITH Craig P

---

**From:** FOX Gina  
**Sent:** Monday, February 18, 2013 7:36 AM  
**To:** GARCIA Torivio  
**Cc:** SMITH Craig P  
**Subject:** FW: [OrDocs] Survey about the Oregon Documents Depository Program  
**Attachments:** ATT1622429.txt

Rick used to handle delivery of new or revised publications through P & D. Then after Rick left, I believe P & D would send to the Depository.

As far as I know, we have never referred anyone to the Depository-The agency has always maintained a good archive and Cathy often handles requests of past documents.

Gina Fox, Education Manager/Public Information Officer

503-934-2195 (Direct)  
503-378-4621 ext. 42195 (Agency)

Construction Contractors Board  
PO Box 14140  
Salem, OR 97309

Visit the CCB website:  
[www.oregon.gov/CCB](http://www.oregon.gov/CCB)

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**From:** [ordocs-bounces@listsmart.osl.state.or.us](mailto:ordocs-bounces@listsmart.osl.state.or.us) [mailto:[ordocs-bounces@listsmart.osl.state.or.us](mailto:ordocs-bounces@listsmart.osl.state.or.us)] **On Behalf Of** Jey Wann  
**Sent:** Friday, February 15, 2013 4:05 PM  
**To:** [ordocs@listsmart.osl.state.or.us](mailto:ordocs@listsmart.osl.state.or.us)  
**Subject:** [OrDocs] Survey about the Oregon Documents Depository Program

(Apologies to those I have already contacted about this!)

The State Library is planning to reorganize, prompted by the Governor's Balanced Budget, which makes our second-year funding in the 2013-15 biennium contingent upon reorganization. A steering committee is drafting the reorganization plan.

I'd like your input about the Oregon Documents Depository Program. Please answer the following questions:

- What do you like best about the Oregon Documents Depository Program?
- What would you change if you could?
- Have you used your agency's documents in the State Library's collection, or referred others to them?
- Would you find listings of Oregon documents useful on [data.oregon.gov](http://data.oregon.gov)?
- Any other feedback about the Depository Program is welcome!

Thanks for taking the time to participate in this important process.

-Jey

Jey Wann

Oregon Documents Coordinator

Oregon State Library

250 Winter St NE

Salem, OR 97301-3950

503-378-5023

[jey.a.wann@state.or.us](mailto:jey.a.wann@state.or.us)

Oregon Documents Depository Program : <http://www.oregon.gov/OSL/GRES/OrDocs.shtml>

**2013 Legislation  
February 19, 2013**

<b>Bill No.</b>	<b>Requestor</b>	<b>What It Does</b>	<b>Where It's At</b>	<b>Next Event</b>
SB 205	CCB	Eliminates the requirement that CCB's rules require certain terms as mandatory contract contents.	House Speaker	Senate passed 28 - 0 (2 excused; Sen. Olsen possible conflict)
SB 206	CCB	Provides that contractors that were afforded an opportunity to have a complaint about residential defects mediated by CCB are not entitled to additional notice and opportunity to correct defect before claimant can initiate arbitration or court action.	Senate Business and Transportation	
SB 207	CCB	Requires that license application filed by limited partnership include the name and address of certain limited partnership members. Requires reporting changes. Deletes redundant disclosure requirement.	Senate Business and Transportation	Public hearing held 2/4.
SB 285	Sen. Boquist	Exempts from filing a public works bond any individual who performs work as a contractor or subcontractor alone and without employees on public works project.	Senate Business and Transportation	
SB 299	Sen. Starr	Sunset bill. Abolishes CCB on July 1, 2025.	Senate General Gov't, Consumer and Small Business Protection, then Ways & Means	
SB 485	Sen. Johnson, Rep. Whisnant, & others	Specifies that new or increased fees adopted by state agencies do not become effective unless approved by the legislature.	Senate Rules, then Ways & Means	
SB 5513	Senate President	CCB Budget Bill.	Ways and Means, Subcommittee on General Gov't	
HB 2127	House Interim Committee	Requires public agency to base determination of contractor's responsibility for public improvement contract on whether contractor provided health insurance to employees for two years before contractor submitted bid for public improvement.	House Consumer Protection and Gov't Efficiency	

HB 2373	Rep. Thatcher, Weidner, Sen. George	Sunset bill. Abolishes CCB on July 1, 2025.	House Consumer Protection and Gov't Efficiency; Ways and Means	Hearing scheduled 2/19 @ 1:30 p.m., Room D.
HB 2436	House Interim Committee	Modifies Energy Efficiency and Sustainable Technology (EEAST) loan program. Defines "primary contractor." Makes certain standards applicable to primary contractors and subcontractors. Authorizes CCB to issue certification to primary contractor.	House Energy and Environment	Hearing and work session held 2/12.
HB 2524	Rep. Holvey	Limits exemption from CCB licensing for financial institutions, real estate personnel and suppliers of workers.	House Business and Labor	Hearing scheduled 2/20 @ 8:30 a.m., Room E
HB 2540	Rep. Holvey	Allows CCB to revoke, suspend or refuse to issue a license if CCB finds that a person has engaged in dishonesty by supply false information relating to or evading an obligation for taxes, social security contributions, child support, alimony, court judgments, garnishments or other debts identified by rule.	House Business and Labor	Hearing scheduled for 2/20 cancelled.
HB 2642	Rep. McKeown	Directs state agencies with licensing functions to provide nonmonetary assistance – including priorities – to businesses that commit to hiring a certain number (to be determined) of Oregon workers.	House Business and Labor	Public hearing held 2/8.
HB 2675	Rep. Hoyle	Defines "public works" for large road construction projects where there is an exemption from property taxes.	House Business and Labor	Hearing scheduled 2/27 @ 8:30 a.m., Room E.
HB 2677	Rep. Hoyle	Defines "funds of a public agency" for purposes of applying the prevailing wage rate to include work where a contractor receives tax credits or tax abatements.	House Business and Labor	Hearing scheduled 2/27 @ 8:30 a.m., Room E.
HB 2685	Rep. Cameron	Modifies definition of "residential structure" to eliminate local facility for work release programs.	House Judiciary	Hearing scheduled 3/5 @ 1:00 p.m., Room 343
HB 2720	Rep. Thompson	Prohibits state agencies from filing administrative rules unless first renewed by legislative committee.	House Consumer Protection & Govt. Eff.	

HB 2830	Consumer Protection Committee	Requires contractor of new residential structure to provide property owner or first purchaser with two-year warranty for building envelope and penetration components.	House Consumer Protection & Govt. Efficiency	
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New Items in Red



# CCB Progress Report

## Education Section

Staffing Levels				
LAB 2005-07	LAB 2007-09	LAB 2009-11	LAB 2011-13	GRB 2013-15
2.00	4.00	4.00	5.00	5.00

### A. Section is Responsible For:

The CCB Education section consists of one manager and 4 staff positions that include:

1. Public Information Representative (consumer),
2. Education Assistant
3. Communications Specialist (Electronic Design).
4. Program Analyst 2

5. The section is responsible for:

- Educating Contractors, Certified Home Inspectors, and Locksmiths
- Consumer Education
- Agency Communications (website content, media inquiries, press releases, publications and citizen letters)

### B. Challenges:

The two biggest challenges the Education section faced were:

1. Implementing Major Legislative Changes with Existing Resources:
  - 2007 Legislation still being implemented
  - New 2009 Legislation: Locksmith Certification Program ((2009) Implementation January 2010), and Lead-Based Paint

Renovator License ((2009) Implementation April 2010)

2. Loss of Outreach Funds
3. Production and rollout of CCB LRB RCE.
4. Customer Satisfaction with RCE.

### C. Solutions:

1. Manage 2007 and 2009 Legislation:
  - Existing Workload Issues
  - Continuing Education Development
  - Changing Endorsement System
  - Locksmith Certification Program
  - Lead-Based Paint Renovation Contractor License
2. Continue Outreach:
  - Development of E-Newsletter:
  - Creation of a CCB Blog

- Consumer: Agency reached out to home show promoters and acquired complimentary space at many events throughout Oregon. We were able to speak or meet more than 1900 homeowners and provide CCB's key messages.
- Customer satisfaction surveys.
- Discussion with Board on exemptions and RCE.

### D. Increased Efficiencies and Customer Satisfaction:

More and more the shift to online tools makes it easier for contractors to get the information or resources and do business when they need to.

- Online Locksmith Certification System

- e-Newsletter and Blog
- Printer friendly forms

### E. Future Challenges:

1. Development of quality CCB courses
2. Completing the development and implementation plan for an online reporting
3. Provider and course review
4. Program reassessments
5. Reconnection and evaluation of existing education programs for Prerequisite Education, Home Inspectors and Locksmiths.
6. Development of innovative and popular consumer outreach methods.
7. Establishing measures of effectiveness for the new outreach methods.
8. Increase quality and effectiveness of online tools.

## **CCB Progress Report Education Section**

### **A. Section Staffing and Responsibilities**

The CCB Education section consists of one manager and 4 staff positions that include:

1. Public Information Representative (consumer),
2. Education Assistant
3. Communications Specialist (Electronic Design).
4. Program Analyst 2

The section is responsible for:

- Educating Contractors, Certified Home Inspectors, and Locksmiths
- Consumer Education
- Agency Communications (website content, media inquiries, press releases, publications and citizen letters)

### **B. Past Challenges:**

During the 2009-2011 Biennium, the economic conditions hit contractors and the agency hard. The two biggest challenges the Education section faced were:

#### **1. Implementing Major Legislative Changes with Existing Resources**

In 2007, staff believed that though it would be difficult, we could implement the major pieces of legislation using existing resources. We would have to prioritize but we could manage. Until we began fleshing out the model and implementation plans, we didn't recognize the magnitude of the task.

Though the 2009 locksmith legislation authorized resources, the current economic conditions and agency revenue projections were so tumultuous the agency declined to staff the position.

The challenge was how to develop well-planned, quality outputs while continuing to maintain existing programs. Below is a summary of projects.

##### a) 2007 Legislation still being implemented

At the start of the 2009 biennium, the education section was continuing its work on the implementation of some of major requirements that came out of the 2007 Legislative session.

- Changing endorsement system ((2007) Transition period through July 1, 2010)
- Continuing education ((2007) Commercial: July 1, 2010/ Residential: October 1, 2011)

##### b) 2009 Legislation

- Locksmith Certification Program ((2009) Implementation January 2010)
- Lead-Based Paint Renovator License «2009) Implementation April 2010)

#### **2. Loss of Outreach Funds**

Funding used to reach consumers (\$500,000/outreach) and contractors (\$ 160,000/newsletter) was no longer available.

Because of the loss of funding, the agency KPM measuring the percentage of homeowners aware of their rights and responsibilities and of the CCB was lowered. But the section had to find ways to reach out to educate consumers.

A reduction in CCB's 2009-11 Budget forced the agency to cut its printed newsletter. But the section had to find ways to get contractors the important information that would help them learn about changes in requirements, stay in compliance and other information that could help with the success of their business.

**c. Solutions**

**1. Manage Legislation:**

Because of the complexity and timeframes of implementing these laws, it was important to recognize that, as in 2007, we needed to prioritize the limited staff resources.

a) Existing Workload Issues

The education section reprioritized programs and made choices of which large areas to tend to only as needed. Even with reprioritizing the section had several large workload issues that couldn't be put on hold.

- The revision of the 9th edition Contractor Reference Manual used in Pre-licensure education; and
- The revision of the test questions based on the new edition.

Several of the areas that resources were diverted from include:

- 1) Pre-licensure Education:
  - i. Examining content & how the education is provided (KPM #1)
  - ii. Provider and course material criteria
  - iii. Use of the Training and Education Advisory Committee
- 2) Consumer education:
  - i. Revision of the consumer education plan
  - ii. Development of "in-need" program (Nevada)
  - iii. Implementation of social media outreach
- 3) Home Inspector education:
  - i. Program issues (eligibility, testing and continuing education)
- 4) Contractor speaking events

This allowed staff to work on the following:

b) Continuing Education: Development

All construction contractors will be required to complete continuing education in order to renew their license. The statutes for those with a commercial endorsement were fairly prescriptive and were required to prove compliance with renewals on or after July 1, 2010. The law governing residential contractors was broad and required much policy and rule development. Residential contractors will be required to prove compliance October 1, 2011.

At the end of the 2007-09 Biennium staff and the subcommittee of the Board completed researching other continuing education programs, developing policy and rules to clarify specific areas of commercial continuing education that were not addressed in statute and the policy and rules for residential continuing education.

As the 2009-11 Biennium began, CCB's Education section;

- Developed course objectives and criteria for private provider courses in Building Exterior Shell Training, Green and Sustainable Building Practices and building codes.
- Created applications, processes and criteria for approving providers.
- Created applications and processes for courses submittal.
- Developed appropriate methods for reviewing and approving course content.
- Began creating course content and delivery systems for CCB given course on laws, regulations and business practices.
- Began planning the development and implementation for an online system for locating and tracking continuing education.
- Began examining unintended consequences that were beginning to become apparent and researching better solutions and developing new processes to ultimately bring Board and stakeholder discussion.

c) Changing Endorsement System

For the first time, contractors were being divided into commercial or residential contractors. Beginning July 1, 2008, contractors were required to choose their license endorsement based on the type of structures they worked on. The transition to the new licensing was completed in July 2010.

In 2009, the Education section was:

- Writing newsletter and blog articles on endorsements and structure types.
- Developing and presenting the information to stakeholders.
- Assisting in training staff in the new requirements.
- Assessing and redesigning web pages and publications.

d) Locksmith Certification Program

During the 2009 session a bill passed requiring locksmith certification and testing to be administered by the CCB.

The agency determined that creating an online certification process for Locksmiths would be a solid model for developing other online systems.

The Education section was responsible to:

- Assist in the facilitation of the meetings, agenda and policy discussions for Locksmith Advisory Committee.
- Assist in draft rule development.
- Research, create and facilitate the development of the certification test.
- Create and redesign static web pages and content including Frequently Asked Questions (FAQ's).
- Develop text and page flow for the dynamic web pages (online test and registration system).
- Write newsletter and blog articles.
- Develop and present the information to stakeholders.
- Assist in training staff in the new requirements.
- Respond to cans and letters that were not easily answered by CCB's CSU staff.

- e) Lead-Based Paint Renovation Contractor License  
The federal EPA passed laws requiring specific procedures contractors and others must take when renovating older homes and buildings that children and others visited regularly in an effort to reduce lead poisoning. A partnership between CCB and DRS received approval from EPA to administer the program at the state level. The new laws went into effect April 22, 2010.

The Education section was responsible to:

- Create and redesign static web pages and content including Frequently Asked Questions (FAQ's).
- Write newsletter and blog articles.
- Develop and present the information to stakeholders.
- Assist in training staff in the new requirements.
- Respond to calls and letters that were not easily answered by CCB's CSU staff.

## **2. Continue Outreach**

Staff looked for new ways to reach out to contractors and how to best reach consumers:

- a) Development of E-Newsletter:  
Staff researched methods and available options for the delivery of an electronic (e-Newsletter). Staff developed plans to inform contractors and recreate the format.
- b) Creation of a CCB Blog  
The agency also developed a CCB blog in which up-to-date current information is posted. Staff enabled a RSS feed system so contractors to see changes that were added since the last time.
- c) Consumer  
Agency reached out to home show promoters and acquired complimentary space at many events throughout Oregon. We were able to speak or meet more than 1,900 homeowners and provide CCB's key messages.

## **D. Increased Efficiencies and Customer Satisfaction**

### **1. Web-based Solutions for Contractors.**

More and more the shift to online tools makes it easier for contractors to get the information or resources and do business when they need to.

- a) Online Locksmith Certification System
- b) e-Newsletter and Blog
- c) Printer friendly forms

## **E. New Challenges**

### **1. Continuing Education Program**

- a) Development of quality CCB courses
- b) Completing the development and implementation plan for an online reporting
- c) Provider and course review
- d) Program reassessments

### **2. Reconnection and evaluation of existing education programs for Pre-Licensure Education, Home Inspectors and Locksmiths.**

- 3. Development of innovative and popular consumer outreach methods.**
- 4. Establishing measures of effectiveness for the new outreach methods.**
- 5. Increase quality and effectiveness of online tools.**

# CCB Progress Report

## Licensing Section

Staffing Levels				
LAB 2005-07	LAB 2007-09	LAB 2009-11	LAB 2011-13	GRB 2013-15
16.75	18.00	17.00	18.00	18.00

**A. Section is Responsible For:**

1. Customer (consumer and contractor) services:  
(1) manager, (2) front desk and (5) telephone.
2. CCB const. contractor (business) license (10):
  - Experience and pre-license education/testing
  - Business entity type and individual
  - Endorsement category (residential vs. commercial)
  - Class of independent contractor (exempt vs. nonexempt) for purposes of workers compensation employer requirements
  - Liability insurance and CCB surety bonds
  - Criminal convictions and construction debt records
  - Continuing education records
3. Public works (BOLI) bond, responsible bidder, and prompt pay (commercial contractor issues)
3. Specialty licenses and certifications:
  - Oregon Certified Home Inspector (OCHI) (testing, certification, continuing ed. (CE))
  - Oregon Certified Locksmith Program (OCLS) (testing, certification, continuing education (future))
  - Lead-Based Paint Renovator License (business)
  - Lead-Based Paint Activity (business and individual)
  - Energy Efficiency and Sustainable Technology certification (bus.) (EEAST)

**B. Challenges:**

1. HB 3242 (2007) commercial contractor endorsements
2. Endorsement/surety bonds/WC changes/CE
3. Locksmith certification (HB 3127 – 2009)
4. Certified Lead Based Paint Renovation (LBPR) licenses (HB 2134 – 2009)
5. Meetings consumer/contractor expectations in a difficult economy and with increased regulations
6. Continuing education requirements.

**C. Solutions:**

1. Partnered with CCB IT section to automate EEAST, Locksmith, and Lead-Based Paint programs, and developed a correspondence system.
2. Revised renewal instructions and application forms. Based on contractors suggestions, revised again and again.
3. Produced charts and flyers to help explain new programs.
4. Produced FAQ's and scripts for better customer service.
5. Providing continual training for staff
6. Implemented Email correspondence to help answer questions.
7. Improved website

**D. Increased Efficiencies and Customer Satisfaction:**

More and more the shift to online tools makes it easier for contractors to get the information or resources and do business when they need to.

- Online Locksmith Certification System

- Future Online CCB renewal, Online LBPR renewal; and Online record changes
- Website references

**E. Future Challenges:**

- Residential continuing education
- Implementing law changes
- Economy
- Limited resources (do more with less)

# CCB Progress Report

## Licensing Section

### **A. Section Staffing and Responsibilities**

The CCB Licensing section consists of one manager and 17 staff positions.

The section is responsible for:

- Issuing and renewing CCB licenses, and maintaining the license records which includes but is not limited to independent contractor license class changes, personnel changes, endorsement changes and bond and insurance changes.
- Issuing and renewing Lead Based Paint licenses.
- Issuing and renewing EEAST licenses.
- Testing, issuing and renewing Home Inspector certifications.
- Testing, issuing and renewing Locksmith licenses.
- Recording and maintaining BOLI bonds.
- Answering all questions relating to the above as well as answering overall agency questions from contractors, consumers, attorneys, bonding and insurance agents and the general public.

### **B. Past Challenges:**

The economic conditions hit contractors and the agency hard. The Licensing Section faced many challenges as follows:

#### **1. Implementation of New Endorsements**

During the entire 2009 and part of 2010 biennium, the licensing section was continuing its work on the implementation of some of the major requirements that came out of the 2007 Legislative session. This included implementing the new endorsement system which consisted of changing all contractors from a one category licensing system to a two endorsement residential and commercial licensing system. Not only did all contractors have to increase the amount of their bonds, but they now were required to purchase two bonds. Contractors have had a very difficult time adjusting to this change.



**2. Implementation of Commercial Continuing Education**

The Licensing Section still faces challenges from legislation enacted from the 2007 legislative session. One of these challenges is commercial continuing education. Although this requirement went into effect on July 1, 2008, the affect continues to have a major impact on the Licensing section, such as tracking, reporting, educating and explaining the program and requirements to contractors. Contractors response has been one of confusion and negativity towards the continuing education program.

**3. Implementation of Locksmith Licenses**

In January 2010 a new locksmith license program went into effect that came out of the 2009 legislation. This was a brand new program that had to be developed from ground zero. This included the writing of new rules, development of a new database, test, procedures, Licensing and Customer Service Representatives training and consumer and contractor education.

**4. Implementation of Certified Lead Based Paint Renovation Licenses**

In April 2010 a new Certified Lead Based Paint Renovation license program went into effect that came out of the 2009 legislation. This was also a brand new program that had to be developed from ground zero. This included the writing of new rules, development of a new database, procedures, Licensing and Customer Service Representatives training and consumer and contractor education.

This new program has been especially challenging to develop and administer because it also involves interagency compliance with the Federal EPA and the State of Oregon Public Health Division. Having three agencies involved has caused confusion and frustration for the contractors that this has affected.

**5. Fee Increase**

On July 1, 2010, the fee to apply for license or a renewal was increased from \$260 to \$325. The overwhelming negative response has been a challenge.

**6. Workers' Compensation for Exempt Commercial Contractors**

In July 2010, all commercial contractors who had an exempt independent contractor class were required to have workers' compensation coverage. This was a huge change from past practice. Prior to this change, all "exempt" contractors did not have employees and therefore were not required to maintain workers' compensation coverage. Upon the change, however, not only does the exempt (commercial contractor only) have to carry workers' compensation, but they have to carry a special type called "personal election", and they must carry it on the business owners only. Since going into effect, we have found that this coverage is very expensive and difficult to obtain. Commercial contractors affected have found this change confusing, unaffordable and unnecessary.

**7. Energy Efficiency and Sustainable Technology (EEAST) License**

In January 2011 the EEAST license program went into effect that came out of the 2009 legislation. This was also a brand new program that had to be developed from ground zero. This included the writing of new rules, development of a new database,

procedures, Licensing and Customer Service Representatives training and consumer and contractor education.

#### **8. Lack of Resources**

The Licensing Section was not given any additional resources to help implement any of the new programs mandated by the 2007 or 2009 legislation. In fact, on July 1, 2010, we lost two full time staff positions who were dedicated as customer service representatives in our customer service unit. We went from five people who staffed the unit to three. Because of the lack of resources, the rest of the Licensing Section has had to fill in, taking them away from performing their normal duties.

#### **9. Low Customer Satisfaction Results**

Until recently, the Licensing Section has always maintained a very high rate of customer satisfaction. As of the first quarter of the 2007-09 biennium, our overall customer service satisfaction rate was 98.6% and was continuing to climb. As of the first quarter of the 2009-11 biennium, our overall rating decreased to 93.8%. This rating is extremely important to our section because it affects the agency's Key Performance Measure (KPM #8).

### **C. Solutions**

1. Partnered with IT section to :
  - Revise, re-program and automate current database to accommodate new endorsement program.
  - Produce new databases for new Locksmith, Lead Based Paint and EEAST programs.
  - Produce a correspondence system to more quickly and efficiently produce correspondence.
  - Track key employee information relevant to the CCE.
  - Have a complete on-line solution for Locksmith testing, applying, paying, and renewal of license.
2. Revised renewal instructions and application forms. Based on contractors suggestions, revised again and again.
3. Wrote and updated procedure manual.
4. Produced charts and flyers to help explain new programs.
5. Produced FAQ's and scripts for better customer service.
6. Sent manager and supervisor to RRP training and have subcommittee that meets regularly to discuss ongoing LBPR implementation issues.
7. Providing continual training for better customer service, including trainings with the Administrator on how to best answer negative callers.
8. Implemented Email correspondence to help answer questions.
9. Redistributed workload, weekend/overtime work to eliminate backlog due to lack of resources.

### **D. Increased Efficiencies and Customer Satisfaction**

## **1. Online Tools**

More and more the shift to online tools makes it easier for contractors to get the information or resources and do business when they need to.

- a) Online Locksmith Certification System
- b) Future Online CCB renewal
- c) Future Online LBPR renewal
- d) Future Online record changes
- e) Website references

## **E. New Challenges**

- Residential continuing education
- Future unknown legislative changes
- Continuing economic hardships
- Lack of resources

# CCB Progress Report

## Enforcement Section

Staffing Levels				
LAB 2005-07	LAB 2007-09	LAB 2009-11	LAB 2011-13	GRB 2013-15
10.00	12.26	11.50	13.00	13.00

### A. Section is Responsible For:

The CCB Enforcement section consists of 1 manager, 9 Compliance Officers, 2 Office Specialist 2, and 1 Administrative Specialist 2.

1. The enforcement program has three component functions:

- Investigate complaints of illegal activity;
- Prosecute violations;
- Provide customer service to licensees and homeowners.

### B. Challenges:

1. The two biggest challenges the Enforcement section faced were: Implementing Major Legislative Changes with Existing Resources: Mandates implemented in 2009/11 imposed more regulation on licensees as well as increased the number of laws to enforce without the benefit of increased resources.

Examples of imposed mandates that directly impacted the section include:

- Locksmith Certification Program:
  - Lead Based Paint (RRP) Program:
  - Changing Endorsement System:
2. Maintaining High Customer Service Levels

### C. Solutions:

1. Implementation of New Mandates
  - Locksmith Certification:
  - Lead Based Paint (LBPR):
  - License Endorsement:
2. Maintain Customer Service Levels:

- Craigslist: One of the most common complaints by licensees is that too many illegal contractors are advertising on Craig's list.
- Online Complaints

### D. Increased Efficiencies and Customer Satisfaction:

1. The Enforcement Sections has made strides to eliminate older backlogged cases which has enabled the section to process new files in a timely manner. This has a direct bearing on program KPM's.
2. Implementing an automated system for generating documents has improved efficiency

- by reducing the number of man hours to produce documents.
3. The key is to know who you are dealing with and knowing when to educate, when to use a warning, when to monetarily penalize, and when to suspend, revoke or escalate the matter to a higher authority.

### E. Future Challenges:

1. The most daunting challenge will be to maintain the customer service levels in the face of increased regulation and poor economic conditions. So far, the enforcement section has been able to meet this challenge. We absorbed new programs without getting additional

- resources, although we had a relatively full staff.
2. No one knows what the future holds for staffing levels in light of the State's budget woes, and that provides the greatest challenge of all – the unknown.

# CCB Progress Report

## Enforcement Section

### **A. Section Staffing and Responsibilities**

The CCB Enforcement section consists of one manager and 12 staff positions that include:

1. 9 Compliance Officers.
2. 2 Office Specialist 2
3. 1 Administrative Specialist 2.

#### **Enforcement Section Mission: To provide an effective deterrent to illegal activity**

The enforcement program has three component functions:

- Investigate complaints of illegal activity;
- Prosecute violations;
- Provide customer service to licensees and homeowners.

### **B. Past Challenges:**

During the current biennium (2009-11), the enforcement section has dealt with the same issues as the rest of the agency – increased regulatory oversight with no corresponding increase in resources to deal with the increased workload.

The two biggest challenges the Enforcement section faced were:

#### **1. Implementing Major Legislative Changes with Existing Resources**

Mandates implemented in 2009/11 imposed more regulation on licensees as well as increased the number of laws to enforce without the benefit of increased resources. Examples of imposed mandates that directly impacted the section include:

##### **Locksmith Certification Program:**

During the 2009 session a bill passed requiring locksmith certification and testing to be administered by the CCB. The Enforcement section is responsible to:

- Investigate and prosecute allegations of locksmith certification violations;
- Present information to stakeholders.
- Respond to calls and letters that were not easily answered by CCB's CSU staff.

In addition, enforcement staff assisted in the implementation of the program by:

- Assisting in draft rule development.

##### **Lead Based Paint (RRP) Program:**

The federal EPA passed laws requiring specific procedures contractors and others must take when renovating older homes and buildings that children and others visited regularly in an effort to reduce lead poisoning. A partnership between CCB and DHS received approval from EPA to administer the program at the state level. The new laws went into effect April 22, 2010.

The Enforcement section is responsible to:

- Investigate and prosecute allegations of locksmith certification violations;
- Present information to stakeholders.

- Respond to calls and letters that were not easily answered by CCB's CSU staff.

In addition, enforcement staff assisted in the implementation of the program by:

- Assisting in draft rule development.

### **Changing Endorsement System:**

A major overhaul of the licensing record resulted in contractor having to choose an endorsement which dictates what type of structures a licensee can work on. If the licensee wants to work on both commercial and residential structures, the licensee must choose both endorsements. This requires the contractor to provide separate bonds for each endorsement. This is an obvious increased cost to contractors.

Although this program was mandated in 2007, the endorsement requirement became effective on July 1, 2010. The Enforcement section is responsible to:

- Investigate and prosecute allegations of locksmith certification violations;
- Present information to stakeholders.

## **2. Maintaining High Customer Service Levels**

The main comment in customer service surveys is that the agency must provide more enforcement. As construction jobs shrink the enforcement section must deal with the increased demand by contractors that CCB deal with their complaints about unlicensed contractors, both advertising and working.

The increased regulation has led to a two pronged problem. The obvious one is that there are more laws, thus more laws to be violated, thus more cases being investigated by the section. The solution to this problem is fairly simple, absorb the work into the normal workflow.

The other problem created is not so simple to solve. It is the increased dissatisfaction expressed by licensees that the CCB is over-regulating the industry. When one considers the numerous regulations that have either been implemented, or become effective this biennium, it is understandable why licensees are upset.

These programs include the continuing education requirement, endorsement requirement, lead paint, and locksmith certification. Combine the increased regulation with the economic downturn in the construction industry, and you have the perfect convergence of problems for licensee dissatisfaction.

To minimize impact on the section, these enforcement activities are being handled by certain specific compliance officer being trained as subject matter experts in the locksmith certification, and lead paint programs. and thus being able to process cases efficiently and be an educational resource for the licensees and the public.

## **C. Solutions**

### **1. Manage 2007 and 2009 Legislation:**

Because of the complexity and timeframes of implementing these laws, it was important to recognize that, as in 2007, we needed to compensate for staff resources that were not made available.

#### **a) Implementation of New Mandates**

Locksmith Certification:

- a. Trained a specific compliance officer to be the subject matter expert on the locksmith program.
- b. The compliance officer is responsible to answer questions about locksmith certification, and conduct investigations specifically directed at locksmiths.

Lead Based Paint (LBPR):

- a. Trained a specific compliance officer to be the subject matter expert on the LBPR program.
- b. The compliance officer is responsible to answer questions about LBPR, and conduct investigations specifically directed at lead paint violations.

License Endorsement:

None. Absorb enforcement actions into the normal workflow.

**2. Maintain Customer Service Levels:**

One of the most common complaints by licensee's is that too many illegal contractors are advertising on Craig's list. This is an internet based website that allows people, often anonymously, to advertise the sale of products and services. It is free to use and there is very little oversight.

Licensees complain that the agency does not police Craig's list for unlicensed activity. To them, Craig's list leads to an unbalanced playing field, tilted in favor of the unlicensed contractor.

In an effort to provide licensees a more responsive enforcement presence, the enforcement section developed some ways of dealing with Craig's list that are quick, efficient, and cost effective.

Craig's List:

- i. Proactive "flagging" of ads that offer to perform work where no license number is included. This can often lead to the ad being removed.
- ii. Issuing "electronic" warnings via e-mail directed to the person who placed the add when an electronic address is available other than one provided by Craig's list.
- iii. Conducting a formal investigation when information is available to follow-up on.

By adopting the above processes, the enforcement section has been able to be responsive to one of the most complained about problem from licensees. We have been able to create an enforcement presence on Craig's list in an efficient and cost effective method. For the current 2009/11 biennium (six quarters), the enforcement program has:

- a. Opened 1190 Craig's list investigations;
- b. Issued 448 notices to assess civil penalties;
- c. Issued 241 formal warning letters.

This compares to 895 total investigations opened for all of 2007-09. It is appreciated by our customers when they learn about the enforcement efforts with regard to Craig's list.

Online Complaints

There has been an improvement in the efficiency of addressing on line complaints. Most of the on-line complaints reference currently on the job unlicensed contractors. We are now able to refer those to the Field Investigator Department for immediate response.

#### **D. Program Efficiencies & Technology Enhancements**

- The Enforcement Sections has made strides to eliminate older backlogged cases which has enabled the section to process new files in a timely manner. This has a direct bearing on program KPM's.
- Implementing an automated system for generating documents has improved efficiency by reducing the number of man hours to produce documents.
- The key is to know who you are dealing with and knowing when to educate, when to use a warning, when to monetarily penalize, and when to suspend, revoke or escalate the matter to a higher authority.

#### **E. Progress/Increased Customer Satisfaction:**

Increased customer service really is the measurement of progress for the enforcement section. Although it would be nice to be able to quantify, we really can't show if we are an effective deterrent to illegal activity.

Although it might not be quantifiable, two measurements we can produce intimate that the enforcement program is at least "treading water" in its enforcement mission.

1. Customer service reports: Comparison of the last two biennia show that 82.5 to 84% of respondents to the CCB survey indicate that they believe that the CCB is providing sufficient enforcement.
2. Percentage of jobsites where illegal activity is occurring: Comparison of the last two biennia show that between 14-17% of all jobsite checks conducted by the Field Investigation Section have an allegation of illegal activity. It should be noted that the higher number (17%) occurred in the current 2009/11 biennium. This biennium includes significant regulatory increases (Locksmith/Lead Paint) resulting in more laws that can be violated.

#### **F. New Challenges:**

The most daunting challenge will be to maintain the customer service levels in the face of increased regulation and poor economic conditions. So far, the enforcement section has been able to meet this challenge. We absorbed new programs without getting additional resources, although we had a relatively full staff.

No one knows what the future holds for staffing levels in light of the State's budget woes, and that provides the greatest challenge



# CCB Progress Report

## Field Investigation Section

Staffing Levels				
LAB 2005-07	LAB 2007-09	LAB 2009-11	LAB 2011-13	GRB 2013-15
0.00	14.00	13.00	12.00	12.00

**A. Section is Responsible For:**

- |                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. The Field Investigation Section consists of one manager and 11 staff positions that include (1 Field Investigation Specialist), and 10 Field Investigators.</li> <li>2. The FI Section is responsible for:               <ul style="list-style-type: none"> <li>• Conducting random job site checks to verify license requirements.</li> </ul> </li> </ol> | <ul style="list-style-type: none"> <li>• Receive, respond to and investigate complaints of possible illegal construction activity.</li> <li>• Conduct special investigations involving issues that may be referred to the DOJ or local DAs in efforts of obtaining injunctions and or criminal indictments.</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**B. Challenges:**

- |                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. During the 2009 – 2011 Biennium the construction industry throughout Oregon has been adversely affected due to the unstable economy.</li> <li>2. The construction industry has also been affected by additional regulation, specifically, those involved</li> </ol> | <p style="padding-left: 20px;">with disturbing or removal of lead based paint and those performing locksmith services.</p> <ol style="list-style-type: none"> <li>3. The efforts of the Field Investigation Section have and will continue to be affected by staffing issues.</li> </ol> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**C. Solutions:**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Lead-based paint legislation required additional training for staff; including training by a certified lead based paint training provider, and many more hours of in house training was provided.</li> <li>2. The locksmith legislation required training, primarily conducted in house.</li> <li>3. With staff reductions the statewide coverage had to be adjusted.</li> <li>4. With the reduction of construction throughout the state, the decision was made to discontinue conducting sweeps and switch more to stings. This was also done due to the increased volume of unlicensed subjects advertizing on Craig’s list.</li> </ol> | <ol style="list-style-type: none"> <li>5. Due to the economic conditions, efforts have been made to direct the special investigations to local District Attorneys for filing of criminal charges. If the case is referred to the DOJ the CCB must pay for that service. There are no charges from the District Attorneys.</li> <li>6. Certain Field Investigators have been appointed as subject experts for various issues such as lead based paint, structure types and locksmith requirements. These staff members also assist in training of other agency staff.</li> </ol> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**D. Increased Efficiencies and Customer Satisfaction:**

Assistance to licensees and consumers: Continue development of FAQ’s pertaining to lead based paint regulations and locksmith regulations.

**E. Future Challenges:**

- |                                                                                                                                                                                                                                                                |                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <p>Pending possible staff reductions:</p> <ol style="list-style-type: none"> <li>1. Realign assigned areas.</li> <li>2. Reassign specified tasks to remaining staff, including required training and direction to accommodate the staffing changes.</li> </ol> | <ol style="list-style-type: none"> <li>3. Attempt to provide timely responses to complaints of possible illegal activity.</li> </ol> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|

## CCB Progress Report

### Field Investigation Section

**A. Section Staffing and Responsibilities:**

The Field Investigation Section of the Construction Contractors Board consists of one manager and 11 staff positions that include:

1. Field Investigation Specialist (1)
2. Field Investigators (10)

Position	Working Title	Classification Number	No. of Positions
Principal Executive B	FI Manager	Z7002	1
Administrative Specialist 2	Field Investigator Specialist	C0108	1
Investigator 2	Field Investigator	C5232	8
Investigator 3	SIU Investigator	C5233	2

Investigators are assigned as follows:

District	Counties or Parts of Counties Covered	No. of Investigators
1	Columbia, Clackamas north of 1-205, Multnomah, and Washington	2
2&3	Benton, Clackamas south of 1-205, Clatsop, Lane, Lincoln, Linn, Marion, Polk, Tillamook, and Yamhill	3
4	Coos, Curry, Douglas, Jackson, Josephine, Klamath, and Lake	1
5	Crook, Deschutes, Gilliam, Hood River, Jefferson, Sherman, Wasco, & Wheeler	1
6	Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa	1

Two other field investigators are assigned to a "Special Investigations Unit" (SIU). They may conduct field investigations anywhere in the state.

The Field Investigation Section is responsible for:

- Conducting random job site checks to verify license requirements.
- Receive, respond to and investigate complaints of possible illegal construction activity.
- Conduct special investigations involving issues that may be referred to the Department of Justice (DOJ) or local District Attorneys in efforts of obtaining injunctions and or criminal indictments.

**B. Past Challenges:**

During the 2009 - 2011 Biennium the construction industry throughout Oregon has been adversely affected due to the unstable economy.

The construction industry has also been affected by additional regulation, specifically, those involved with disturbing or removal of lead based paint and those performing locksmith services.

The efforts of the Field Investigation Section have and will continue to be affected by staffing issues.

**C. Solutions:**

1. Managing the 2007 and 2009 legislation:
  - a) The lead-based paint legislation required that additional training be provided to staff. This included training by a certified lead based paint training provider. Many more hours of in house training was provided.
  - b) The locksmith legislation required additional training which was primarily conducted in house.
  - c) With the reduction in staff the statewide coverage had to be adjusted resulting in additional territory being added to some investigators areas.
  - d) With the reduction of construction throughout the state the decision was made to discontinue conducting sweeps and switch more to stings. This was also done. due to the increased volume of unlicensed subjects advertising on Craigslist.
  - e) Due to the economic conditions efforts have been made to direct the special investigations to local District Attorneys for filing of criminal charges. If the case is referred to the DOJ the CCB must pay for that service. There are no charges from the District Attorneys.
  - f) Certain Field Investigators have been appointed as subject experts for various issues such as lead based paint, structure types and locksmith requirements. These staff members also assist in training of other agency staff.

**D. Increased Efficiencies and Customer Satisfaction:**

1. Assistance to licensees and consumers:
  - a) Continue development of FAQ's pertaining to lead-based paint regulations.
  - b) Continue development of FAQ's pertaining to the locksmith regulations.

**E. New Challenges:**

1. Pending possible staff reductions:
  - a) Realign. assigned areas.
  - b) Reassign specified tasks to remaining staff. Provide the required training and direction to accommodate the staffing changes.
  - c) Attempt to provide timely responses to complaints of possible illegal activity.

**Statistics for 2008**

Job site checks performed - 7,043  
Complaints received - 708  
Referrals to CCB Enforcement Section -1,105  
Referrals to other Agencies -1,016

**Statistics for 2009**

Job site checks performed -10,049  
Complaints received - 918  
Referrals to CCB Enforcement Section -1,320  
Referrals to other Agencies - 1,334

**Statistics for 2010**

Job site checks performed - 6,689  
Complaints received - 964  
Referrals to CCB Enforcement Section - 1,069  
Referrals to other Agencies - 1,252

**Statistics for 2011**

Job site checks performed – 5,451  
Complaints received - 856  
Referrals to CCB Enforcement Section – 1,214  
Referrals to other Agencies – 1,171

**Statistics for 2012**

Job site checks performed – 4,693  
Complaints received - 595  
Referrals to CCB Enforcement Section - 963  
Referrals to other Agencies - 630

# CCB Progress Report

## Dispute Resolution Services (DRS) Section

Staffing Levels				
LAB 2005-07	LAB 2007-09	LAB 2009-11	LAB 2011-13	GRB 2013-15
		14.00	10.00	10.00

### A. Dispute Resolution Services (DRS) Section is Responsible To:

1. Hold contractors financially responsible for their business decisions and practices by processing and adjudicating complaints against licensed contractor seeking monetary compensation of negligent work and breaches of contract by property owners, other contractors, material suppliers and employees.
2. Meet with homeowners and contractors at the job site to attempt to mediate a settlement of the dispute.
3. Analyze the evidence supporting a request for an order awarding monetary damages.
4. Issue orders awarding monetary damages to complainants or dismissing the complaint.
5. Shepherd cases through the Office of Administrative Hearings and any appeals.
6. Respond to telephone calls requesting information on construction complaints, lien law and other general construction issues.

### B. Challenges:

Process complaints within the processing target set out in KPM #6 in the face of sharply rising complaints and a reduction in staff.

### C. Solutions:

1. Comprehensive review of DRS procedures by the CCB Board
2. Reduce the time to pay processing fee
3. Schedule mediation and investigation meeting at same time we collect the processing fee.
4. Review and update language in correspondence templates
5. Increase mandatory arbitration limit from \$1,000 to \$5,000.
6. Close complaints if we lack jurisdiction with an order that appeals go to Circuit Court, not OAH.

### D. Increased Efficiencies and Customer Satisfaction:

The large number of complaints that flooded into DRS at the beginning of 2009-11 biennium increased the average complaint processing time beyond acceptable levels. By implementing efficiency measures and due to a decrease in the

number of complaints near the end of the biennium, DRS was able to bring the average processing time back down to the KPM # 6 target. This has increased customer satisfaction.

### E. Challenges:

An expected increase in the number of complaints

### F. Planned Solutions:

1. Implement scheduling improvements at OAH
2. Sanction contractors for failing to provide necessary information
3. Improve instructions to the parties

## **CCB Progress Report Dispute Resolution Services**

### **A. Section Staffing and Responsibilities**

#### **1. Staff:**

The CCB Dispute Resolution Services (DRS) section consists of one manager and ten staff positions that include

- a. 1 Manager's Assistant
- b. 3 Dispute Analysts
- c. 2 Dispute Specialists
- d. 3 Investigator Mediators

#### **2. Mission**

The section is responsible for resolving disputes between licensed contractors and their customers, subcontractors, material suppliers and employees by mediation and administrative adjudication.

### **B. Past Challenges:**

#### **1. Increase in complaints and decrease in staff**

- a. In fiscal year 2009 we received just short of 2900 complaints. DRS had not seen this number of complaints since the 2004 fiscal year.
- b. In 2004 we had five Dispute Analyst – Dispute Specialist teams to handle complaints and five Investigator Mediators to do our field work.
- c. During the 2009 – 2010 biennium this number was reduced to the current three Dispute Analyst – Dispute Specialist teams and three Investigator Mediators.
- d. Handling the flood of complaints that arrived in 2009 and the beginning of 2010 was a huge challenge and created a serious backlog of work built up during part of the year.
- e. The time to close a complaint, one of our key performance measures increased to an alarming level.

### **C. Solutions:**

#### **1. Board Review**

- a. Beginning in the fall of 2009 the CCB Board conducted a broad review of procedures used by DRS to process complaints.
- b. Two board members interviewed the DRS staff and proposed changes to the DRS procedures.
- c. These proposals were evaluated by CCB management and discussed with the Board.

- d. Out of these discussions, the Board and management developed a plan for changing DRS procedures to reduce processing time and costs devoted to resolving complaints submitted to the CCB. Many of the changes discussed below grew out of that plan.

**2. Reduce the Time Allowed to Send in Processing Fee**

- a. We reduced the time allowed to send in the processing fee from 30 days to 14. We decided that 30 days was unnecessarily long to get this fee.

**3. Changes to Initial Processing of a Complaint**

- a. In the past after we received a complaint we collected the complaint processing fee before we scheduled it for an on-site investigation. This practice was consistent with the desires of a past board that no significant work be done on a complaint until the fee was paid.
- b. The present board modified this policy in favor of more rapid processing. Now after we make an initial determination that we have jurisdiction over the complaint, we schedule an on-site meeting at the same time as we request payment of the processing fee.
- c. This has reduced processing time by two to four weeks on most complaints.

**4. Review of Standard Language Used in Correspondence**

- a. DRS staff use templates to produce a draft used as a starting point for the correspondence and orders necessary to process a complaint. The language used in these letters is important because if a letter is more easily understood by parties to CCB complaints, those parties will more often respond correctly to our instructions and requests for information. This increases the efficiency of processing the complaint and reduces processing time.
- b. The language used in our templates is constantly being updated and revised but we had not done a comprehensive review of that language since the present template system was created ten years ago.
- c. We have steadily worked on this review over the past year and have almost completed it. We have made numerous changes to our templates and reported those changes to the CCB Board.

**5. Considered Whether We Could Charge a Fee for a Hearing Request**

- a. We considered whether we could charge a fee for a hearing request to reduce the number of requests where there are no grounds for the request.
- b. Ultimately the Board decided not to implement the idea because of negative consequences, but it did consider it.

**6. Work With the Office of Administrative Hearings (OAH) to Reduce Hearing Delays**

- a. We had discussions with OAH on methods to reduce delays in processing complaints submitted to that office for a hearing.
- b. As a result of those discussions, OAH had plans to implement a program to obtain the input of parties on setting the hearing date.
- c. We anticipated that this would result in fewer hearings being set over and rescheduled, which is a big factor in hearing delays. We anticipated that reducing set overs would also make hearings a little less expensive because OAH would not have to deal with a case file multiple times.
- d. This program has not been implemented yet because of resource issues at OAH, but we believe that OAH will get it off the ground soon.

**7. Increase the Mandatory Arbitration Limit from \$1,000 to \$5,000**

- a. There are two types of hearings: a contested case hearing and a hearing held under arbitration rules. Hearings held under arbitration rules take less time because appeals from the decision are much more limited.
- b. At this time, arbitration of complaints seeking less than \$1,000 is required unless a party files the dispute in court. If the complaint is for an amount greater than \$1,000, the dispute will be heard under arbitration rules unless a party or the CCB requests that the case be heard as a contested case or a party files the matter in court.
- c. The CCB is seeking legislation that raises the arbitration cut-off from \$1,000, where it has been for more than a decade, to \$5,000. This will result in more cases being heard under arbitration rules and it will speed up the ultimate resolution of those cases.
- d. This change will reduce the cost of hearings. It will eliminate more expensive contested case hearings in favor of hearings held under arbitration rules or court trials.

**8. Allow the CCB to Close Complaints Where It Finds No Jurisdiction With an Order That is Not a Contested Case Order Rather Than a Contested Case Order**

- a. A DRS case can be closed with a contested case order or an order not in a contested case. Under the Administrative Procedures Act the CCB may elect which procedure to use.
- b. A party to a contested case order may request a hearing by an Administrative Law Judge at OAH, a party to an order not in a contested case may not. Instead, a party contesting an order that is not a contested case order must file an action in Circuit Court to challenge the agency order.
- c. There are good reasons to issue contested case orders where the agency is requiring a contractor to pay money damages to the complainant. But



hearings on jurisdictional issues such as whether a complaint is timely are expensive and non-productive because the agency's position is almost always upheld.

- d. For orders that are not contested case orders, the CCB requires that the party asking for review of the order request that the order be reconsidered before appealing the order to the Circuit Court. This gives the agency and the party one last look at the decision before the party must file in court.
- e. We anticipate that this change will result in a significant drop in the number of cases heard by OAH.

**9. Sanction Contractors for Failing to Provide Information**

- a. Sometimes the contractor has information critical to the resolution of a complaint. We propose to develop rules and procedures for obtaining this information and sanctions that will be imposed on contractors who refuse to provide it on request.
- b. Development of this proposal will be implemented this spring.

**D. Increased Efficiencies and Customer Satisfaction**

**1. Increased Customer Satisfaction from Reduced Processing Time**

- a. Although the public may remain dissatisfied at the length of time a construction dispute takes to resolve, we are seeing improved customer satisfaction as we erased our backlogged claims processing and the length of time to resolve a complaint fell over the past year.

**2. Better Instructions And More Information On Our Website Will Improve Customer Satisfaction**

- a. We are planning to do a comprehensive review and improvement of the instructions we give to the parties on how to pursue or defend the complaint. We believe that will lead to more informed and ultimately more satisfied parties.

**E. New Challenges:**

**1. Increased Number of Complaints**

- a. Sometime in the last half of the biennium construction will start to return to normal.
- b. This will bring in a return to the annual number of complaints we saw prior to July 1, 2009.
- c. We may need to return our staffing levels to four Dispute Analyst - Dispute Specialist teams from the three we currently have and add an Investigator Mediator to the three we currently have in order to keep up

with the work.

**2. Complete the Implementation of the Streamlining Programs Started in This Biennium**

- a. Some of the changes described above have not been fully implemented. In order to prepare for the expected increase in the number of complaints, we need to complete implementation of these changes.

**3. Need to Move Processes On-Line**

- a. In order to improve customer service and efficiency, we need to move our complaint processing on-line.
- b. This includes setting up a website that allows a party to:
  - i. File a complaint on-line.
  - ii. File a damages statement on line.
  - iii. Communicate with us through the web.

**4. Need to Do a Comprehensive Review of Instructions To Parties**

- a. DRS issues instructions on how to proceed to the parties at various time. These include how to prepare for the onsite meeting, how to prepare for a hearing, etc.
- b. Just as we are doing a comprehensive review of our correspondence templates, we need to do a comprehensive review and update of these instructions to clarify them and make them simpler.
- c. This should:
  - i. Improve customer satisfaction
  - ii. Reduce telephone calls to DRS staff with questions on procedure.
  - iii. Shorten the complaint process because complainants will provide the information we need the first time.

**5. Begin Planning for Staff Retirement and Replacement**

- a. All but one of the DRS staff are over 50 and several are over 60.
- b. In order to insure continuity of staff skills, the agency must develop a plan to train new Dispute Analysts, Dispute Specialists and Investigator Mediators.
- c. People trained for these jobs do not exist on the employee market. Therefore, management must:
  - i. Select new employees that are capable of learning the job.
  - ii. Train them on the job.

- d.** Training a Dispute Analyst or an Investigator Mediator takes about a year.
- e.** Because of these limitations, the agency must develop a plan for the orderly training and replacement of its DRS staff.

## 2011-2013 CCB Progress Report

### Information Technology Section

#### A. Section Staffing and Responsibilities

The CCB Information Technology Section consists of one manager and six staff positions that include:

1. Help Desk Analyst
2. Systems Administrator
3. Network Analyst
4. Software Developer
5. Software Architect
6. Senior Database Analyst

The section's responsibilities include but are not limited to:

- Support of all hardware and software installed in the CCB,
- The VoIP phone system (hosted with SDC),
- The CCB's local area network,
- Management/Support of various types of mobile technology,
- Maintenance of legacy systems in use throughout the agency,
- Development, testing and implementation of unique technology solutions to CCB's changing needs,
- Leveraging technology to proactively meet agency needs,
- Support CCB staff in effectively and efficiently performing their duties.

#### B. Challenges

1. **Continuing Work on Legislative Mandates.** Recent legislative sessions required the CCB IT section to implement foundational changes to data structures and systems, and also to create systems to implement new programs. There were two highly complex systems required: Oregon Certified Locksmiths Testing and Certification System and Residential Continuing Education system. The unit was given an additional position to work on systems development.
2. **Infrastructure Management.** Support and maintenance of the existing CCB Infrastructure is a constant.

#### C. Solutions

##### **Continuing Work on Legislative Mandates.**

1. **RCE System Design, Implementation and Maintenance.** The CCB Residential Continuing Education System is complex; it includes a learning management system, a course delivery system, a direct tie in with CCB Online Services (the CCB contractor portal), and a full suite of administrative management tools. This multi-faceted system has been in production since October 2011 and, while providing stable access to CCB's RCE course content, has needed additional enhancements and expansions, especially in the administrative tools. Functionality provided in this suite of tools includes: a fully developed and flexible logging system, the ability

to note a contractor record, a payment tracking system, the ability to view Online Services as the licensee, password reset, and other account management tools.

2. **CCB Online Services Expansion.** To coordinate RCE course request, payment and completion, CCB Online Services was expanded to allow contractors to view their RCE record, and also to allow employees to complete RCE for a CCB licensee. The retrofit of employee access necessitated adjustments to foundational system structures.
3. **myLicense Upgrade.** With the implementation of RCE within Online Services, CCB's original license management tool, myLicense, was completely rewritten. The new version is streamlined and light-weight.
4. **OCLS Renewals.** The Oregon Certified Locksmith (OCLS) certification system is entirely online. The renewal process is also entirely online.
5. **LBPR and EEAST Implementation.** The CCB was required to develop two new licenses/certifications for EEAST and LBPR. This required the expansion of the existing CCB database and the development of systems to manage these new programs.

#### **Infrastructure Management**

1. **Fax System and MFP Replacement.** CCB IT developed a system to leverage three networked multi-function devices into a single fax system, which is managed by Admin Services.
2. **Replacement of CCB PBX Phone System.** In May of 2011, the CCB replaced their outdated PBX phone system with a VoIP installation, hosted by the State Data Center. This project required reconfiguration of the CCB network to support the additional load.
3. **Laptop Rollout to Field Staff.** New laptops and printers were deployed to CCB Field Staff. These machines use new connectivity devices.
4. **Virus/malware Management.** CCB IT installed additional systems to assist in timely management of virus and malware outbreaks. Outbreaks have been especially virulent and diverse, including a direct attack from China.
5. **Network Expansion.** With the advent of Residential Continuing Education, the CCB implemented three workstations, located in the CCB lobby, for contractor use. As these machines are used by the general public and require Internet access, they provided a security challenge. CCB requested the extension of the DAS public WiFi network into the CCB lobby area. In addition, CCB IT expanded the CCB wireless network for use in conference rooms and throughout the agency. This is a secure wireless network, available to CCB staff only.

#### **D. Opportunities**

1. **CCB Online Renewals.** CCB has completed much of the work needed to implement CCB renewals for corporations and sole proprietors in an online format. Work is continuing on this project to incorporate residential continuing education reporting.
2. **Replacement of Legacy Licensing System.** CCB IT has been working towards replacing the agency licensing system. This is an in-house developed application that is specific to the licensing/enforcement/mediation requirements of the agency. As this is the foundational application of the entire agency, this is a complex application and project. A view only prototype is in development.

3. **Expansion of Agency Correspondence System.** CCB IT developed a platform independent system to coordinate and manage agency correspondence. It is in use by two of the major programs in the agency. Opportunity exists to incorporate additional programs into this system.
4. **Upgrade/Replacement of Agency Imaging System.** The agency uses a proprietary imaging system that is outdated. CCB IT is working to create an interface that uses existing scanned documents but is platform independent.
5. **Upgrade of Mobile Devices.** The CCB currently uses cell phones in partnership with mobile workstations. The CCB is exploring smart phones and mobile applications to provide additional tools to the CCB field employees.
6. **Additional Online Systems.** There are many additional online systems that the CCB has been researching. These systems include: Online List Requests, Online LBPR Renewals, LBPA system integration, and many others.



# Oregon

John A. Kitzhaber, MD, Governor

## Construction Contractors Board

www.oregon.gov/ccb

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Oregon Relay 7-1-1

February 16, 2012

Honorable Betsy Johnson  
Oregon State Senate  
900 Court St NE S-209  
Salem OR 97301

RE: CCB Lead-Based Paint Enforcement

Dear Senator Johnson:

On Monday, February 11, 2013, I promised you I would provide you with information regarding CCB lead-based paint enforcement outputs. I spoke with Tom Kelly, Neil Kelly Co. He indicated that he might wish to speak with you more regarding this matter.

<b>CCB General Jobsite Inspections (both assigned and randomly done) July 1, 2011 thru December 31, 2012</b>	
1. Total Construction License Jobsite Checks (commercial and residential)	7,177
2. Total Residential Jobsite Checks (approximately- 80% of the above) *	5,742

<b>Lead-Based Paint Renovation (LBPR) July 1, 2011 thru December 31, 2012</b>	
1. Total Residential Jobsite Inspections that involve target housing and LBPR (approximately – 26% of the above) *	1,493
2. Number of Enforcement Files Opened Involving LBPR Issues	171
3. Number of Civil Penalties for No LBPR License	72
4. Total Penalties Issued for Failure of LBPR Licensee to Follow Standards of Practice.	15

Most LBPR certified contractors do a credible job of following the LBPR standards of practice. These standards, however, are written by the federal government, and are very detailed and voluminous (see 40 CFR 745.223) (see OHA OAR 333-070-0090).

\* This percentage was developed by averaging estimates provided by the CCB field investigators that perform the LBPR investigations and respond to LBPR complaints from the public and OAH.



In Oregon, regulations and enforcement of these federal mandates result from a partnership and shared responsibility between:

- The Federal Government (EPA)
- The Oregon Health Authority (OHA)
- The Construction Contractors Board (CCB)

Duties	EPA	OAH	CCB
1. Standards of practice regulation.	X		
2. Education providers (RRP).		X	
3. Regulation/licensing and enforcement of "firms" non-contractor businesses.		X	
4. Licensing and enforcement of <u>construction contractors</u> (LBPR) licensing laws.			X

The current statutes do not allow the CCB to issue sanctions against non-LBPR certified contractors for failure to follow LBP standards of practice (ORS 701.510(3)).

Please let me know if I may meet with you next week to discuss this information, or provide you with additional information.

Sincerely,



Craig P. Smith  
Administrator

CPS:cd

c: Tom Kelly, Neil Kelly Company

L-Sen B Johnson 2-2013.docx



## Detailed LBPR Enforcement Report

<b>Field Investigation Section</b> <b>July 1, 2011 thru December 31, 2012</b>	
Lead-Based Paint (LBP) Complaints:	
• LBP Removal (caller making complaint of contractor removing LBP and want CCB to check)	140
• CCB/No Lead-Based Paint Renovation (LBPR) License	24
• CCB/LBPR Contractor performing bad work practices	26
Lead-Based Paint Investigation Reports Routed to Enforcement Section:	
• No LBPR License	126
• CCB/LBPR Contractor performing bad work practices	26

<b>Enforcement Section</b> <b>July 1, 2011 thru December 31, 2012</b>	
Total Number of LBPR licensees	5,226
Total Number of Warning Letters Issued:	
• ORS 701.510(2) – no LBPR license	44
• ORS 701.510(3) – work standards violation	3
Total Number of No Order or Warning Letter Issued:	
• ORS 701.510(2) – no LBPR license	28
• ORS 701.510(3) – work standards violation	9
Total Number of Civil Penalties Issued:	
• ORS 701.510(2) – no LBPR license	72
• ORS 701.510(3) – work standards violation	15

## LEAD POISONING AND HAZARD REDUCTION

**701.500** [1995 c.795 §2; 2007 c.71 §227; repealed by 2009 c.757 §12]

**701.505 Definitions for ORS 701.505 to 701.515.** For the purposes of ORS 701.505 to 701.515:

(1) "Abatement" has the meaning given that term in P.L. 102-550, section 1004, 40 C.F.R. 745.223 and as further defined pursuant to the authorities described in ORS 431.917.

(2) "Accredited training program" means a training program that has been accredited by the Oregon Health Authority to provide training for individuals engaged in lead-based paint activities.

(3) "Certified lead-based paint renovation contractor" means a contractor that is licensed by the Construction Contractors Board to conduct lead-based paint renovation under ORS 701.515.

(4) "Inspection" has the meaning given that term in P.L. 102-550, section 1004, 40 C.F.R. 745.223 and as further defined pursuant to the authorities described in ORS 431.917.

(5) "Lead-based paint" has the meaning given that term in P.L. 102-550, section 1004, and as further defined pursuant to the authorities described in ORS 431.917.

(6) "Lead-based paint activities" has the meaning given that term in 40 C.F.R. 745.223 and as further defined pursuant to the authorities described in ORS 431.917.

(7) "Lead-based paint activities contractor" means a contractor that is licensed by the Construction Contractors Board to conduct lead-based paint activities under ORS 701.515.

(8) "Renovation" has the meaning given that term in 40 C.F.R. 745.83 and as further defined pursuant to the authorities described in ORS 431.917. [1995 c.795 §3; 2009 c.595 §1112; 2009 c.828 §68]

**701.510 License required to engage in lead-based paint activity.** (1) A contractor may not perform lead-based paint activities in this state unless the contractor is a lead-based paint activities contractor.

(2) A contractor may not perform lead-based paint renovation in this state unless the contractor is a certified lead-based paint renovation contractor.

(3) A lead-based paint activities contractor or certified lead-based paint renovation contractor must comply with the provisions of ORS 431.920 and 701.505 to 701.515 and any rules adopted pursuant thereto.

(4) A construction contractor who successfully completes an accredited training program in lead-based paint activities qualifies to have certification in that activity included in the professional credentials of the contractor as described in ORS 701.120. The provisions of this subsection do not affect the licensing requirements established in ORS 701.515. [1995 c.795 §4; 2001 c.428 §3; 2009 c.757 §8]

**701.515 Licensing system; fees; rules.** (1) In accordance with applicable provisions of ORS chapter 183, the Construction Contractors Board by rule shall establish a system to license contractors as lead-based paint activities contractors and certified lead-based paint renovation contractors. The licensing system must include the requirements described in 40 C.F.R. 745.226. The licensing system must include but need not be limited to provisions:

(a) Prescribing the form and content of the times and procedures for submitting applications for licensing or renewal.

(b) Prescribing the fees for original licensing and renewal of the license in amounts that do not exceed the cost of administering the program.

(c) Requiring an applicant for a certified lead-based paint renovation contractor license to show that an employee of the applicant has completed an accredited training program.

(d) Prescribing the actions or circumstances that constitute failure to achieve or maintain licensing requirements, or that otherwise are contrary to the public interest, for which the board may refuse to issue or renew or may suspend or revoke a lead-based paint activities contractor or certified lead-based paint renovation contractor license.

(2) The board may establish by rule the requirements for specific types of licenses for lead-based paint activities contractors.

(3) The board may impose the following licensing fees:

(a) Lead abatement contractor, up to \$50 per year;

(b) Lead inspection contractor, up to \$50 per year;

(c) Lead supervisor or lead contractor, up to \$50 per year;

(d) Lead inspector or assessor, up to \$50 per year;

(e) Lead worker, up to \$25 per year; and

(f) Certified lead-based paint renovation contractor, up to \$50 per year. [1995 c.795 §5; 2009 c.757 §9]

**701.520 Construction Contractors Board Lead-Based Paint Activities Fund.** The Construction Contractors Board Lead-Based Paint Activities Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Construction Contractors Board Lead-Based Paint Activities Fund shall be credited to the fund. The fund consists of moneys received by the Construction Contractors Board under ORS 701.995. Moneys in the fund are continuously appropriated to the Construction Contractors Board for the purposes of lead poisoning prevention, including consumer and industry outreach, public education and other activities. [2009 c.757 §11]

**Note:** 701.520 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 701 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

## DIVISION 7

### LICENSING OF INDIVIDUALS AND BUSINESSES ENGAGED IN LEAD-BASED PAINT ACTIVITIES AND RENOVATION

#### General

#### 812-007-0000

##### Authority, Purpose, Scope

(1) Authority. These rules are promulgated in accordance with and under the authority of ORS 701.505 to 701.520 and 701.995.

(2) Purpose. These rules establish a system to license individuals certified by the Oregon Health Authority (OHA) to perform lead-based paint (LBP) activities. These rules establish a system to license contractors as LBP activities contractors and as certified LBP renovation contractors.

(3) Scope. These rules:

(a) Prescribe the requirements for, and the manner of, licensing applicants.

(b) Establish fees.

(c) Prescribe actions that constitute failure to achieve or maintain licensing requirements, or that otherwise are contrary to the public interest, for which the board may deny, suspend or revoke a license.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(6/96, 11/96, 1/97, 5/97, 6/00, 12/06, 2/10, 9/11 eff. 10/1/11)

[812-007-0010 repealed February 1, 2010]

#### 812-007-0020

##### Definitions

The following definitions apply to division 7 of OAR chapter 812.

(1) "Abatement" means any measure or set of measures designed to permanently eliminate LBP hazards.

(2) "Accredited training program" means a training program provisionally accredited or accredited by the OHA, the Environmental Protection Agency (EPA) or an EPA-authorized state or tribal program.

(3) "Certified" means certified by OHA to perform LBP activities.

(4) "Certified lead-based paint renovation contractor" means a construction contractor that is licensed by the board to conduct LBP renovation under ORS 701.515.

(5) "Certified renovator" means an individual who has successfully completed a renovator course accredited by OHA, EPA, or EPA authorized program.

(6) "Child-occupied facility" means a building, or portion of a building, constructed before 1978 and visited regularly by the same child, under age six, on at least two different days within any week (Sunday through Saturday), provided that each day's visit lasts at least three hours and the combined weekly visit lasts at least six hours, and the combined annual visits last at least 60 hours. Child-occupied facilities may include, but are not limited to, day-care centers, preschools and kindergarten classrooms. Child-occupied facilities may be located in target housing or in public or commercial buildings. With respect to common areas in public or commercial buildings that contain child-occupied facilities, the child-occupied facility encompasses only those common areas that are routinely used by children under age six, such as restrooms and cafeterias. Common areas that children under age six only pass through, such as hallways, stairways, and garages are not included. In addition, with respect to exteriors of public or commercial buildings that contain child-occupied facilities, the child-occupied facility encompasses only the exterior sides of the building that are immediately adjacent to the child-occupied facility or the common areas routinely used by children under age six.

(7) "Component or building component" means specific design or structural elements or fixtures of a building or residential dwelling that are distinguished from each other by form, function, and location. These include, but are not limited to: interior components such as ceilings, crown molding, walls, chair rails, doors, door trim, floors, fireplaces, radiators and other heating units, shelves, shelf supports, stair treads, stair risers, stair stringers, newel posts, railing caps, balustrades, windows and trim (including sashes, window heads, jambs, sills or stools and troughs), built-in cabinets, columns, beams, bathroom vanities, counter tops, and air conditioners; and exterior components such as painted roofing, chimneys, flashing, gutters and downspouts, ceilings, soffits, fascias, rake boards, corner boards, bulkheads, doors and door trim, fences, floors, joists, lattice work, railings and railing caps, siding, handrails, stair risers and treads, stair stringers, columns, balustrades, window sills or stools and troughs, casings, sashes and wells, and air conditioners.

(8) "Course completion certificate" means documentation issued by an accredited training program to an individual as proof of successful completion of an accredited renovator training program (initial or refresher).

(9) "Deteriorated lead-based paint (LBP)" means any interior or exterior paint or other covering that is peeling, chipping, chalking, cracking, flaking or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate.

(10) "Dust-lead hazard" means surface dust that contains a mass-per-area concentration of lead equal to or exceeding 40 µg/ft<sup>2</sup> on floors or 250 µg/ft<sup>2</sup> on interior windows or 400 µg/ft<sup>2</sup> in troughs based on wipe samples.

(11) "Emergency" means a situation in which failure to act promptly would likely result in immediate harm to persons or property.

(12) "Emergency renovation operations" means renovation activities, such as operations necessitated by non-routine failures of equipment, that were not planned but result from a sudden, unexpected event that, if not immediately attended to, presents a safety or public health hazard, or threatens equipment or property with significant damage. Interim controls performed in response to an elevated blood lead level in a resident child are also emergency renovations.

(13) "Inspection" means a surface-to-surface investigation to determine the presence of LBP and an accompanying report explaining the results of the investigation.

(14) "Lead abatement contractor" means a construction contractor that is licensed by the board to perform abatement.

(15) "Lead assessor" or "risk assessor" means an individual who has been trained by an accredited training program and certified by the Department to conduct risk assessments.

(16) "Lead-based paint" or "LBP" means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligrams per square centimeter or more than 0.5 percent by weight.

(17) "Lead-based paint activities" means, in the case of target housing and child-occupied facilities, inspection, risk assessment, and abatement.

(18) "Lead inspection contractor" means a construction contractor that is licensed by the board to perform inspections or risk assessments.

(19) "Lead inspector" means an individual who has been trained by an accredited training program and certified by OHA to conduct inspections.

(20) "Lead supervisor" means an individual who has been trained by an accredited training program and certified by OHA to supervise and conduct abatements and prepare abatement reports.

(21) "Lead worker" or "lead abatement worker" means an individual who has been trained by an accredited training program and certified by OHA to perform abatements.

(22) "Minor repair and maintenance" means activities, (including minor heating, ventilation, air conditioning work, electrical work, or plumbing) that disrupt 6 square feet or less of painted surface per room for interior activities or 20 square feet or less of painted surface for exterior activities, that do not involve prohibited or restricted work activities and do not involve window replacement or painted surface demolition. When removing painted components, or portions of painted components, the entire surface area removed is the amount of the painted surface disturbed. Jobs, other than emergency renovations, performed within the same 30 days must be considered the same job for the purpose of determining whether the job is a minor repair and maintenance activity.

(23) "Prohibited or restricted work activities" include:

(a) Open flame burning or torching;

(b) Machines to remove paint through high-speed operation without HEPA exhaust control; and

(c) Operating a heat gun at temperatures at or above 1100 degrees Fahrenheit.

(24) "Recognized test kit" means a commercially available kit recognized by EPA under 40 CFR § 745.88 as being capable of allowing a user to determine the presence of lead at levels equal to or in excess of 1.0 milligrams per square centimeter, or more than 0.5 percent lead by weight, in a paint chip, paint powder, or painted surface.

(25) "Renovation" means the modification of any existing structure, or portion thereof, which results in the disturbance of painted surfaces, unless that activity is performed as part of an abatement. The term renovation includes, but is not limited to:

(a) Removal, modification or repair of painted surfaces or painted components, such as modification of painted doors, surface restoration, window repair, surface preparation activity (such as sanding, scraping or other such activities that may generate paint dust);

(b) The removal of building components, such as walls, ceilings, plumbing and windows;

(c) Window replacement;

(d) Weatherization projects, such as cutting holes in painted surfaces to install blown-in insulation or to gain access to attics, or planing thresholds to install weather-stripping;

(e) Interim controls that disturb painted surfaces.

A renovation for the purpose of converting a building, or part of a building, into target housing or a child-occupied facility is a renovation. The term "renovation" does not include minor repair and maintenance.

(26) "Renovation Right Pamphlet" means the pamphlet entitled *Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools* or any pamphlet approved by the Environmental Protection Agency (EPA) for the same purpose.

(27) "Risk assessment" means an on-site investigation to determine the existence, nature, severity, and location of a LBP hazard and an accompanying report explaining the results of the investigation and options for reducing LBP hazards.

(28) "Soil lead hazard" means 400 ppm of lead in child play areas or 1200 ppm in non-child play areas.

(29) "Target housing" means any housing constructed before 1978, except housing for the elderly or persons with disabilities or any housing with no bedrooms.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.505-701.520

(6/96, 11/96, 1/97, 5/97, 11/97, 10/98, 3/99, 6/00, 12/06, 2/10, temp. 3/11/10 eff. 3/11/10, temp. 6/1/10 eff. 6/1/10, 8/10 eff. 9/1/10, 9/11 eff. 10/1/11, 3/12, 10/12 eff. 11/1/12)

**812-007-0025**

**Construction Contractors Board Lead-Based Paint Activities Fund**

(1) Civil penalties imposed under ORS 701.995 will be deposited to the Construction Contractors Board LBP Activities Fund.

(2) The board will use the monies in the Construction Contractors Board LBP Activities Fund for lead poisoning prevention, including consumer and industry outreach, public education, and enforcement activities.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515, 701.520 & 701.995

(2/10)

[812-007-0030 repealed February 1, 2010]

**812-007-0031**

**License Cards**

(1) The agency shall issue a license and pocket card effective on the date on which the license becomes effective under OAR 812-007-0120, 812-007-0130, 812-007-0220, 812-007-0230, 812-007-0320 or 812-007-0330.

(2) A license and pocket card is valid for the term for which it is issued.

(3) If a license becomes invalid, the agency may require the return of the license and pocket card.

(4) There is no charge for the original license and pocket card issued by the agency.

(5) There is a \$10 fee to replace a license and pocket card.

Stat. Auth.: ORS 670.310 & 701.235

Stats. Implemented: ORS 192.440(4)(a), 701.063, 701.238

(4/11 (eff. 5/1/11))

**812-007-0032**

**Mailing and E-mail Address Changes**

(1) Individuals licensed to engage in LBP activities, contractors licensed to engage in LBP activities and certified LBP renovation contractors shall notify the board of any change in mailing or e-mail addresses while licensed and for one year following the license expiration date. Such persons must notify the board within 10 days after changing an address.

(2) No charge will be made for a mailing or e-mail address change to the board's records.

Stat. Auth.: ORS 670.310 & 701.235

Stats. Implemented: ORS 701.117 & 701.515

(4/11 (eff. 5/1/11))

[812-007-0040 repealed February 1, 2010]

[812-007-0050 repealed February 1, 2010]

[812-007-0060 repealed February 1, 2010]

[812-007-0070 repealed February 1, 2010]

[812-007-0080 repealed February 1, 2010]

[812-007-0090 repealed February 1, 2010]

**Lead-Based Paint Activity Licenses – Individuals**

**812-007-0100**

**Licenses Required for Lead-Based Paint Activities – Individuals**

No individual shall offer to perform or perform LBP activities in target housing or child-occupied facilities without first receiving certification from OHA and a license from the board, unless such individual is exempt from the board's licensing requirements. The following are individuals that perform LBP activities:

(1) Lead assessor;

(2) Lead inspector;

(3) Lead supervisor;

(4) Lead worker.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515  
(2/10, 9/11 eff. 10/1/11)

#### **812-007-0110**

##### **Application and Eligibility Requirements for Lead-Based Paint Activity Licenses – Individuals**

- (1) An individual applying for a license as a lead assessor must submit the following:
  - (a) Completed application on a form provided by the board;
  - (b) The fee established in OAR 812-007-0160; and
  - (c) Proof that OHA certified the individual as a certified risk assessor.
  - (d) Copy of OHA photo identification badge.
- (2) An individual applying for a license as a lead inspector must submit the following:
  - (a) Completed application on a form provided by the board;
  - (b) The fee established in OAR 812-007-0160; and
  - (c) Proof that OHA certified the individual as a certified inspector.
  - (d) Copy of OHA photo identification badge.
- (3) An individual applying for a license as a lead supervisor must submit the following:
  - (a) Completed application on a form provided by the board;
  - (b) The fee established in OAR 812-007-0160; and
  - (c) Proof that OHA certified the individual as a certified supervisor.
  - (d) Copy of OHA photo identification badge.
- (4) An individual applying for a license as a lead worker must submit the following:
  - (a) Completed application on a form provided by the board;
  - (b) The fee established in OAR 812-007-0160; and
  - (c) Proof that OHA certified the individual as a certified abatement worker.
  - (d) Copy of OHA photo identification badge.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10, 9/11 eff. 10/1/11)

#### **812-007-0120**

##### **Effective Dates of New License and License Term for Lead-Based Activity Licenses – Individuals**

- (1) The effective date of the license will be the date the applicant meets all board requirements, including, but not limited to, the receipt of the fee required under OAR 812-007-0160.
- (2) All licenses issued will be non-transferable and will be effective for one year from the date of issue.
- (3) All licenses will be assigned a unique number.
- (4) An applicant for a license may withdraw the application at any time before issuance of the license upon written request to the board.
- (5) If the board denies the license, it shall state, in writing, the reasons for denial.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10)

#### **812-007-0130**

##### **Renewal of Lead-Based Paint Activity Licenses – Individuals**

Individuals licensed under these rules may renew their licenses by submitting the following:

- (1) A properly completed application for license renewal on a form provided by the board;
- (2) The fee established in OAR 812-007-0160; and
- (3) Proof that the individual is certified by OHA.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10, 9/11 eff. 10/1/11)

#### **812-007-0140**

##### **Work Practice Standards for Lead-Based Paint Activity Licenses – Individuals**

A lead assessor, lead inspector, lead supervisor, and lead worker must comply with work practice standards as provided in OAR 333-069-0070.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10)

**812-007-0150**

**Denial, Suspension or Revocation of Lead-Based Paint Activity Licenses – Individuals**

(1) The board may deny, suspend, or revoke an individual's license on the following grounds:

- (a) Obtaining OHA certification through misrepresentation of certification requirements such as education, training, professional registration, or experience;
- (b) Gaining admission to or completing continuing education by misrepresenting initial or previous education;
- (c) Obtaining a license through invalid documentation;
- (d) Permitting the duplication or use of the license by another;
- (e) Failing to comply with applicable work practice standards set forth in these rules and OAR 333-069-0070; or
- (f) Being subject to a final administrative order or criminal conviction based on engaging in a prohibited act under rules of OHA or the board.

(2) Hearings on denial, suspension or revocation of a license shall be conducted as a contested case in accordance with ORS 183.310 to 183.470.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10, 9/11 eff. 10/1/11)

**812-007-0160**

**Fees for Lead-Based Paint Activity Licenses – Individuals**

(1) All license and renewal application fees are non-refundable and non-transferrable.

(2) The following fees are established:

- (a) Lead assessor, \$50/year.
- (b) Lead inspector, \$50/year.
- (c) Lead supervisor, \$50/year.
- (d) Lead worker, \$25/year.

(3) If the board receives payment of fees by check and the check is returned to the agency as an NSF check, the agency will charge the applicant \$25 in addition to the required fees.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10)

**Lead-Based Paint Activity Licenses – Contractors**

**812-007-0200**

**Licenses Required for Lead-Based Paint Activities – Contractors**

(1) No contractor shall offer to perform or perform LBP abatement in target housing or child-occupied facilities without first receiving certification from OHA and a license from the board as a lead abatement contractor, unless such contractor is exempt from the certification or licensing requirements.

(2) No contractor shall offer to perform or perform LBP inspection or risk assessment in target housing or child-occupied facilities without first receiving certification from OHA and a license from the board as a lead inspection contractor, unless such contractor is exempt from the certification or licensing requirements.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 9/11 eff. 10/1/11)

**812-007-0205**

**Qualified Owner or Employee Required for Lead-Based Paint Activities – Contractors**

(1) A lead abatement contractor must, at all times, have at least one owner or employee who is a licensed lead supervisor.

(2) A lead inspection contractor must, at all times, have at least one owner or employee who is a licensed lead inspector or a licensed lead risk assessor.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10)

**812-007-0210**

**Application and Eligibility Requirements for Lead-Based Paint Activity Licenses – Contractors**

(1) A person applying for a license as a lead abatement contractor must submit the following:

- (a) Completed application on a form provided by the board;
- (b) Proof that the person is licensed by the board as a construction contractor;
- (c) The fee established in OAR 812-007-0260;
- (d) Proof that the applicant is owned by or employs one or more persons who are licensed lead supervisor(s); and

- (e) Proof that OHA certified the person as qualified to perform abatement.
  - (2) A person applying for a license as a lead inspection contractor must submit the following:
    - (a) Completed application on a form provided by the board;
    - (b) Proof that the person is licensed by the board as a construction contractor;
    - (c) The fee established in OAR 812-007-0260;
    - (d) Proof that the applicant is owned by or employs one or more persons who are licensed lead inspector(s) or licensed lead risk assessor(s); and
    - (e) Proof that OHA certified the person as qualified to perform inspection or risk assessment.
- Stat. Auth.: ORS 670.310, 701.235 & 701.515  
 Stats. Implemented: ORS 701.515  
 (2/10, 9/11 eff. 10/1/11)

**812-007-0220**

**Effective Dates of New License and License Term for Lead-Based Activity Licenses – Contractors**

- (1) The effective date of the license will be the date the applicant meets all board requirements, including, but not limited to, the receipt of the fee required under OAR 812-007-0260.
  - (2) All licenses issued will be non-transferable and will be effective for one year from the date of issue.
  - (3) All licenses will be assigned a unique number.
  - (4) An applicant for a license may withdraw the application at any time before issuance of the license upon written request to the board.
  - (5) If the board denies the license, it shall state, in writing, the reasons for denial.
- Stat. Auth.: ORS 670.310, 701.235 & 701.515  
 Stats. Implemented: ORS 701.510 & 701.515  
 (2/10)

**812-007-0230**

**Renewal of Lead-Based Paint Activity Licenses – Contractors**

Persons licensed under these rules may renew their licenses by submitting the following:

- (1) A properly completed application for license renewal on a form provided by the board;
- (2) Proof that the person is licensed by the board as a construction contractor;
- (3) The fee established in OAR 812-007-0260; and
- (4) Proof that the contractor is certified by OHA.

Stat. Auth.: ORS 670.310, 701.235 & 701.515  
 Stats. Implemented: ORS 701.515  
 (2/10, 9/11 eff. 10/1/11)

**812-007-0240**

**Work Practice Standards for Lead-Based Paint Activity Licenses – Contractors**

A lead abatement contractor or lead inspection contractor must comply with work practice standards in OAR 333-069-0070.

Stat. Auth.: ORS 670.310, 701.235 & 701.515  
 Stats. Implemented: ORS 701.510 & 701.515  
 (2/10)

**812-007-0250**

**Denial, Suspension or Revocation of License for Lead-Based Paint Activities – Contractors**

(1) The board may deny, suspend, or revoke a license of a lead abatement contractor or a lead inspection contractor on the following grounds:

- (a) Obtaining OHA certification through misrepresentation of certification requirements such as education, training, professional registration, or experience;
- (b) Obtaining a license through invalid documentation;
- (c) Performing work requiring a license without having a current valid original license identification card available at the job site for inspection;
- (d) Performing work for which there is no current, appropriate certification issued by OHA;
- (e) Permitting the duplication or use of the license by another;
- (f) Failing to comply with applicable work practice standards set forth in these rules and OAR 333-069-0070;
- (g) Failing to comply with local, state, or federal statutes or regulations including execution of a consent agreement in settlement of an enforcement action;
- (h) Failing to maintain required records;
- (i) Being subject to a final administrative order or criminal conviction based on engaging in a prohibited act under rules of the Department or the board;



- (j) Failing to comply with a consent agreement in settlement of an enforcement action;
- (k) For a lead abatement contractor, failing to have an owner or employee that is a licensed lead supervisor or lead worker;

or

(l) For a lead inspection contractor, failing to have an owner or employee that is a licensed lead inspector or licensed lead assessor.

(2) Hearings on denial, suspension or revocation of a license shall be conducted as a contested case in accordance with ORS 183.310 to 183.470.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 9/11 eff. 10/1/11)

#### **812-007-0260**

##### **Fees for Lead-Based Paint Activity Licenses – Contractors**

(1) All license and renewal application fees are non-refundable and non-transferrable.

(2) The following fees are established:

(a) Lead abatement contractor, \$50/year.

(b) Lead inspection contractor, \$50/year.

(3) If the board receives payment of fees by check and the check is returned to the board as an NSF check, the board will charge the applicant \$25 in addition to the required fees.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10)

### **Lead-Based Paint Renovation and Certified Lead-Based Paint Renovation Contractors**

#### **812-007-0300**

##### **License Required for Lead-Based Paint Renovation**

No contractor shall offer to perform or perform renovation in target housing or child-occupied facilities without first receiving a certified LBP renovation contractor license from the board, unless such contractor is exempt from the board's licensing requirements.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 9/11 eff. 10/1/11)

#### **812-007-0302**

##### **Applicability of and Exceptions to Rules Relating to Lead-Based Paint Renovation**

(1) OAR 812-007-0300 to OAR 812-007-0374 apply to all renovations performed for compensation in target housing and child-occupied facilities, except for renovations in target housing or child-occupied facilities in which:

(a) A lead assessor or lead inspector has made a written determination that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligrams/per square centimeter (mg/cm<sup>2</sup>) or 0.5 percent by weight. The person performing the renovation must obtain a copy of the written determination.

(b) A certified renovator, using a recognized test kit, has tested each component affected by the renovation and determined that the components are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligrams/per square centimeter (mg/cm<sup>2</sup>) or 0.5 percent by weight. The certified renovator must follow the kit manufacturer's instructions.

(2) The notification requirements in OAR 812-007-0370 to 812-007-0374 do not apply to emergency renovation operations. Emergency renovations other than interim controls are also exempt from the warning sign, containment, waste handling, training, and certification requirements in OAR 333-070-0105 to the extent necessary to respond to the emergency. Emergency renovations are not exempt from:

(a) The cleaning requirements of OAR 333-070-0090 (applicable to LBP renovation contractors by OAR 812-007-0340), which must be performed by certified renovators or individuals trained in accordance with OAR 333-070-0100;

(b) The cleaning verification requirements of OAR 333-070-0090, which must be performed by certified renovators; and

(c) The recordkeeping requirements of OAR 333-070-0110. Once the immediate emergency is over, lead safe work practices and all the requirements of these rules shall be in effect.

Stat. Auth.: ORS 670.310 & 701.235 & 701.515

Stats. Implemented: ORS 701.505-701.520

(8/10 eff. 9/1/10, 3/12)

#### **812-007-0310**

##### **Application and Eligibility Requirements for Certified Lead-Based Paint Renovation Contractor**

A person applying to become a certified LBP renovation contractor must submit the following:

- (1) Completed application on a form provided by the board;
  - (2) Proof that the person is licensed by the board as a construction contractor;
  - (3) The fee established in OAR 812-007-0360; and
  - (4) Proof that the licensee is owned by or employs at least one individual who has a current and valid course completion certificate evidencing that the individual is a certified renovator as provided in OAR 333-070-0100(3)(a), (b) or (d).
- Stat. Auth.: ORS 670.310, 701.235 & 701.515  
Stats. Implemented: ORS 701.515  
(2/10, 4/10)

#### **812-007-0320**

##### **Effective Dates of New License and License Term for Certified Lead-Based Paint Renovation Contractor License**

- (1) The effective date of the license will be the date the applicant meets all board requirements, including but not limited to the receipt of the fee required under OAR 812-007-0360.
  - (2) All licenses issued will be non-transferable and will be effective for one year from the date of issue.
  - (3) All licenses will be assigned a unique number.
  - (4) An applicant for a license may withdraw the application at any time before issuance of the license upon written request to the board.
  - (5) If the board denies the license, it shall state, in writing, the reasons for denial.
- Stat. Auth.: ORS 670.310, 701.235 & 701.515  
Stats. Implemented: ORS 701.515  
(2/10)

#### **812-007-0323**

##### **License Surrender**

A certified LBP renovation contractor may request that the board accept the surrender of its license.

- (1) The license remains in effect until the board accepts the surrender.
  - (2) If the board accepts the surrender, the board will notify the licensee of the date the license terminates.
  - (3) The board will not accept the surrender if an investigation of or disciplinary action against the licensee is pending.
  - (4) The licensee must cease renovating target housing or child-occupied facilities from the date the license terminates through the remainder of the license period.
  - (5) The board will not reinstate the surrendered license.
- Stat. Auth.: ORS 670.310, 701.235 & 701.515  
Stats. Implemented: ORS 701.510 & 701.515  
(temp. 12/22/10, 2/11 eff. 3/1/11)

#### **812-007-0330**

##### **Renewal of Certified Lead-Based Paint Renovation Contractor License**

Persons licensed under these rules may renew their licenses by submitting the following:

- (1) A properly completed application for license renewal on a form provided by the board;
  - (2) Proof that the person is licensed by the board as a construction contractor;
  - (3) The fee established in OAR 812-007-0360; and
  - (4) Proof that the licensee is owned by or employs at least one individual who has a current and valid course completion certificate evidencing that the individual is a certified renovator as provided in OAR 333-070-0100(3)(a), (b) or (d).
- Stat. Auth.: ORS 670.310, 701.235 & 701.515  
Stats. Implemented: ORS 701.515  
(2/10, 4/10)

#### **812-007-0340**

##### **Work Practice Standards for Certified Lead-Based Paint Renovation Contractors**

A certified LBP renovation contractor must comply with work practice standards in OAR 333-070-0090.

Stat. Auth.: ORS 670.310, 701.235 & 701.515  
Stats. Implemented: ORS 701.515  
(4/10)

#### **812-007-0350**

##### **Denial, Suspension or Revocation of Certified Lead-Based Paint Renovation Contractor License**

- (1) The board may deny, suspend, or revoke a license of a certified LBP renovation contractor on the following grounds:
  - (a) Obtaining a license through invalid documentation;
  - (b) Permitting the duplication or use of the license by another;
  - (c) Violating a rule of the board; or.

(d) Violating OAR 333-070-0090 (work practice standards), 333-070-0100(4) (renovator responsibilities), or 333-070-0110 (recordkeeping and reporting requirements.) For purposes of recordkeeping and reporting requirements, as used in OAR 333-070-0110, the terms "Oregon Health Authority" and "Authority" refer to the board.

(2) Hearings on denial, suspension or revocation of a license shall be conducted as a contested case in accordance with ORS 183.310 to 183.470.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 4/10, 9/11 eff. 10/1/11, 3/12)

#### **812-007-0360**

##### **Fees for Certified Lead-Based Paint Renovation Contractor Licenses**

(1) All license and renewal application fees are non-refundable and non-transferrable.

(2) The fee for a certified LBP renovation contractor license is \$50/year.

(3) If the board receives payment of fees by check and the check is returned to the agency as an NSF check, the board will charge the applicant \$25 in addition to the required fees.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.515

(2/10)

#### **812-007-0370**

##### **Notification Requirements for Certified Lead-Based Paint Renovation Contractors – Renovation in Target Housing Dwelling Units**

(1) No more than 60 days before beginning renovation in target housing dwelling units, the contractor must provide the owner of the dwelling unit with an Renovation Right Pamphlet and do one of the following:

(a) Obtain from the owner a written acknowledgment that the owner has received the Renovation Right Pamphlet; or

(b) Obtain a certificate of mailing of the Renovation Right Pamphlet dated at least 7 days before the start of the renovation.

(2) In addition to the requirements of (1), if the owner does not occupy the dwelling unit, the contractor must provide the Renovation Right Pamphlet to an adult occupant of the dwelling unit and comply with one of the following:

(a) Obtain, from the adult occupant, a written acknowledgment that the occupant has received the Renovation Right Pamphlet;

(b) Obtain a certificate of mailing of the Renovation Right Pamphlet at least 7 days before the start of the renovation; or

(c) Certify in writing that the contractor delivered the Renovation Right Pamphlet to the dwelling unit but was unsuccessful in obtaining a written acknowledgment from an adult occupant. Certification must include:

(A) The address of the dwelling unit undergoing renovation;

(B) The date and method of delivery of the Renovation Right Pamphlet;

(C) The name of the individual delivering the Renovation Right Pamphlet;

(D) A reason for lack of acknowledgment (e.g., occupant refuses to sign, no adult occupant available);

(E) The signature of an owner or employee of the contractor; and

(F) The date the contractor's owner or employee signed the certification.

(3) The written acknowledgment required by paragraphs (1)(a) and (2)(a) must:

(a) Include a statement acknowledging receipt of the Renovation Right Pamphlet before the start of the renovation, the name of the recipient, the address undergoing renovation, the signature of the recipient and the date of signature;

(b) Be either a separate sheet of paper or part of a written contract or service agreement for the renovation; and

(c) Be written in the same language as the agreement for renovation or, in the case of non-owner target housing, the same language as the lease or rental agreement.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 9/11 eff. 10/1/11)

#### **812-007-0372**

##### **Notification Requirements for Certified Lead-Based Paint Renovation Contractors – Renovation in Target Housing Common Areas**

(1) No more than 60 days before beginning renovation in target housing common areas, the contractor must provide the owner of the target housing with an Renovation Right Pamphlet and do one of the following:

(a) Obtain from the owner a written acknowledgment that the owner has received the Renovation Right Pamphlet; or

(b) Obtain a certificate of mailing of the Renovation Right Pamphlet dated at least 7 days before the start of the renovation.

(2) In addition to the requirements of (1), the contractor must comply with one of the following:

(a) Notify, in writing, each affected dwelling unit occupant and make the Renovation Right Pamphlet available upon request before the start of renovation. The written notice should describe:

(A) The general nature and locations of the planned renovation activities;

(B) The expected starting and ending dates; and

(C) A statement of how the occupant can obtain the Renovation Right Pamphlet, at no charge, from the contractor performing the renovation.

(b) While the renovation is ongoing, post signs describing the general nature and locations of the renovation and the anticipated completion date. These signs must be posted in areas where they are likely to be seen by the occupants of all of the affected dwelling units. The signs must be accompanied by:

(A) A posted copy of the Renovation Right Pamphlet; or

(B) Information on how interested occupants can review or obtain a copy of the Renovation Right Pamphlet from the contractor at no cost.

(c) The posted signs must also include information on how interested occupants may review a copy of the records required by OAR 333-070-0110 or obtains a copy from the contractor at no cost to the occupants.

(3) The contractor must prepare, sign, and date a statement describing the steps taken to notify occupants of the intended renovation and to provide the Renovation Right Pamphlet.

(4) The written acknowledgment required by paragraphs (1)(a) and (2)(a) must:

(a) Include a statement acknowledging receipt of the Renovation Right Pamphlet before the start of the renovation, the name of the recipient, the address undergoing renovation, the signature of the recipient and the date of signature;

(b) Be either a separate sheet of paper or part of a written contract or service agreement for the renovation; and

(c) Be written in the same language as the agreement for renovation or, in the case of non-owner target housing, the same language as the lease or rental agreement.

(5) If the scope, location, or expected starting or ending dates of the planned renovation change and the contractor provided written notification in accordance with (1) or (2)(a), the contractor must provide further written notification to the owners and occupants including revised information on the ongoing or planned renovation. This subsequent notification must be provided before the contractor performing the renovation initiates work beyond that described in the original notice.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 9/11 eff. 10/1/11)

#### **812-007-0374**

#### **Notification Requirements for Certified Lead-Based Paint Renovation Contractors – Renovation in Child-Occupied Facilities**

(1) No more than 60 days before beginning renovation in any child-occupied facility, the contractor performing the renovation must provide the building owner with the Renovation Right Pamphlet and comply with one of the following:

(a) Obtain from the owner a written acknowledgment that the owner has received the Renovation Right Pamphlet; or

(b) Obtain a certificate of mailing of the Renovation Right Pamphlet dated at least 7 days before the start of the renovation.

(2) In addition to the requirements of (1), if the owner does not occupy the building, the contractor must provide the Renovation Right Pamphlet to an adult representative of the child-occupied facility and comply with one of the following:

(a) Obtain, from the adult representative, a written acknowledgment that the adult representative has received the Renovation Right Pamphlet;

(b) Obtain a certificate of mailing of the Renovation Right Pamphlet at least 7 days before the start of the renovation; or

(c) Certify in writing that the contractor delivered the Renovation Right Pamphlet to the dwelling unit but was unsuccessful in obtaining a written acknowledgment from an adult occupant. Certification must include:

(A) The address of the facility undergoing renovation;

(B) The date and method of delivery of the Renovation Right Pamphlet;

(C) The name of the person delivering the Renovation Right Pamphlet;

(D) A reason for lack of acknowledgment (e.g., occupant refuses to sign, no adult occupant available);

(E) The signature of an owner or employee of the contractor; and

(F) The date the contractor's owner or employee signed the certification.

(3) In addition to the requirements of (1) and (2), the contractor must provide the parents and guardians of children using the child-occupied facility with the Renovation Right Pamphlet and information describing the general nature and locations of the renovation and the anticipated completion date. The contractor may comply by doing one of the following:

(a) Mail or hand-deliver the Renovation Right Pamphlet and the renovation information to each parent or guardian of a child using the child-occupied facility;

(b) While the renovation is ongoing, post signs describing the general nature and locations of the renovation and the anticipated completion date. These signs must be posted in areas where they are likely to be seen by the parents or guardians of the children frequenting the child-occupied facility. The signs must be accompanied by:

(A) A posted copy of the Renovation Right Pamphlet; or

(B) Information on how the parents or guardians can review or obtain a copy of the Renovation Right Pamphlet from the contractor at no cost.

(c) The posted signs must also include information on how interested parents or guardians of children frequenting the child-occupied facility may review a copy of the records required by OAR 333-070-0110 or obtains a copy from the contractor at no cost to the parents or guardians.

(4) The contractor must prepare, sign, and date a statement describing the steps performed to notify all parents and guardians of the intended renovation activities and to provide the pamphlet.

(5) The written acknowledgment required by paragraphs (1)(a) and (2)(a) must:

(a) Include a statement acknowledging receipt of the Renovation Right Pamphlet before the start of the renovation, the name of the recipient, the address undergoing renovation, the signature of the recipient and the date of signature;

(b) Be either a separate sheet of paper or part of a written contract or service agreement for the renovation; and

(c) Be written in the same language as the agreement for renovation.

Stat. Auth.: ORS 670.310, 701.235 & 701.515

Stats. Implemented: ORS 701.510 & 701.515

(2/10, 9/11 eff. 10/1/11)

OREGON ADMINISTRATIVE RULES  
DEPARTMENT OF HUMAN SERVICES, PUBLIC HEALTH DIVISION  
CHAPTER 333

DIVISION 70

PRE-RENOVATION EDUCATION AND RENOVATION, REPAIR AND PAINTING ACTIVITIES  
INVOLVING LEAD-BASED PAINT

333-070-0075

**Authority, Purpose, Applicability**

(1) Authority. These rules are promulgated in accordance with and under the authority of ORS 431.920.

(2) Purpose:

(a) The purpose of these rules is to address Oregon's need for a qualified and properly trained workforce to perform renovation, repair and painting of target housing and child-occupied facilities, and to safeguard the environment and protect the health of building occupants from lead-based paint hazards.

(b) These rules prescribe the requirements for certification of individuals and firms who perform for compensation renovation, repair and painting in target housing and child occupied facilities.

(c) These rules will establish work practice standards for the performance of renovation, repair and painting activities for certified individuals and certified renovation firms and will require that activities be performed only by certified individuals and certified renovation firms.

(d) These rules prescribe the requirements to ensure that owners and occupants of target housing and child-occupied facilities receive information on lead-based paint hazards before these renovations begin.

(3) Applicability:

(a) These rules apply to all certified individuals and certified renovation firms who perform for compensation renovation, repair and painting activities in target housing and child-occupied facilities as defined in OAR 333-070-0085, except for the following:

(A) Renovations in target housing or child-occupied facilities in which a written determination from a State of Oregon certified lead inspector or risk assessor that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligrams/per square centimeter (mg/cm<sup>2</sup>) or 0.5 percent by weight.

(B) Renovations in target housing or child-occupied facilities in which a certified renovator tests each component affected by the renovation using an Environmental Protection Agency (EPA) recognized test kit as defined in OAR 333-070-0085. The renovator must follow the kit manufacturer's instructions. This determines that the components are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 mg/cm<sup>2</sup> or 0.5 percent by weight. If the components make up an integrated whole, such as the individual stair treads and risers of a single staircase, the renovator is required to test only one of the individual components, unless the individual components appear to have been repainted or refinished separately.

(b) The information distribution requirements in OAR 333-070-0095 do not apply to emergency renovation operations. Emergency renovations other than interim controls are also exempt from the warning sign, containment, waste handling, training, and certification requirements in OAR 333-070-0105 to the extent necessary to respond to the emergency. Emergency renovations are not exempt from the cleaning requirements of OAR 333-070-0090, which must be performed by certified renovators or individuals trained in accordance with OAR 333-070-0100, the cleaning verification requirements of OAR 333-070-0090, which must be performed by certified renovators, and the recordkeeping requirements of OAR 333-070-0110. Once the immediate emergency is over, lead safe work practices and all the requirements of these rules shall be in effect.

(c) These rules:

(A) Require that renovation, repair and painting activities must be performed by certified renovators and individuals who have on the job training by a certified renovator working for a certified renovation firm.

(B) Prescribe the requirements for, and the manner of, certifying competency of applicants for certification as a certified individual and of the certified renovation firms employing such individuals.

(C) Determine the work practice standards for renovation, repair and painting activities, and those actions or circumstances that constitute failure to achieve or maintain competency, or that otherwise are contrary to the public interest, for which the Authority may deny, suspend, or revoke certification.

(D) Establish the fees to the extent necessary to defray costs of those activities prescribed herein.

(d) A certified renovation firm who is licensed by the Construction Contractors Board (CCB) is not required to

be certified by the Authority under these rules, but is subject to the work practice standards in these rules.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920 & 431.922

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 23-2010(Temp), f. & cert. ef. 9-24-10 thru 3-22-11; Administrative correction 4-25-11; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0080**

#### **Adoption by Reference**

All standards, listings and publications referred to in these rules are, by those references, made a part of these rules as though fully set forth.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10

### **333-070-0085**

#### **Definitions**

As used in these rules unless otherwise required by context:

(1) "Accredited training program" means a training program accredited or provisionally accredited by the Authority, EPA, or an EPA-authorized state or tribal program to provide training for individuals engaged in renovation, repair and painting activities.

(2) "Accreditation" means the process whereby the Authority has reviewed and approved a training program's written application with associated materials for accreditation, and has conducted an onsite audit finding the training program in compliance as specified in these rules.

(3) "Approved" means approved in writing by the Authority.

(4) "Audit" means a classroom evaluation of ongoing training. An audit involves verifying the course content, specific time requirements for each subject, hands-on training, classroom conditions, attendance size and other measures of the adequacy of the training provided.

(5) "Authority" means the Oregon Health Authority.

(6) "Certificate of mailing" means a United States Postal Service document that indicates when a piece of mail was presented to the Postal Service for mailing.

(7) "Certified dust sampling technician" means a technician who has successfully completed a dust sampling course accredited by the Authority, EPA, or an EPA-authorized state or tribal program.

(8) "Certified individual" means an individual certified by the Authority as a renovator or dust sampling technician.

(9) "Certified renovation firm" means a company, partnership, corporation, sole proprietorship, association, or other entity that has been certified by the Authority to conduct renovation under ORS 431.920 or licensed by the CCB under ORS 701.515.

(10) "Certified renovator" means a renovator who has successfully completed a renovator course accredited by the Authority, EPA, or an EPA-authorized state or tribal program.

(11) "Child-occupied facility" means a building, or a portion of a building, constructed prior to 1978, visited regularly by the same child, under age six, on at least two different days within any week (Sunday through Saturday), provided that each day's visit lasts at least three hours and the combined weekly visit lasts at least six hours, and the combined annual visits last at least sixty hours. Child-occupied facilities may include, but are not limited to, day-care centers, preschools and kindergarten classrooms. Child-occupied facilities may be located in target housing or in public or commercial buildings. With respect to common areas in public or commercial buildings that contain child-occupied facilities, the child-occupied facility encompasses only those common areas that are routinely used by children under age six, such as restrooms and cafeterias. In addition, with respect to exteriors of public or commercial buildings that contain child-occupied facilities, the child-occupied facility encompasses only the exterior sides of the building that are immediately adjacent to the child-occupied facility or the common areas routinely used by children under age six.

(12) "Cleaning verification card" means a card developed and distributed, or otherwise approved, by EPA for the purpose of determining, through comparison of wet and dry disposable cleaning cloths with the card, whether post-renovation cleaning has been properly completed.

(13) "Clearance examination standards" means values that indicate the maximum amount of lead permitted in dust on a surface or in soil following completion of a renovation activity. Standards for lead in dust are 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) on floors, 250  $\mu\text{g}/\text{ft}^2$  on interior window sills, and 400  $\mu\text{g}/\text{ft}^2$  on window

troughs. The values for lead in soil are 400 parts per million (ppm) in play areas and 1,200 ppm in the remainder of the yard.

(14) "Common areas" means portion(s) of a building that are generally accessible to all occupants. This may include, but is not limited to, hallways, stairways, laundry and recreational rooms, playgrounds, community centers, garages, and boundary fences. With respect to common areas in public or commercial buildings that contain child-occupied facilities, the child-occupied facility encompasses only those common areas that are routinely used by children under age six, such as restrooms and cafeterias. Common areas that children under age six only pass through, such as hallways, stairways, and garages are not common areas.

(15) "Component or building component" means specific design or structural elements or fixtures of a building or residential dwelling that are distinguished from each other by form, function, and location. These include, but are not limited to: interior components such as ceilings, crown molding, walls, chair rails, doors, door trim, floors, fireplaces, radiators and other heating units, shelves, shelf supports, stair treads, stair risers, stair stringers, newel posts, railing caps, balustrades, windows and trim (including sashes, window heads, jambs, sills or stools and troughs), built-in cabinets, columns, beams, bathroom vanities, counter tops, and air conditioners; and exterior components such as painted roofing, chimneys, flashing, gutters and downspouts, ceilings, soffits, fascias, rake boards, corner boards, bulkheads, doors and door trim, fences, floors, joists, lattice work, railings and railing caps, siding, handrails, stair risers and treads, stair stringers, columns, balustrades, windowsills or stools and troughs, casings, sashes and wells, and air conditioners.

(16) "Concentration" means the relative content of a specific substance contained within a larger mass, such as the amount of lead (in micrograms per gram or parts per million by weight) in a sample of dust or soil.

(17) "Containment" means a process or arrangement of materials to protect workers, occupants, the public, and the environment by controlling exposure to the lead-contaminated dust and debris created during renovation activities.

(18) "Course completion certificate" means documentation issued by an accredited training program to an individual as proof of successful completion of a Authority-accredited renovator or dust sampling technician training course or refresher training course.

(19) "Course completion date" means the final date of classroom instruction and/or student examination of an accredited renovator or dust sampling technician training course.

(20) "Critical barrier" means a containment structure that allows for the passage of persons or materials while maintaining containment.

(21) "Demonstration testing" means the observation and scoring of a student's job task and equipment use skills taught during a course or refresher training course.

(22) "Desk audit" means an audit of the training program to document proper records keeping, filing procedures and notifications required by the Authority.

(23) "Deteriorated paint" means any interior or exterior paint or other coating that is peeling, chipping, chalking, cracking, flaking, or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate.

(24) "Distinct painting history" means the application history, as indicated by the visual appearance or a record of application, over time, of paint or other surface coatings to a component or room.

(25) "Documented methodologies" are written methods or protocols used to sample for the presence of lead in paint, dust, and soil as recommended in U.S. Department of Housing and Urban Development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" and "EPA's Residential Sampling for Lead: Protocols for Dust and Soil Sampling".

(26) "Dripline" means the area within three feet surrounding the perimeter of a building.

(27) "Dry disposable cleaning cloth" means a commercially available dry, electro-statically charged, white disposable cloth designed to be used for cleaning hard surfaces such as uncarpeted floors or counter tops.

(28) "Dust-lead hazard" means surface dust in a residential dwelling or child-occupied facility that contains a mass-per-area concentration of lead equal to or exceeding 40  $\mu\text{g}/\text{ft}^2$  on floors, 250  $\mu\text{g}/\text{ft}^2$  on interior window sills, and 400  $\mu\text{g}/\text{ft}^2$  in window troughs based on wipe samples.

(29) "Emergency" means a situation in which failure to act promptly would likely result in immediate harm to persons or property.

(30) "Emergency renovation operations" means renovation activities, such as operations necessitated by non-routine failures of equipment, that were not planned but result from a sudden, unexpected event that, if not immediately attended to, presents a safety or public health hazard, or threatens equipment or property with significant damage. Interim controls performed in response to an elevated blood lead level in a resident child are also emergency renovations.



(31) "EPA" means the United States Environmental Protection Agency.

(32) "EPA-authorized program" means a state or tribal program authorized by EPA to administer and enforce the provisions of 40 CFR ? 745.324 and 40 CFR ? 745.326.

(33) "Friction surface" means an interior or exterior surface that is subject to abrasion or friction, including, but not limited to, certain window, floor, and stair surfaces.

(34) "Guest instructor" means an individual who is responsible for providing less than 30 percent of training in any course.

(35) "Hands-on training" means training during which students practice skills that they will be expected to perform at the worksite.

(36) "HEPA vacuum" means a vacuum cleaner which has been designed with a high-efficiency particulate air (HEPA) filter as the last filtration stage. A HEPA filter is a filter that is capable of capturing particles of 0.3 microns with 99.97 percent efficiency. The vacuum cleaner must be designed so that all the air drawn into the machine is expelled through the HEPA filter with none of the air leaking past it.

(37) "Impact surface" means an interior or exterior surface that is subject to damage by repeated sudden force such as certain parts of door frames.

(38) "Inspection" means a surface-by-surface investigation to determine the presence of lead-based paint and the provision of a report, in writing, explaining the results of the investigation.

(39) "Interim controls" means a set of measures designed to temporarily reduce human exposure or likely exposure to lead-based paint hazards, including specialized cleaning, repairs, maintenance, painting, temporary containment, ongoing monitoring of lead-based paint hazards or potential hazards, and the establishment and operation of management and resident education programs.

(40) "Interactive/participatory teaching methods" mean instruction which consists of active participation of the students, such as brainstorming, hands-on training, demonstration and practice, small group problem-solving, learning games, discussions, risk mapping, field visits, walk-throughs, problem-posing, group work assignments, homework review sessions, question-and-answer periods, skits, or role-playing sessions. Lecture is not considered an interactive/participatory teaching method.

(41) "Job tasks" mean the specific activities performed in the context of work.

(42) "Lead-based paint" means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

(43) "Lead-based paint hazard" means deteriorated lead-based paint, dust-lead hazard or soil-lead hazard as identified in these rules.

(44) "Lead-contaminated dust" means surface dust in residential dwellings or child-occupied facilities that contains an area or mass concentration of lead in excess of levels determined by the appropriate federal agency to pose a threat of adverse health effects in pregnant women or young children.

(45) "Minor repair and maintenance activities" means activities, including minor heating, ventilation or air conditioning work, electrical work, and plumbing, that disrupts six square feet or less of painted surface per room for interior activities, or 20 square feet or less of painted surface for exterior activities where none of the work practices prohibited or restricted by OAR 333-070-0090 are used and where the work does not involve window replacement or demolition of painted surface areas. When removing painted components, or portions of painted components, the entire surface area removed is the amount of painted surface disturbed. Jobs, other than emergency renovations, performed in the same room within the same 30 days are the same job for the purpose of determining whether the job is a minor repair and maintenance activity.

(46) "Multi-family housing" means a housing property consisting of more than four dwelling units.

(47) "Paint in poor condition" means more than 10 square feet of deteriorated paint on exterior components with large surface areas; or more than two square feet of deteriorated paint on interior components with large surface areas (e.g., walls, ceilings, floors, doors); or more than 10 percent of the total surface area of the component is deteriorated on interior or exterior components with small surface areas (e.g., window sills, baseboards, soffits, trim).

(48) "Paint-lead hazard" means any of the following:

(a) Any lead-based paint on a friction surface that is subject to abrasion and where the lead dust levels on the nearest horizontal surface underneath the friction surface (e.g., the window sill, or floor) are equal to or greater than the dust-lead hazard levels identified in these rules.

(b) Any damaged or otherwise deteriorated lead-based paint on an impact surface that is caused by impact from a related building component (such as a door knob that knocks into a wall or a door that knocks against its door frame).

(c) Any chewable lead-based painted surface on which there is evidence of teeth marks. (d) Any other

deteriorated lead-based paint in any residential building or child-occupied facility or on the exterior of any residential building or child-occupied facility.

(49) "Paint stabilization" means repairing any physical defect in the substrate of a painted surface that is causing paint deterioration, removing loose paint and other material from the surface to be treated, and applying a new protective coating or paint.

(50) "Pamphlet" means the EPA pamphlet titled Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools or any state pamphlet approved by EPA pursuant to 40 CFR 745.326 that is developed for the same purpose. This includes reproductions of the pamphlet when copied in full and without revision or deletion of material from the pamphlet (except for the addition or revision of state or local sources of information).

(51) "Permanent" means having an expected design life of 20 years.

(52) "Principal instructor" means the individual who has the primary responsibility for organizing and teaching a particular course.

(53) "Proficiency test" means any alternative to a conventional written examination that is used to measure a trainee's mastery of course content. An oral examination offered to a trainee with a disability is an example of a proficiency test.

(54) "Provisional accreditation" means the Authority has reviewed and finds acceptable a training program's written application for accreditation, but has not conducted an on-site audit as specified in these rules.

(55) "Public agency" means an entity that functions as part of a governmental body or organization at the local, state, or federal level.

(56) "Recognized test kit" means a commercially available kit recognized by EPA under 40 CFR 745.88 as being capable of allowing a user to determine the presence of lead at levels equal to or in excess of 1.0 milligrams per square centimeter, or more than 0.5 percent lead by weight, in a paint chip, paint powder, or painted surface.

(57) "Refresher renovator of dust sampling technician training course" means a minimum training program accredited by the Authority to update an individual's knowledge and skills so that they can effectively and safely continue to practice in the field.

(58) "Renovation" means the modification of any existing structure, or portion thereof, that results in the disturbance of painted surfaces, unless that activity is performed as part of an abatement as defined by these rules. The term renovation includes, but is not limited to, the removal or modification of painted surfaces or painted components (e.g., modification of painted doors, surface preparation activity such as sanding, scraping, or other such activities that may generate paint dust); the removal of large structures (e.g., walls, ceiling, large surface re-plastering, major re-plumbing); and window replacement, weatherization projects (e.g., cutting holes in painted surfaces to install blown-in insulation or to gain access to attics, planning thresholds to install weather-stripping), and interim controls that disturb painted surfaces. A renovation performed for the purpose of converting a building, or part of a building, into target housing or a child-occupied facility is a renovation under this subpart. The term renovation does not include minor repair and maintenance activities.

(59) "Residential building" means a building containing one or more residential dwellings.

(60) "Residential dwelling" means:

(a) A detached single family dwelling unit, including attached structures such as porches and stoops; or

(b) A single family dwelling unit in a structure that contains more than one separate residential dwelling unit, which is used or occupied, or intended to be occupied, in whole or in part, as the home or residence of one or more persons.

(61) "Room" means a separate part of the inside of a building, such as a bedroom, living room, dining room, kitchen, bathroom, laundry room, or utility room. To be considered a separate room, the room must be separated from adjoining rooms by built-in walls or archways that extend at least six inches from an intersecting wall. Half walls or bookcases count as room separators if built-in. Movable or collapsible partitions or partitions consisting solely of shelves or cabinets are not considered built-in walls. A screened in porch that is used as a living area is a room.

(62) "RRP" means the U.S. EPA Renovation Repair and Painting Rule under 40 CFR ? 745 Subpart E- Residential Property Renovation.

(63) "Site Visit" means a visit by the Authority to audit a training program and includes but is not limited to a review of: records, including course completion forms and attendance records; facilities; instructional curriculum; examination design, administration and security procedures and results, including those of demonstration testing; classroom instruction; audio-visual materials; course content; and coverage.

(64) "Soil lead hazard" means bare soil on residential property or on the property of a child-occupied facility that contains total lead equal to or exceeding 400 ppm in a play area or 1,200 ppm in the remainder of the yard based

on soil samples.

(65) "Target housing" means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless one or more children under age six resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling.

(66) "These rules" mean OAR 333-070-0075 through 333-070-0160.

(67) "Training hour" means 60 minutes of lead-based paint related training which may include a break of not more than 10 minutes.

(68) "Training instructor" means the individual responsible for organization of the course and oversight of the teaching of all course material, and who teaches at least 70 percent of the course.

(69) "Training manager" means the individual responsible for administering a training program and monitoring the performance of principal instructors and guest instructors.

(70) "Visual inspection" means:

(a) For interiors, that a certified renovator determines whether dust, debris, or residue is still present.

(b) For exteriors, that a certified renovator determines whether dust or debris is still present in and below the work area, including windowsills and the ground.

(71) "Wet disposable cleaning cloth" means a commercially available, pre-moistened white disposable cloth designed to be used for cleaning hard surfaces such as uncarpeted floors or counter tops.

(72) "Wet mopping system" means a device with the following characteristics: A long handle, a mop head designed to be used with disposable absorbent cleaning pads, a reservoir for cleaning solution, and a built-in mechanism for distributing or spraying the cleaning solution onto a floor, or a method of equivalent efficacy.

(73) "Work area" means the area that the certified renovator establishes to contain the dust and debris generated by a renovation.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.918

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### 333-070-0090

#### Work Practice Standards

All renovations must be performed in accordance with the work practice standards in this rule unless the renovation qualifies for one of the exceptions identified in OAR 333-070-0075(3)(a).

(1) Standards for renovation activities.

(a) Renovations must be performed by certified renovation firms using certified renovators as directed in OAR 333-070-0100.

(b) The responsibilities of certified renovation firms are set forth in OAR 333-070-0105.

(c) The responsibilities of certified renovators are set forth in OAR 333-070-0100.

(2) Occupant protection.

(a) A certified renovation firm shall:

(A) Post signs clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside of the work area. To the extent practicable, these signs must be in the primary language of the occupants.

(B) Post signs before beginning the renovation and keep them in place and readable until the renovation and the post-renovation cleaning verification has been completed.

(C) Post signs at each entry to the renovation project work area, at a minimum.

(b) If warning signs have been posted in accordance with paragraph (2)(a)(A) of this rule, additional signs are not required.

(3) Containing the work area. A certified renovation firm shall:

(a) Isolate the work area so that no dust or debris leaves the work area while the renovation is being performed, before beginning the renovation;

(b) Maintain the integrity of the containment by ensuring that any plastic or other impermeable materials are not torn or displaced, and taking any other steps necessary to ensure that no dust or debris leaves the work area while the renovation is being performed; and

(c) Ensure that containment is installed in such a manner that it does not interfere with occupant and worker egress in an emergency.

(4) Interior renovations. A certified renovation firm shall:

(a) Remove all objects from the work area, including furniture, rugs, and window coverings, or cover them with plastic sheeting or other impermeable material with all seams and edges taped or otherwise sealed;

- (b) Close and cover all ducts opening in the work area with taped-down plastic sheeting or other impermeable material;
  - (c) Close windows and doors in the work area;
  - (d) Cover doors with plastic sheeting or other impermeable material. Doors used as an entrance to the work area must be covered with plastic sheeting or other impermeable material in a manner that allows workers to pass through while confining dust and debris to the work area;
  - (e) Cover the floor surface, including installed carpet, with taped-down plastic sheeting or other impermeable material in the work area six feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater; and
  - (f) Use precautions to ensure that all personnel, tools, and other items, including the exteriors of containers of waste, are free of dust and debris before leaving the work area.
- (5) Exterior renovations. A certified renovation firm shall:
- (a) Close all doors and windows within 20 feet of the renovation. On multi-story buildings, close all doors and windows within 20 feet of the renovation on the same floor as the renovation, and close all doors and windows on all floors below that are the same horizontal distance from the renovation;
  - (b) Ensure that doors within the work area that will be used while the job is being performed are covered with plastic sheeting or other impermeable material in a manner that allows workers to pass through while confining dust and debris to the work area;
  - (c) Cover the ground with plastic sheeting or other disposable impermeable material extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering; and
  - (d) In adverse weather conditions (e.g. windy conditions), the certified renovation firm must take extra precautions in containing the work area to ensure that dust and debris from the renovation does not contaminate other buildings or other areas of the property or migrate to adjacent properties.
- (6) Prohibited and restricted practices. The work practices listed below are prohibited during a renovation:
- (a) Open-flame burning or torching of lead-based paint;
  - (b) The use of machines that remove lead-based paint through high speed operation such as sanding, grinding, power planing, needle gun, abrasive blasting, or sandblasting, unless such machines are used with HEPA exhaust control; and
  - (c) Operating a heat gun on lead-based paint is prohibited unless the temperature is below 1100 degrees Fahrenheit.
- (7) Waste from renovations. A certified renovation firm shall:
- (a) Contain waste from a renovation to prevent releases of dust and debris before the waste is removed from the work area for storage or disposal. If a chute is used to remove waste from the work area, it must be covered;
  - (b) Store and contain waste that has been collected from renovation activities in an enclosure, or behind a barrier that prevents release of dust and debris out of the work area and prevents access to dust and debris, at the conclusion of each work day and at the conclusion of the renovation; and
  - (c) Contain the waste to prevent release of dust and debris when transporting waste from renovation activities.
- (8) Cleaning the work area. After a renovation has been completed, the certified renovation firm shall clean the work area until no dust, debris or residue remains.
- (9) Interior and exterior renovations. A certified renovation firm shall:
- (a) Collect all paint chips and debris and, without dispersing any of it, seal this material in a heavy-duty bag;
  - (b) Remove the protective sheeting;
  - (c) Mist the sheeting before folding it, fold the dirty side inward, and either tape shut to seal or seal in heavy-duty bags. Sheeting used to isolate contaminated rooms from non-contaminated rooms must remain in place until after the cleaning and removal of other sheeting; and
  - (d) Dispose of sheeting as waste.
- (10) Additional cleaning for interior renovations. A certified renovation firm shall clean all objects and surfaces in the work area and within two feet of the work area in the following manner, cleaning from higher to lower:
- (a) Walls. Clean walls starting at the ceiling and working down to the floor by either vacuuming with a HEPA vacuum or wiping with a damp cloth. Dust bags from HEPA machines must be properly contained and disposed. Changing of vacuum bag must occur in containment and wrapped and taped in plastic for disposal.
  - (b) Remaining surfaces. Thoroughly vacuum all remaining surfaces and objects in the work area, including furniture and fixtures, with a HEPA vacuum. The HEPA vacuum must be equipped with a beater bar when vacuuming carpets and rugs.
  - (c) Wipe all remaining surfaces and objects in the work area, except for carpeted or upholstered surfaces, with a

damp cloth. Mop uncarpeted floors thoroughly, using a mopping method that keeps the wash water separate from the rinse water, such as the two-bucket mopping method, or using a wet mopping system.

(11) Standards for post-renovation cleaning verification of interiors. A certified renovation firm shall have a certified renovator:

(a) Perform a visual inspection to determine whether dust, debris or residue is still present. If dust, debris or residue is present, these conditions must be removed by re-cleaning and another visual inspection must be performed.

(b) After a successful visual inspection:

(A) Verify that each windowsill in the work area has been adequately cleaned, using the following procedure:

(i) Wipe the windowsill with a wet disposable cleaning cloth that is damp to the touch. If the cloth matches or is lighter than the cleaning verification card, the windowsill has been adequately cleaned.

(ii) If the cloth does not match and is darker than the cleaning verification card, re-clean the windowsill as directed in subparagraph (A)(i) of this subsection, then either use a new cloth or fold the used cloth in such a way that an unused surface is exposed, and wipe the surface again. If the cloth matches or is lighter than the cleaning verification card, that windowsill has been adequately cleaned.

(iii) If the cloth does not match and is darker than the cleaning verification card, wait for one hour or until the surface has dried completely, whichever is longer, and wipe the windowsill with a dry disposable cleaning cloth. After this wipe, the windowsill has been adequately cleaned.

(B) Wipe uncarpeted floors and countertops within the work area with a wet disposable cleaning cloth. Floors must be wiped using an application device with a long handle and a head to which the cloth is attached. The cloth must remain damp at all times while it is being used to wipe the surface for post-renovation cleaning verification. If the surface within the work area is greater than 40 square feet, the surface within the work area must be divided into roughly equal sections that are each less than 40 square feet. Wipe each such section separately with a new wet disposable cleaning cloth. If the cloth used to wipe each section of the surface within the work area matches the cleaning verification card, the surface has been adequately cleaned.

(i) If the cloth used to wipe a particular surface section does not match the cleaning verification card, re-clean that section of the surface as directed in paragraph (b)(B) of this section, then use a new wet disposable cleaning cloth to wipe that section again. If the cloth matches the cleaning verification card, that section of the surface has been adequately cleaned.

(ii) If the cloth used to wipe a particular surface section does not match the cleaning verification card after the surface has been re-cleaned, wait for one hour or until the entire surface within the work area has dried completely, whichever is longer.

(iii) After waiting for the entire surface within the work area to dry, wipe each section of the surface that has not yet achieved post-renovation cleaning verification with a dry disposable cleaning cloth. After this wipe, that section of the surface has been adequately cleaned.

(c) Remove the warning signs when the work area passes the post-renovation cleaning verification.

(12) Standards for post-renovation cleaning verification of exteriors. A certified renovation firm shall have a certified renovator:

(a) Perform a visual inspection to determine whether dust, debris or residue is still present on surfaces in and below the work area, including windowsills and the ground. If dust, debris or residue is present, these conditions must be eliminated and another visual inspection must be performed.

(b) Remove the warning signs when the area passes the visual inspection.

(13) Optional dust clearance testing. Cleaning verification need not be performed if the contract between the certified renovation firm and the person contracting for the renovation or another federal, state or local law or regulation requires:

(a) The certified renovation firm to perform dust clearance sampling at the conclusion of a renovation covered by this rule.

(b) The dust clearance samples are required to be collected by a certified inspector, risk assessor or dust sampling technician.

(c) The certified renovation firm is required to re-clean the work area until the dust clearance sample results are below the dust clearance standards in OAR 333-070-0085.

(14) Activities conducted after post-renovation cleaning verification. Activities that do not disturb paint, such as applying paint to walls that have already been prepared, are not regulated by this rule if they are conducted after post-renovation cleaning verification has been performed.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920 & 431.922

**333-070-0095**

**Information Distribution Requirements for the Pre-Renovation Notification Rule (406).**

(1) Renovations in dwelling units. No more than 60 days before beginning renovation activities in any residential dwelling unit of target housing, a certified renovation firm performing the renovation shall:

(a) Provide the owner of the unit with the pamphlet; and:

(A) Obtain, from the owner, a written acknowledgment that the owner has received the pamphlet; or

(B) Obtain a certificate of mailing at least seven days prior to the renovation.

(b) If the owner does not occupy the dwelling unit, in addition to the requirements in subsection (a) of this section, a certified renovation firm shall provide an adult occupant of the unit with the pamphlet; and:

(A) Obtain, from the adult occupant, a written acknowledgment that the occupant has received the pamphlet; or

(B) Certify in writing that a pamphlet has been delivered to the dwelling and that the certified renovation firm performing the renovation has been unsuccessful in obtaining a written acknowledgment from an adult occupant. A certification must include:

(i) The address of the unit undergoing renovation;

(ii) The date and method of delivery of the pamphlet;

(iii) The name of the individual delivering the pamphlet;

(iv) The reason for lack of acknowledgment (e.g., occupant refuses to sign, no adult occupant available);

(v) The signature of a representative of the certified renovation firm performing the renovation; and

(vi) The date of signature.

(C) If receipt can not be obtained from the adult occupant, obtain a certificate of mailing at least seven days prior to the renovation.

(2) Renovations in common areas. No more than 60 days before beginning renovation activities in common areas of multi-unit target housing, the certified renovation firm performing the renovation shall:

(a) Provide the owner with the pamphlet, and:

(A) Obtain, from the owner, a written acknowledgment that the owner has received the pamphlet; or

(B) Obtain a certificate of mailing at least seven days prior to the renovation.

(b) Comply with one of the following:

(A) Notify the affected units in writing of the proposed renovation and make the pamphlet available upon request prior to the start of renovation. Such notification shall be accomplished by distributing written notification to each affected unit. The notice shall:

(i) Describe the general nature and locations of the planned renovation activities;

(ii) Include the expected starting and ending dates; and

(iii) Contain a statement of how the occupant can obtain the pamphlet and a copy of the records required by OAR 333-070-0110, at no cost to the occupants; or

(B) While the renovation is ongoing, post informational signs describing the general nature and locations of the renovation and the anticipated completion date. These signs must be posted in areas where they are likely to be seen by the occupants of all of the affected units. The signs must be accompanied by a posted copy of the pamphlet or information on how interested occupants can review a copy of the pamphlet or obtain a copy from the certified renovation firm at no cost to occupants. The signs must also include information on how interested occupants can review a copy of the records required by OAR 333-070-0110 or obtain a copy from the renovation firm at no cost to the occupants.

(c) Prepare, sign, and date a statement describing the steps performed to notify all occupants of the intended renovation activities and to provide the pamphlet.

(d) If the scope, locations, or expected starting and ending dates of the planned renovation activities change after the initial notification, and the certified renovation firm provided written initial notification to each affected unit, the certified renovation firm performing the renovation must provide further written notification to the owners and occupants providing revised information on the ongoing or planned activities. This subsequent notification must be provided before the certified renovation firm performing the renovation initiates work beyond that which was described in the original notice.

(3) Renovations in child-occupied facilities. No more than 60 days before beginning renovation activities in any child-occupied facility, the certified renovation firm performing the renovation shall:

(a) Provide the owner of the building with the pamphlet, and:

(A) Obtain, from the owner, a written acknowledgment that the owner has received the pamphlet; or

(B) Obtain a certificate of mailing at least seven days prior to the renovation.

(b) In addition to the requirements in subsection (a) of this section, if the operator of the child-occupied facility is not the owner of the building, provide the operator of the child-occupied facility with the pamphlet, and:

(A) Obtain, from the operator, a written acknowledgment the operator has received the pamphlet;

(B) Certify in writing that a pamphlet has been delivered to the operator and that the certified renovation firm performing the renovation has been unsuccessful in obtaining a written acknowledgment from the operator. Such certification shall comply with the requirements in paragraph (1)(b)(B) of this rule; or

(C) Obtain a certificate of mailing at least seven days prior to the renovation.

(c) Provide the parents and guardians of children using the child-occupied facility with the pamphlet and information describing the general nature and locations of the renovation and the anticipated completion date by:

(A) Mailing or hand-delivering the pamphlet and the renovation information to each parent or guardian of a child using the child-occupied facility; or

(B) While the renovation is ongoing, post informational signs describing the general nature and locations of the renovation and the anticipated completion date. These signs must be posted in areas where they can be seen by the parents or guardians of the children frequenting the child-occupied facility. The signs must be accompanied by a posted copy of the pamphlet or information on how interested parents or guardians of children frequenting the child-occupied facility can review a copy of the pamphlet or obtain a copy from the renovation firm at no cost to the parents or guardians. The signs must also include information on how interested parents or guardians of children frequenting the child-occupied facility can review a copy of the records required by OAR 333-070-0110 or obtain a copy from the renovation firm at no cost to the parents or guardians; and

(C) Prepare, sign, and date a statement describing the steps performed to notify all parents and guardians of the intended renovation activities and to provide the pamphlet.

(4) Written acknowledgment. A written acknowledgment required by paragraphs (1)(a)(A), (1)(b)(A), (2)(a)(A), (4)(a)(A) and (4)(b)(A) of this rule must:

(a) Include the owner or occupant's name and a statement from the owner or occupant acknowledging receipt of the pamphlet prior to the start of renovation, the address of the unit undergoing renovation, the signature of the owner or occupant as applicable, and the date of signature;

(b) Be on a separate sheet of paper or part of any written contract or service agreement for the renovation; and

(c) Be written in the same language as the text of the contract or agreement for the renovation or, in the case of non-owner occupied target housing, in the same language as the lease or rental agreement or the pamphlet.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0100**

#### **Renovator Certification and Dust Sampling Technician Certification and Responsibilities**

(1) Renovator certification allows a certified individual to perform renovations covered by these rules.

(2) Dust sampling technician certification allows the individual to perform dust clearance sampling under OAR 333-070-0090. Optional dust sampling, procedures and determinations are contained in OAR 333-069-0070, paragraph (5)(j)(D); and sections (6) and (11).

(3) Renovator certification and dust sampling technician certification.

(a) To become a certified renovator or certified dust sampling technician, an individual must successfully complete the appropriate course accredited by the Authority, EPA, or an EPA-authorized state or tribal program. The course completion certificate serves as proof of certification.

(b) Individuals who have successfully completed an accredited abatement worker or supervisor course, or individuals who have successfully completed an EPA, HUD, or EPA/HUD model renovation training course may take an accredited refresher renovator training course in lieu of the initial renovator training course to become a certified renovator.

(c) To become a certified dust sampling technician, a certified inspector or risk assessor need only to take the dust sampling technician refresher course.

(d) To maintain renovator certification or dust sampling technician certification, an individual must complete a renovator or dust sampling technician refresher course accredited by the Authority, EPA or an EPA-authorized program within five years of the date the individual completed the initial course described in OAR 333-0070-0100. If the individual does not complete a refresher course within this time, the individual must re-take the initial course to become certified again.

(4) Renovator responsibilities. Certified renovators are responsible for ensuring compliance with OAR 333-070-0090 at all renovations to which they are assigned. A certified renovator shall:

(a) Perform all of the tasks described in OAR 333-070-0090 and either perform or direct workers to perform, all of the tasks described in OAR 333-070-0090.

(b) Provide training to workers on the work practices they will be using in performing their assigned tasks.

(c) Be physically present at the work site:

(A) At the time the signs required by OAR 333-070-0090(2) are posted;

(B) While the work area containment required by OAR 333-070-0090(3) is being established; and

(C) While the work area cleaning required by OAR 333-070-0090(8) is performed.

(d) Regularly direct work being performed by other individuals to ensure that the work practices are being followed, including maintaining the integrity of the containment barriers and ensuring that dust or debris does not spread beyond the work area.

(e) Be available, either on-site or by telephone, at all times that renovations are being conducted.

(f) Use an EPA recognized test kit when requested by the party contracting for renovation services to determine whether components to be affected by the renovation contain lead-based paint. If the components make up an integrated whole, such as the individual stair treads and risers of a single staircase, the renovator is required to test only one of the individual components, unless the individual components appear to have been repainted or refinished separately.

(g) Have, at the work site, copies of their initial course completion certificate and their most recent refresher course completion certificate.

(h) Prepare the records required by OAR 333-070-0110.

(5) Dust sampling technician responsibilities. When performing optional dust clearance sampling as referenced in OAR 333-069-0070, paragraph (5)(j)(D); and sections (6) and (11) a certified dust sampling technician shall:

(a) Collect dust samples in accordance with 40 CFR | 745.227(e)(8), send the collected samples to a laboratory recognized by the EPA under | 405(b) of the Toxic Substances Control Act, National Lead Laboratory Accreditation Program, and compare the results to the clearance levels in accordance with 40 CFR | 745.227(e)(8)(C)(vii); and

(b) Have, at the work site, copies of their initial course completion certificate and their most recent refresher course completion certificate.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0105**

#### **Certified Renovation Firm Certification and Responsibilities**

(1) Initial certification.

(a) Firms that perform renovations for compensation shall:

(A) Apply to the Authority for certification to perform renovations or dust sampling by submitting a completed "Application for Certified Renovation Firms," signed by an authorized agent of the firm; and

(B) Pay the correct amount of fees.

(b) An application will be considered complete if it contains all of the information requested on the form and includes the correct amount of fees.

(c) If the Authority receives an incomplete application, it will request that the applicant submit the missing information or fee within 30 days. If an applicant fails to submit the requested information or the fee, the application will be returned to the applicant. An applicant who has had its application returned may reapply at any time.

(d) Within 30 days of declaring an application complete, the Authority shall:

(A) Approve the application if the Authority determines that the environmental compliance history of the applicant, its principals, or its key employees shows a willingness and ability to maintain compliance with environmental statutes or regulations; or

(B) Deny the application if the Authority determines that the environmental compliance history of the applicant, its principals, or its key employees demonstrates an unwillingness or inability to maintain compliance with environmental statutes or regulations.

(e) If the Authority approves the application, the Authority shall issue the applicant a certificate with an expiration date not more than five years from the date the application is approved.

(f) If the Authority denies the application it shall send the applicant a letter giving the reason for denying the application.

(2) Recertification.

(a) To maintain its certification, a certified renovation firm shall apply for recertification every five years, by submitting a timely and complete "Application for Certified Renovation Firms" with the required fee to the



Authority.

(A) An application for recertification is timely if it is postmarked 60 days or more before the date the certified renovation firm's current certification expires. If the certified renovation firm's application is complete and timely, the certified renovation firm's current certification will remain in effect until its expiration date or until the Authority has made a final decision to approve or deny the recertification application, whichever is later.

(B) If the certified renovation firm submits a complete recertification application less than 60 days before its current certification expires, and the Authority does not approve the application before the expiration date, the certified renovation firm's current certification will expire and the certified renovation firm will not be able to conduct renovations until the Authority approves its recertification application.

(C) If the certified renovation firm fails to obtain recertification before the certified renovation firm's current certification expires, the certified renovation firm may not perform renovations or dust sampling and must apply for initial certification under section (1) of this rule.

(b) A recertification application will be considered complete if it contains all of the information requested on the form and includes the correct amount of fees.

(c) If the Authority receives an incomplete application, it will request a certified renovation firm to submit the missing information or fee within 30 days. If an applicant fails to submit the requested information or the fee, the application will be returned to the applicant.

(d) Within 60 days of declaring an application for recertification complete, the Authority shall:

(A) Approve a certified renovation firm's recertification application if the Authority determines that the environmental compliance history of the certified renovation firm, its principals, or its key employees shows a willingness and ability to maintain compliance with environmental statutes or regulations; or

(B) Deny a certified renovation firm's recertification application if the Authority determines that the environmental compliance history of the certified renovation firm, its principals, or its key employees demonstrates an unwillingness or inability to maintain compliance with environmental statutes or regulations.

(e) If the Authority approves a certified renovation firm's recertification application, the Authority shall issue the certified renovation firm a certificate with an expiration date not more than five years from the date the application is approved.

(f) If the Authority denies the recertification application it shall send the certified renovation firm a letter giving the reason for denying the application.

(3) Amendment of certification.

(a) A certified renovation firm shall amend its application for certification within 30 days of the date a change occurs to information included in the certified renovation firm's most recent application.

(b) If the certified renovation firm fails to amend its certification within 30 days of the date the change occurs, the certified renovation firm may not perform renovations or dust sampling until its certification is amended.

(c) To amend a certification, a certified renovation firm must submit a completed "Application for Certified Renovation Firms," signed by an authorized agent of the certified renovation firm, noting on the form that it is submitted as an amendment and indicating the information that has changed.

(d) If additional information is needed to process the amendment, the Authority will request the certified renovation firm to submit the necessary information. The certified renovation firm's certification is not amended until the certified renovation firm submits all the required information and the Authority has approved the amendment.

(e) Amending a certification does not affect the certification expiration date.

(4) The Authority will not refund the application fees if a certified renovation firm's application for initial or recertification is denied.

(5) A certified renovation firm that is denied initial certification or recertification shall have the right to a contested case hearing under ORS chapter 183.

(6) A certified renovation firm that is denied initial or recertification may reapply for certification at any time by filing a new, complete application that includes the correct amount of fees.

(7) Certified renovation firm responsibilities. Certified renovation firms performing renovations shall ensure that:

(a) All individuals performing renovation activities on behalf of the certified renovation firm are either certified renovators or have been trained by a certified renovator as described in OAR 333-070-0100;

(b) A certified renovator is assigned to each renovation performed by the certified renovation firm and discharges all of the certified renovator responsibilities identified in OAR 333-070-0100;

(c) All renovations performed by the certified renovation firm are performed in accordance with the work practice standards as described in OAR 333-070-0090;

- (d) The pre-renovation education requirements of OAR 333-070-0095 have been performed;
- (e) The recordkeeping requirements of OAR 333-070-0110 are met; and
- (f) The certified renovator is in compliance with the responsibilities as identified in OAR 333-070-0100 and 333-070-0090.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0110**

#### **Certified Renovation Firm Recordkeeping and Reporting Requirements**

(1) A certified renovation firm performing renovations must retain and, if requested, make available to the Authority all records required by these rules necessary to demonstrate compliance with these rules for a period of three years following completion of the renovation.

The three-year retention requirement does not supersede longer obligations required by other provisions for retaining the same documentation.

(2) Records that must be retained pursuant to this rule shall include (where applicable):

(a) Records or reports certifying that a determination had been made by an inspector or risk assessor that lead-based paint is not present on the components affected by the renovation. These records or reports include:

(A) Reports prepared by a certified inspector or certified risk assessor (certified by the Authority, EPA, or an EPA-authorized state or tribal program);

(B) Records prepared by a certified renovator after using EPA-recognized test kits, including an identification of the manufacturer and model of any test kits used, a description of the components that were tested including their locations, and the result of each test kit used.

(b) Signed and dated acknowledgments of receipts;

(c) Certifications of attempted delivery as described;

(d) Certificates of mailing;

(e) Records of notification activities performed regarding common area renovations and renovations in child-occupied facilities;

(f) Documentation of compliance with OAR chapter 333, division 70, including documentation that a certified renovator was assigned to the project, that the certified renovator provided on-the-job training for workers used on the project, that the certified renovator performed or directed workers who performed all of the tasks as described in this rule and that the certified renovator performed the post-renovation cleaning verification. If the certified renovation firm was unable to comply with all of the requirements of this rule due to an emergency, the certified renovation firm must document the nature of the emergency and the provisions of the rule that were not followed. This documentation must include a copy of the certified renovator's training certificate, and a certification by the certified renovator assigned to the project that:

(A) Training was provided to workers (topics must be identified for each worker);

(B) Warning signs were posted at the entrances to the work area;

(C) If test kits were used, that the specified brand of kits was used at the specified locations and that the results were as specified;

(D) The work area was contained by:

(i) Removing or covering all objects in the work area (interiors);

(ii) Closing and covering all HVAC ducts in the work area (interiors);

(iii) Closing all windows in the work area (interiors) or closing all windows in and within 20 feet of the work area (exteriors);

(iv) Closing and sealing all doors in the work area (interiors) or closing and sealing all doors in and within 20 feet of the work area (exteriors);

(v) Covering doors in the work area that were being used to allow passage but prevent spread of dust;

(vi) Covering the floor surface, including installed carpet, with taped-down plastic sheeting or other impermeable material in the work area six feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater (interiors) or covering the ground with plastic sheeting or other disposable impermeable material anchored to the building extending 10 feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to collect falling paint debris, whichever is greater, unless the property line prevents 10 feet of such ground covering, weighted down by heavy objects (exteriors);

(vii) Installing (if necessary) vertical containment to prevent migration of dust and debris to adjacent property (exteriors);

(viii) Waste was contained on-site and while being transported off-site.

(E) The work area was properly cleaned after the renovation by:

(i) Picking up all chips and debris, misting protective sheeting, folding it dirty side inward, and taping it for removal;

(ii) Cleaning the work area surfaces and objects using a HEPA vacuum and/or wet cloths or mops (interiors);

(iii) The certified renovator performed the post-renovation cleaning verification (the results of which must be briefly described, including the number of wet and dry cloths used).

(3) When the final invoice for the renovation is delivered or within 30 days of the completion of the renovation, whichever is earlier, the renovation firm must provide information pertaining to compliance with this subpart to the following persons:

(a) The owner of the building; and

(b) An adult occupant of the residential dwelling, if the renovation took place within a residential dwelling, or an adult representative of the child-occupied facility, if the renovation took place within a child-occupied facility.

(4) When performing renovations in common areas of multi-unit target housing, renovation firms must post the information required by this subpart or instructions on how interested occupants can obtain a copy of this information. This information must be posted in areas where it is likely to be seen by the occupants of all of the affected units.

(5) The information required to be provided by OAR 333-070-0110(2) may be provided by completing the sample form titled "Sample Renovation Recordkeeping Checklist" or a similar form containing the test kit information required by OAR 333-070-0075(3)(a)(B) and the training and work practice compliance information required by OAR 333-070-0090 and 333-070-0100.

(6) If dust clearance sampling is performed in lieu of cleaning verification as permitted by OAR 333-070-0090(13), the renovation firm must provide, when the final invoice for the renovation is delivered or within 30 days of completion of the renovation, whichever is earlier, a copy of the dust sampling report to:

(a) The owner of the building; and

(b) An adult occupant of the residential dwelling, if the renovation took place within a residential dwelling, or an adult representative of the child-occupied facility, if the renovation took place within a child-occupied facility.

(7) When performing renovations in common areas of multi-unit target housing, renovation firms must post these dust sampling reports or information on how interested occupants of the housing being renovated can obtain a copy of the report. This information must be posted in areas where they are likely to be seen by the occupants of all of the affected units.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0115**

#### **Inspections and Enforcement**

(1) The Authority may:

(a) Enter private or public property at any reasonable time with consent of the owner or custodian of the property to inspect, investigate, evaluate or conduct tests or take specimens or samples for testing, as necessary to determine compliance with ORS 431.920;

(b) Issue subpoenas to determine compliance with ORS 431.920;

(c) Suspend, revoke or modify a certification to perform lead-based paint activities or renovation if the holder of the certification fails to comply with state or federal statutes or regulations related to lead-based paint;

(d) Suspend, revoke or modify a certified renovator's certification if the renovator fails to comply with state or federal statutes or regulations related to lead-based paint; and

(e) Issue civil penalties not to exceed \$5,000 per violation for a violation of ORS 431.920, or any of these rules, including failure or refusal to permit entry or inspection in accordance with this rule.

(A) In issuing civil penalties the Authority shall consider whether:

(i) The Authority made repeated attempts to obtain compliance;

(ii) The certified firm or individual has a history of noncompliance with environmental statutes or regulations;

(iii) The violation poses a serious risk to the public's health;

(iv) The certified firm or individual gained financially from the noncompliance; and

(v) There are mitigating factors, such as a certified firm's or individual's cooperation with an investigation or actions to come into compliance.

(B) The Authority shall document its consideration of the factors in paragraph (1)(e)(A) of this rule.

- (C) Each day a violation continues is an additional violation.
- (D) A civil penalty imposed under this rule shall comply with ORS 183.745.
- (2) An individual who is issued a notice of suspension, revocation or modification shall have the right to a contested case hearing under ORS chapter 183.
- (3) The Authority shall maintain a publicly available list of individuals whose certification has been suspended, revoked, modified, or reinstated.
- (4) Unless a final order specifies otherwise:
  - (a) An individual whose certification has been suspended must take a refresher training course (renovator or dust sampling technician) prior to certification being reinstated.
  - (b) An individual whose certification has been revoked shall take an initial renovator or dust sampling technician course in order to become certified again.
  - (c) A certified renovation firm whose certification has been revoked may reapply for certification after one year from the date of revocation.
  - (d) If the certified renovation firm's certification has been suspended and the suspension ends less than five years after the certified renovation firm was initially certified or re-certified, the certified renovation firm does not need to do anything to re-activate its certification once the period of suspension has expired.

Stat. Auth.: ORS 183.310-183.540, 183.745, 431.920, 431.922, 431.994  
 Stats. Implemented: ORS 183.310-183.540, 183.745, 431.920, 431.922, 431.994  
 Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0120**

#### **Certification Fees and Refunds**

- (1) Fees for the certification of certified renovation firms.
  - (a) Certification: \$250
  - (b) Recertification: \$250
- (2) Fee Waivers. A renovation firm that has applied to EPA for certification or is certified by the EPA may request a waiver of the certification fee if the firm:
  - (a) Is required to be certified by the Authority; and
  - (b) Provides documentation that the date of application to EPA for certification or the date of certification is prior to May 3, 2010.
- (3) Refund policy.
  - (a) An incomplete application shall be returned with the application fee minus a \$50 administration fee.
  - (b) If an applicant requests that a complete application be withdrawn within 30 days of its receipt by the Authority, the Authority shall refund the applicant \$200 minus a \$50 administration fee.
  - (c) No fees will be refunded if the Authority has begun to process an application.
- (4) Lost certificate. A \$15 fee will be charged for the replacement of a certified renovation firm certificate.
- (5) Certificate replacement. Certified renovation firms seeking certificate replacement must submit the replacement application form and a payment of \$15 in accordance with the instructions provided with the application package.

Stat. Auth.: ORS 431.920  
 Stats. Implemented: ORS 431.920  
 Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0125**

#### **Training Program Accreditation Required**

- (1) A training program may seek accreditation (1) to offer courses in either of the following disciplines: renovator or dust sampling technician. A training program may also seek accreditation to offer refresher courses for each of the above listed disciplines.
- (2) Application process. The following are procedures a training program must follow to receive Authority accreditation to offer renovator courses or dust sampling technician courses:
  - (a) A training program seeking accreditation shall submit a written application with the appropriate fee to the Authority containing the following information:
    - (A) The training program's name, address, and telephone number;
    - (B) A list of courses for which it is applying for accreditation. For the purposes of this section, courses taught in different languages are considered different courses, and each must independently meet the accreditation requirements; and

(C) A statement signed by the training program manager certifying that the training program meets the requirements established in OAR 333-070-0130 and 333-070-0135. If a training program uses EPA model training materials, or training materials approved by an EPA-authorized program, the training program manager shall include a statement certifying that as well.

(b) If a training program does not use EPA model training materials or training materials approved by an EPA-authorized program, its application for accreditation shall also include:

(A) A copy of the student and instructor manuals, or other materials to be used for each course;

(B) A copy of the course agenda for each course; and

(C) When applying for accreditation of a course in a language other than English, a signed statement from a qualified, independent translator that they have compared the course to the English language version and found the translation to be accurate.

(c) All training programs shall include in their application for accreditation the following:

(A) A description of the facilities and equipment to be used for lecture and hands-on training;

(B) A copy of the course test blueprint for each course;

(C) A description of the activities and procedures that will be used for conducting the assessment of hands-on skills for each course; and

(D) A copy of the quality control plan as described in section (4) of OAR 333-070-0135.

(d) If the Authority receives an incomplete application, it will request that the applicant submit the missing information or fee within 30 days. If an applicant fails to submit the requested information or the fee, the application will be returned to the applicant. An applicant who has had its application returned may reapply at any time.

(e) If a training program meets the requirements in OAR 333-070-0130 and 333-070-0135, then the Authority will approve the application for accreditation no more than 60 days after receiving a complete application from the training program. In the case of approval, a certificate of accreditation shall be sent to the applicant.

(f) If the Authority denies the application it shall send the applicant a letter giving the reason for denying the application. An individual whose application is denied shall have the right to a contested case hearing under ORS chapter 183.

(g) If the applicant's application is denied, the program may reapply for accreditation at any time.

(3) A training program may apply for accreditation to offer courses or refresher courses in as many disciplines as it chooses. A training program may seek accreditation for additional courses at any time as long as the program can demonstrate that it meets the requirements of OAR 333-070-0130 and 333-070-0135.

(4) A training program must not provide, offer, or claim to provide renovator or dust sampling technician courses without applying for and receiving accreditation from the Authority.

(5) Refresher courses only.

(a) A training program seeking accreditation to offer refresher training courses only shall submit a written application to the Authority containing the following information:

(A) The refresher training program's name, address, and telephone number;

(B) A list of courses for which it is applying for accreditation;

(C) A statement signed by the training program manager certifying that:

(i) The refresher training program meets the minimum requirements established by section (18) of OAR 333-070-0135; and

(ii) The training program uses EPA-developed model training materials, or training materials approved by a state or Indian tribe that has been authorized by the EPA under 40 CFR 745.324 to develop its refresher training course materials, if applicable.

(D) If the refresher training course materials are not based on EPA-developed model training materials or training materials approved by an authorized state or Indian tribe:

(i) A copy of the student and instructor manuals to be used for each course; and

(ii) A copy of the course agenda for each course.

(E) A description of the facilities and equipment to be used for lecture and hands-on training;

(F) A copy of the course test blueprint for each course;

(G) A description of the activities and procedures that will be used for conducting the assessment of hands-on skills for each course (if applicable); and

(H) A copy of the quality control plan as described in section (4) of OAR 333-070-0135.

(b) If the Authority receives an incomplete application, it will request that the applicant submit the missing information or fee within 30 days. If an applicant fails to submit the requested information or the fee, the application will be returned to the applicant. An applicant who has had its application returned may reapply at any time.

(c) If a refresher training program meets the requirements in section (5) of this rule, then the Authority will

approve the application for accreditation no more than 60 days after receiving a complete application from the training program. In the case of approval, a certificate of accreditation shall be sent to the applicant.

(d) If the Authority denies the application it shall send the applicant a letter giving the reason for denying the application. An applicant who receives a denial shall have the right to a contested case hearing under ORS chapter 183.

(6) Accreditation shall be valid for four years and shall not be transferrable.

(7) The Authority may accredit a training program that has been accredited by the EPA or an EPA-authorized state or tribal program upon receiving evidence of that accreditation and that the training program has:

(a) Completed any additional requirements established by the Authority; and

(b) The training manager has read and understands the accreditation standards as described in these rules.

(8) Accreditation based on a valid accreditation issued by EPA or an EPA-authorized state or tribal program shall be issued with an expiration date not to exceed the date of expiration listed on the EPA or EPA-authorized state or tribal accreditation.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10

### **333-070-0130**

#### **Minimum Personnel Requirements for Training Program Accreditation**

For a training program to obtain accreditation from the Authority to offer renovator courses or dust sampling technician courses, the program shall:

(1) Employ a training manager who has:

(a) At least two years of experience, education, or training in teaching workers or adults; or

(b) A bachelor's or graduate degree in building construction technology, engineering, industrial hygiene, safety, public health, education, business administration or program management or a related field; or

(c) Two years of experience in managing a training program specializing in environmental hazards; and

(d) Demonstrated experience, education, or training in the construction industry including: lead or asbestos abatement, painting, carpentry, renovation, remodeling, occupational safety and health, or industrial hygiene.

(2) Designate a qualified principal instructor for each course who has:

(a) Demonstrated experience, education, or training in teaching workers or adults;

(b) Successfully completed at least 16 hours of any EPA-accredited or EPA-authorized Lead-Based Paint Activities or Lead Renovation, Repair and Painting training program; and

(c) Demonstrated experience, education, or training in lead or asbestos abatement, painting, carpentry, renovation, remodeling, occupational safety and health, or industrial hygiene.

(3) Have a principal instructor responsible for the organization of the course and oversight of the teaching of all course material. The training manager may designate guest instructors as needed to provide instruction specific to the lecture, hands-on activities, or work practice components of a course.

(4) Have documents that serve as evidence that training managers and principal instructors have the education, work experience, training requirements or demonstrated experience, specifically listed in sections (1) and (2) of this rule. This documentation need not be submitted with the accreditation application, but, if not submitted, shall be retained by the training program as required by the recordkeeping requirements contained in OAR 333-070-0150. Those documents include the following:

(a) Official academic transcripts or diploma as evidence of meeting the education requirements.

(b) Resumes, letters of reference, or documentation of work experience, as evidence of meeting the work experience requirements.

(c) Certificates from lead-specific training courses, as evidence of meeting the training requirements.

(5) Ensure the availability of, and provide adequate facilities for, the delivery of the lecture, course test, hands-on training, and assessment activities. This includes providing training equipment that reflects current work practices and maintaining or updating the equipment and facilities as needed.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0135**

#### **Minimum Curriculum Requirements for Training Program Accreditation**

(1) In order to become accredited in the following disciplines a training program shall provide training courses

that meet the following training hour requirements:

(a) The renovator course must provide a minimum of eight training hours, with a minimum of two hours devoted to hands-on training activities. Hands-on training activities must cover renovation methods that minimize the creation of dust and lead-based paint hazards, interior and exterior containment and cleanup methods, and post-renovation cleaning verification.

(b) The dust sampling technician course shall provide a minimum of eight training hours, with a minimum of two hours devoted to hands-on training activities. Hands-on training activities must cover dust sampling methodologies.

(2) A student shall be required to pass a course test or a proficiency test and a hands-on-skill assessment for each course offered.

(a) The training manager is responsible for maintaining the validity and integrity of the hands-on skills assessment or proficiency test to ensure that it accurately evaluates the trainees' performance of the work practices and procedures associated with the course topics contained in sections (16), (17) and (18) of this rule.

(b) The training manager is responsible for maintaining the validity and integrity of the course test to ensure that it accurately evaluates the trainees' knowledge and retention of the course topics.

(c) The course test shall be developed in accordance with the test blueprint submitted with the training accreditation application.

(3) The training program shall issue unique course completion certificates to each individual who passes the training course. The course completion certificate shall include:

(a) The name, a unique identification number, and address of the individual;

(b) The name of the particular course that the individual completed;

(c) Dates of course completion/test passage; and

(d) For renovator and dust sampling technician course completion certificates, a photograph of the individual.

(4) The training manager shall develop and implement a quality control plan. The plan shall be used to maintain and improve the quality of the training program over time. This plan shall contain at least the following elements:

(a) Procedures for periodic revision of training materials and the course test to reflect innovations in the field.

(b) Procedures for the training manager's annual review of principal instructor competency.

(5) Courses offered by the training program must teach the work practice standards contained in OAR 333-070-0090, in such a manner that trainees are provided with the knowledge needed to perform the renovations they will be responsible for conducting.

(6) The training manager shall be responsible for ensuring that the training program complies at all times with all of the requirements in this rule.

(7) The Authority may audit the training program to verify the contents of the application for accreditation as described in OAR 333-070-0130 and OAR 333-070-0135.

(8) The training manager shall provide the Authority with notification of all renovator or dust sampling technician courses offered. The original notification must be received by the Authority at least seven business days prior to the start date of any renovator or dust sampling technician course.

(9) The training manager shall provide the Authority updated notification when renovator or dust sampling technician courses will begin on a date other than the start date specified in the notification, as follows:

(a) For renovator or dust sampling technician courses beginning prior to the start date provided to the Authority, an updated notification must be received by the Authority at least seven business days before the new start date.

(b) For renovator or dust sampling technician courses beginning after the start date provided to the Authority, an updated notification must be received by the Authority at least two business days before the start date.

(10) The training manager shall update the Authority of any change in location of renovator or dust sampling technician courses at least seven business days prior to the start date.

(11) The training manager shall update the Authority regarding any course cancellations, or any other change to the original notification. Updated notifications must be received by the Authority at least two business days prior to the start date.

(12) Each notification required by sections (8) through (11) of this rule, including updates shall include the following:

(a) Notification type (original, update, cancellation);

(b) Training program name, the Authority accreditation number, address, and telephone number;

(c) Course discipline, type (initial/ refresher), and the language in which instruction will be given;

(d) Date(s) and time(s) of training;

(e) Training location(s), telephone number, and address;

(f) Principal instructor's name; and

(g) Training manager's name and signature.

(13) Renovator or dust sampling training courses may not begin on a date, or at a location other than that specified in the original notification unless an updated notification identifying a new start date or location is submitted, in which case the course must begin on the new start date and/or location specified in the updated notification.

(14) The training manager shall provide the Authority notification after the completion of any renovator or dust sampling technician course. This notice must be received by the Authority no later than 10 business days following course completion. The notification shall include the following:

(a) Training program name, accreditation number, address, and telephone number;

(b) Course discipline and type (initial/refresher);

(c) Date(s) of training;

(d) The following information for each student who took the course:

(A) Name;

(B) Address;

(C) Date of birth;

(D) Course completion certificate number;

(E) Course test score; and

(F) A digital photograph of the student;

(e) Training manager's name and signature.

(15) Notifications required by this rule can be accomplished by using an Authority approved form or can be provided in writing with the information.

(a) All notifications shall be in writing and submitted to the Authority:

(A) By mail through the U.S. Postal Service or other commercial delivery service;

(B) By facsimile;

(C) In person; or

(D) Electronically via electronic mail or through the Authority's web-based system if one is established.

(b) A training program providing notifications through the U.S. Postal Service should allow three additional business days for delivery in order to ensure that the Authority receives the notification by the required date.

(c) Instructions for notifications and sample forms can be obtained from the Authority's website at [www.healthoregon.org/lead](http://www.healthoregon.org/lead).

(16) Renovator Training Course. A renovator training course shall include the following subjects:

(a) Role and responsibility of a renovator;

(b) Background information on lead and its adverse health effects;

(c) Background information on, HUD, OSHA, and other federal, state, and local regulations and guidance that pertains to lead-based paint and renovation activities;

(d) Procedures for using EPA recognized test kits to determine whether paint is lead-based paint;

(e) Renovation methods to minimize the creation of dust and lead-based paint hazards;

(f) Interior and exterior containment and cleanup methods;

(g) Methods to ensure that the renovation has been properly completed, including cleaning verification, and clearance testing;

(h) Waste handling and disposal;

(i) Providing on-the-job training to other workers; and

(j) Record preparation.

(17) Dust sampling technician. A dust sampling technician course shall include the following subjects:

(a) Role and responsibility of a dust sampling technician;

(b) Background information on lead and its adverse health effects;

(c) Background information on federal, state, and local regulations and guidance that pertains to lead-based paint and renovation activities;

(d) Dust sampling methodologies;

(e) Clearance standards and testing; and

(f) Report preparation.

(18) Requirements for the accreditation of refresher training programs. A training program may seek accreditation to offer refresher training courses in either of the following disciplines: renovator and dust sampling technician. To obtain the Authority accreditation to offer refresher training, a training program shall meet the following minimum requirements:

(a) Each refresher course shall review the curriculum topics of the full-length courses listed under sections (16)



and (17) of this rule, as appropriate. In addition, to become accredited to offer refresher training courses, training programs shall ensure that their courses of study include, at a minimum, the following:

(A) An overview of current safety practices relating to lead-based paint in general, as well as specific information pertaining to the appropriate discipline.

(B) Current laws and regulations relating to lead-based paint in general, as well as specific information pertaining to the appropriate discipline.

(C) Current technologies relating to lead-based paint in general, as well as specific information pertaining to the appropriate discipline.

(D) Refresher courses for renovator and dust sampling technician must last a minimum of four training hours.

(E) For each course offered, the training program shall conduct a hands-on assessment (if applicable), and at the completion of the course, a course test.

(19) A training program may apply for accreditation of a refresher course concurrently with its application for accreditation of a corresponding training course as described in OAR 333-070-0135(1).

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0140**

#### **Re-Accreditation of Training Programs**

(1) Unless reaccredited, a training program's accreditation (including refresher training accreditation) shall expire four years after the date of issuance. If a training program meets the requirements of this rule, the training program shall be reaccredited.

(2) A training program seeking reaccreditation shall submit an application to the Authority no later than 60 days before its accreditation expires. If a training program does not submit its application for reaccreditation by that date, the Authority cannot guarantee that the program will be reaccredited before the end of the accreditation period.

(3) The training program's application for reaccreditation shall contain:

(a) The training program's name, address, and telephone number.

(b) A list of courses for which it is applying for reaccreditation.

(c) A description of any changes to the training facility, equipment or course materials since its last application was approved that adversely affects the student's ability to learn.

(d) A statement signed by the program manager stating:

(A) That the training program complies at all times with all requirements in OAR 333-070-0130 and 333-070-0135 as applicable; and

(B) The recordkeeping and reporting requirements of OAR 333-070-0150 shall be followed.

(e) A payment of appropriate fees in accordance with these rules.

(4) The Authority may audit the training program to verify the contents of the application for reaccreditation as described in OAR 333-070-0140.

(5) If the Authority receives an incomplete application, it will request that the applicant submit the missing information or fee within 30 days. If an applicant fails to submit the requested information or the fee, the application will be returned to the applicant. An applicant who has had its application returned may reapply at any time.

(6) If a training program meets the requirements in section (2) of this rule, then the Authority will approve the application for reaccreditation no more than 60 days after receiving a complete application from the training program. In the case of approval, a certificate of accreditation shall be sent to the applicant.

(7) If the Authority denies the application it shall send the applicant a letter giving the reason for denying the application. An applicant whose application is denied shall have the right to a contested case hearing under ORS chapter 183.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0145**

#### **Suspending, Revoking, or Denying a Training Program's Accreditation; Civil Penalties**

(1) The Authority may:

(a) Enter private or public property at any reasonable time with consent of the owner or custodian of the property to inspect or investigate as necessary to determine compliance with ORS 431.920;

(b) Issue subpoenas to determine compliance with ORS 431.920;

- (c) Suspend, revoke, or deny an accreditation if the holder of the accreditation fails to comply with state or federal statutes or regulations related to lead-based paint; and
- (d) Issue civil penalties not to exceed \$5,000 per violation for a violation of ORS 431.920, or any of these rules, including failure or refusal to permit entry or inspection in accordance with this rule.
  - (A) In issuing civil penalties the Authority shall consider whether:
    - (i) The Authority made repeated attempts to obtain compliance;
    - (ii) The training program has a history of noncompliance with environmental statutes or regulations;
    - (iii) The violation poses a serious risk to the public's health;
    - (iv) The training program gained financially from the noncompliance; and
    - (v) There are mitigating factors, such as the training program's cooperation with an investigation or actions to come into compliance.
  - (B) The Authority shall document its consideration of the factors in paragraph (1)(d)(A) of this rule.
  - (C) Each day a violation continues is an additional violation.
  - (D) A civil penalty imposed under this rule shall comply with ORS 183.745.
- (2) An accredited training program that is issued a notice of suspension, revocation or denial shall have the right to a contested case hearing under ORS chapter 183.
- (3) The Authority shall maintain a publicly available list of training programs whose accreditation has been suspended, revoked, denied, or reinstated.
- (4) Unless a final order specifies otherwise:
  - (a) An accredited training program whose accreditation has been revoked may reapply for reaccreditation after one year from the date of revocation.
  - (b) If the training program's accreditation has been suspended and the suspension ends less than four years after the training program was initially accredited or reaccredited, the training program does not need to do anything to reactivate its accreditation once the period of suspension has expired.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11

### **333-070-0150**

#### **Training Program Record Keeping Requirements**

An accredited training program shall:

- (1) Maintain, and make available to the Authority upon request, the following records:
  - (a) All documents that demonstrate the qualifications of the training manager and principal instructors.
  - (b) Current curriculum/course materials and documents reflecting any changes made to these materials.
  - (c) The course test blueprint.
  - (d) Information regarding how the hands-on assessment is conducted including, but not limited to:
    - (A) Who conducts the assessment;
    - (B) How the skills are graded;
    - (C) What facilities are used;
    - (D) The pass/fail rate;
    - (E) The quality control plan as described in section (4) of OAR 333-070-0135; and
    - (F) Results of the students' hands-on skills assessments and course tests, and a record of each student's course completion certificate.
  - (e) Any other material not listed above in this section that was submitted to the Authority as part of the program's application for accreditation.
- (2) Retain the records required at the address specified on the training program accreditation application or as amended for a minimum of three years and six months.
- (3) If a training program modifies its application by changing its address, it shall also notify the Authority in writing within 30 days of its intent to transfer records to the new address.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10

### **333-070-0160**

#### **Accreditation Fees**

The following fees are established:

(1) Course Fee Schedule:

- (a) Course — Accreditation Fee — Reaccreditation fee:
- (b) Renovator Initial — \$560 — \$340:
- (c) Dust Sampling Technician Initial — \$560 — \$340:
- (d) Renovator Refresher — \$400 — \$310:
- (e) Dust Sampling Technician Refresher — \$400 — \$310

(2) Student Fee Schedule:

- (a) Course — Fee:
- (b) Renovator Initial — \$17:
- (c) Renovator Refresher — \$17:
- (d) Dust Sampling Technician Initial — \$17:
- (e) Dust Sampling Refresher — \$17.

(f) The student fee is to be paid by the training program at the completion of each training course. The \$17 fee is per student that successfully completes the course. The fee shall be paid by the training program to the Authority within 10 days after completion of the training course.

(3) Fee Waivers. A training program, that has applied for accreditation by the EPA to provide Renovator or Dust Sampling Technician training may request a waiver of the accreditation fees if the training program provides documentation that the date of application for accreditation by EPA or date of accreditation is prior to May 3, 2010.

(4) Firms with current accreditation by EPA or an EPA-authorized state or tribal program shall pay a prorated fee of the appropriate fee listed above, divided by 48, times the number of months remaining in the current accreditation, beginning with the month following application to the Authority.

Stat. Auth.: ORS 431.920

Stats. Implemented: ORS 431.920

Hist.: PH 8-2010, f. & cert. ef. 4-26-10; PH 4-2011, f. & cert. ef. 6-16-11



# Oregon

John A. Kitzhaber, MD, Governor

## Construction Contractors Board

www.oregon.gov/ccb

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503-378-4621

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Oregon Relay 7-1-1

December 17, 2010

Honorable Betsy Johnson  
Oregon State Senate  
PO Box R  
Scappoose OR 97056

Dear Senator Johnson:

You contacted the Construction Contractors Board (CCB) last week asking us to provide you with an analysis of CCB contractor licensing fees. You asked that we provide information regarding fee:

1. History of fee increases
2. Whether they were adjusted by statute or rule
3. When the legislature may have voted on fee increases

I promised you that we would do our best to collect this information and provide it to you this week. Please let me know if the following information is helpful and whether we might provide you with additional information on this topic.

The chart below indicates the most recent CCB contractor license history.

CCB License Fee History (2 Year License)									
Description	7/1/2003 <sup>1</sup>	7/1/2004 <sup>1</sup>	7/1/2005 <sup>2</sup>	7/1/2006 <sup>3</sup>	7/1/2007	7/1/2008	7/1/2009 <sup>4</sup>	7/1/2010	7/1/2011
What a General Contractor New Licensee Paid (by CCB rule)	\$225	\$295	\$295	\$260	\$260	\$260	\$260	\$325	?
What CCB Sought (GRB)	\$295		\$295		\$260		\$410		
What Legislature Approved (LAB)	\$295*	\$295	\$295	\$295	\$260	\$260	\$260	\$325	

Please see attachment 2 and 3 for detailed history of CCB license fees since 1985.

<sup>1</sup> In 2003 the Legislature approved the agency's request to establish a flat fee structure of \$295 for all CCB license fees. In an effort to maintain the lowest possible fee, the agency delayed that fee adjustment until 7/1/2004.

<sup>2</sup> CCB lowered fees by administrative rule from \$295, to \$260/2 year on 10/1/2005.

<sup>3</sup> In 2007 the agency sought no adjustment to its fee authority because it reported that it was charging only \$260/2 year. It is fair to say that the Legislature only authorized a fee of up to \$260 in the LAB.

<sup>4</sup> In 2009 the GRB sought a move to a 2 year \$410 fee. The Legislature chose not to approve any increase for Fiscal Year ending 6/30/10 and a modest increase up to \$325/2 year for Fiscal Year ending 6/30/11.



**CCB Fee Statute or Rules:**

The agency's fee authorization resides in statutes (see ORS 701.238<sup>1</sup>). This law requires the agency to review its fee structure and establish a licensing fee every July. As a practical matter, however, the agency has never raised fees by rule, unless and until the Legislature has authorized it to do so in Ways and Means Committee during its budget review. With the approval of the Department of Administrative Services, the agency has lowered fees on two occasions without specific legislative approval; in 1993 and in 2005.

Therefore, in answer to your question on whether fee increases were performed by statute or rule, the answer is that fee increases were enacted by rule, but only after the Legislature authorized a fee adjustment in Ways and Means during the agency's budget hearings. The Legislature voted to do so in 2003 and 2009.

Contractor categories have changed through the years. A major change was made in 2007, which affected every license category. That change is evident in the attachment.

Prior to 1999, the agency charged an annual fee. After 1999, the agency changed to a two year fee.

Prior to 2003, the agency's fees were administered in a staggered and complicated manner with different fees for various license categories. In addition, a different fee was charged on initial and renewed licenses. Because it was determined that the staggered fee structure was confusing to our licensees, and to create administrative efficiencies, the agency sought authority to flatten its fee structure in 2003.

The agency's contractor license fee structure was modified at the agency's request in 2003 to achieve the lowest, fairest, most effective fee structure. The 2003 action "flattened" and simplified the previous fee structure that had existed prior to 2003. In order to delay a fee increase, the agency delayed implementation of the new fee structure until July 1, 2004.

I have attached the following appendixes in an effort to provide additional information. Please let me know if I may provide you with additional information, or you would like to discuss this matter further.

Sincerely,

Craig P. Smith  
Administrator

CPS:cd

**Attachments:**

1. Discussion of CCB Fee History
2. CCB Fee History Chart
3. CCB Fee History Graph

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<sup>1</sup> **701.238 Determination of licensing application fee; rules.** (1) Before July 1 of each year, the Construction Contractors Board shall determine the amounts of the fees to be charged for applications under ORS 701.056 for the issuance or renewal of contractor licenses. The fee amounts are subject to prior approval of the Oregon Department of Administrative Services and a report to the Emergency Board prior to adoption. The fee amounts shall be within the budget authorized by the Legislative Assembly as that budget may be modified by the Emergency Board. The fee amounts established under this section may not exceed the cost of administering the regulatory program of the board under this chapter, as authorized by the Legislative Assembly within the board's budget, as the budget may be modified by the Emergency Board.

(2) The amounts of the fees determined by the board under subsection (1) of this section shall be effective as set by rule. [Formerly 701.130]

# Construction Contractors Board License Fees By Year 1985-2010

License Category or Endorsement	One Year License Fees During the Period 1985 thru 1998 (Note: Annual Fees Have Been Doubled for Comparison Purposes)										Two Year Licenses																
	7/1/1985	7/1/1986	7/1/1987	7/1/1988	11/1/1989	7/1/1990	10/1/1991	7/1/1992	1/1/1993	7/1/1994	7/1/1995	7/1/1996	7/1/1997	7/1/1998	7/1/1999	7/1/2000	7/1/2001	7/1/2002	10/1/2003	7/1/2004	10/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	
Res. Gen. Contractor (RGC) Initial																											
Res. Gen. Contractor (RGC) Renewal																											
Res. Spec. Contractor (RSC) Initial																											
Res. Spec. Contractor (RSC) Renewal																											
Res. Ltd. Contractor (RLC) Initial																											
Res. Ltd. Contractor (RLC) Renewal																											
Residential Developer (RD) Initial																											
Residential Developer (RD) Renewal																											
Comm. Gen. Cont. 1 (CGC-1) Initial																											
Comm. Gen. Cont. 1 (CGC-1) Renewal																											
Comm. Spec. Cont. 1 (CSC-1) Initial																											
Comm. Spec. Cont. 1 (CSC-1) Renewal																											
Comm. Gen. Cont. 2 (CGC-2) Initial																											
Comm. Gen. Cont. 2 (CGC-2) Renewal																											
Commercial Developer (CD) Initial																											
Gen. Cont.--All Structures Initial																											
Gen. Cont.--All Structures Renewal																											
Gen. Cont.--Residential Initial																											
Gen. Cont.--Residential Renewal																											
Spec. Con.--All Structures Initial																											
Spec. Con.--All Structures Renewal																											
Spec. Cont.--Residential Initial																											
Spec. Cont.--Residential Renewal																											
HA Contractor (added 1981) Initial																											
HA Contractor (added 1981) Renewal																											
HA Contractor (added 1989) Initial																											
HA Contractor (added 1989) Renewal																											
Inspector (added 2003) Initial																											
Inspector (added 2003) Renewal																											
Lic. Developer (added 2003) Initial																											
Lic. Developer (added 2003) Renewal																											
Builder (Builders Board) Initial																											
Builder (Builders Board) Renewal																											
	\$ 110	\$ 110	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
	\$ 110	\$ 110	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120

Note: Inspector category first added as "consultant", OR Laws 1999, ch. 325 §1. In 2001, the term "consultant" was changed to "inspector." Or Laws 2001, ch. 196, § 2  
 Note 2: Lic. Developer, Or Laws 2003, ch. 625, §§ 68, 69

## CCB LICENSING FEES: HISTORICAL BACKGROUND NARRATIVE

From 1985 to 1989, CCB registered builders. The cost for annual registration during the 1985 – 87 biennium was \$55 per year. That cost increased to \$60 per year during the 1987 – 89 biennium.

In 1989, CCB changed from registering “builders” to registering contractors. There were three categories and three subcategories of contractors.

- General contractors (who could work on any structure)
- Specialty contractors (who could work on any structure)
- Residential contractors (who could only work on residential structures)

In addition, the three categories of residential contractors were designated “A,” “B,” and “C”.

In 1989, contractors that worked on all structures paid \$100 per year for a license. Residential contractors paid \$80 per year. The licenses were good for one year. Renewal fees were slightly lower.

In 1991, the law eliminated the “A,” “B,” and “C” subcategories for residential contractors. The fee for a license remained the same.

In 1993, the law added a new category of contractor – the “limited” contractor. This contractor’s annual revenue and contract costs are lower than those of other contractors. We call this the “handyman” license. The fee for this license was the same as for the residential contractor license, \$80 per year.

Licensing fees remained unchanged until 1997. In that year, the fee for an all structure license increased to \$130 per year. The fee for a residential structure license increased to \$110 per year.

Starting April 1, 1999, CCB issued licenses for a period of two years rather than one year in order to create some administrative efficiencies. The fee for an all structure license was \$225/2 years. The fee for a residential structure license was \$190/2 years. (This represented a **decrease** in license fees).

In 1999, the law also added a new license category – consultant. (The term would change two years later to “inspector.”) The consultant license fee was \$190/2 years.

On October 1, 2003, the law added yet another new license category – licensed developer. The developer license fee was \$225/2 years. This fee was the same for the initial and renewal license, a change from the past practice.

By 2003, CCB wanted to flatten and streamline its license fees. The agency was experiencing problems with over- and under-payments that made it difficult to process license applications. In 2003, the legislature authorized a flat CCB license fee of \$295/2 years for all contractor licensing categories. This reduced confusion and created some administrative efficiencies.

On July 1, 2004, CCB increased all license fees to \$295/2 years. Any distinction between fees based on categories or whether the license was being issued or renewed were eliminated.

On October 1, 2005, CCB **reduced** all license fees to \$260/2 years. The agency had accumulated adequate reserves from increased license revenue. The increased revenue was due, in large part, to the fact that there was a construction boom in Oregon and the number of licensed contractors increased to fill the market.

In 2007, the law created a new licensing scheme – “endorsements”. The scheme separates contractors that work on commercial structures from those that work on residential structures. By July 1, 2010, all contractors were required to license under the new scheme. This was one of many changes in statutes by the legislature that year that affected CCB and construction contractors. The endorsement system allowed for a separation between residential and commercial contractors without raising fees for contractors that needed both residential and commercial endorsements.

In 2009, the Governor’s Recommended Budget (GRB) sought authorization to adjust the licensing fees to \$410. This represented a \$115 increase from the 2003 Legislative Approved Budget (LAB). The legislature did not support the request. Instead, the LAB authorized:

- No fee increase for the fiscal year (FY) ending June 30, 2010; and
- An increase of up to \$325 for FY ending June 30, 2011.

On July 1, 2010, CCB increased the license fee to \$325. This is the current license fee.

#### Current Licensing Fee of \$325 is Inadequate to Support Operations

The CCB has been operating on (1) license fee revenue and (2) cash reserves for the past 36 months. **Cash reserves are projected to be fully spent by June 30, 2011 at which time the agency will have a four month operating cash reserve.**



CCB has already reduced staff from approximately 80 full-time equivalents (FTE) to approximately 74 FTE over the course of the 2009-11 biennium. In addition, CCB eliminated the following expenditures:

- Mailed newsletter to contractors (savings of approximately \$160,000)
- Consumer education (savings of approximately \$500,000)

In addition, CCB has not filled positions and not sought positions previously authorized by the 2009 legislature (for example, lead-based paint and locksmith program) because its revenue is inadequate to do so.

### Major Program Changes Impacting Budget

#### *A. Endorsements (HB 3242 (2007))*

In 2007, the laws were changed to require contractors to obtain license endorsements. These endorsements allow contractors to work on commercial or residential structures. (If a contractor works on both structures, it needs both endorsements). As a result of the law change, CCB:

- (1) Rewrote its licensing and complaint (claims) rules;
- (2) Created new bond forms;
- (3) Created new license applications;
- (4) Created new complaint forms;
- (5) Trained its staff on the new programs; and
- (6) Educated contractors with publications (paper and website based).

#### *B. 13 Additional FTE Authorized*

The 2007 Legislature authorized 13 additional FTE and corresponding spending limitation to perform additional field inspections as requested by the agency and all major construction associations. This added substantial costs to the agency's budget, but no corresponding adjustment to CCB \$260/2 year fee was requested or authorized by the legislature. Instead, the 2007-09 budget contemplated using CCB cash reserves to fund the additional FTE. The agency understood that the legislature would consider fee adjustments if the new field inspection program proved to be successful. Although the program has proven to be VERY popular with contractors and has proven to be a success, due in part to the great recession, the 2009 legislature was not willing to authorize the fee sought by the agency in its GRB for 2009-11.

#### *C. Lead-Based Paint (LBP) (HB 2134 (2009))*

Starting April 2010, federal law required that contractors that perform LBP *renovation* in pre-1978 housing or child-occupied facilities must be licensed for that task. A 2009 state law directed CCB to establish a system to license contractors to perform LBP renovation.

CCB:

- (1) Amended and adopted rules;
- (2) Established procedures for submitting applications for licensure or renewal
- (3) Established fees;
- (4) Developed a method to prove an employee completed required training.
- (5) Licensed certified lead-based paint renovation (LBPR) contractors;
- (6) Educated contractors about the requirements;
- (7) Conducted field investigations into complaints; and
- (8) Initiated enforcement actions against violators.

The certified LBPR contractor license is valid for **one year** and is renewable. The cost for the initial and renewed license is \$50.

*D. Locksmiths (HB 3127 (2009))*

Another 2009 law, HB 3127, requires CCB to certify individuals as locksmiths. (A business that hires a locksmith to perform locksmith services must be a licensed contractor). CCB:

- (1) Amended and adopted rules;
- (2) Established an on-line testing and certification program;
- (3) Established fees;
- (4) Certified individuals as locksmiths;
- (5) Educated individuals and contractors about the locksmith requirements;
- (6) Conducted field investigations (including stings) to identify violations; and
- (7) Initiated enforcement actions against violators.

The locksmith certification is valid for **two years** and is renewable. The cost for the initial and renewed certification is \$60.

*E. Energy Efficiency and Sustainable Technology (HB 2626 (2009))*

HB 2626 directed the Director of the Department of Energy (DOE) to establish and administer the Energy Efficiency and Sustainable Technology (EEAST) loan program. The program is designed to fund projects aimed at increasing energy efficiency in homes and small businesses.

CCB is required to issue certification to qualifying contractors and is authorized to charge a fee for certification. CCB has recently adopted rules and will begin certification on January 1, 2011.

The EEAST certification is valid for **one year** and is renewable. The cost for the initial and renewed certification is \$50.

## CCB Contractor License History

The chart below indicates the most recent CCB contractor license history.

CCB License Fee History (2 Year License)										
Description	7/1/2003 <sup>1</sup>	7/1/2004 <sup>1</sup>	7/1/2005 <sup>2</sup>	7/1/2006 <sup>3</sup>	7/1/2007	7/1/2008	7/1/2009 <sup>4</sup>	7/1/2010	7/1/2011	7/1/2012
What a General Contractor New Licensee Paid (by CCB rule)	\$225	\$295	\$295	\$260	\$260	\$260	\$260	\$325	\$325	\$325
What CCB Sought (GRB)	\$295		\$295		\$260		\$410		\$395	
What Legislature Approved (LAB)	\$295*	\$295	\$295	\$295	\$260	\$260	\$260	\$325	\$325	\$325

<sup>1</sup> In 2003 the Legislature approved the agency's request to establish a flat fee structure of \$295 for all CCB license fees. In an effort to maintain the lowest possible fee, the agency delayed that fee adjustment until 7/1/2004.

<sup>2</sup> CCB lowered fees by administrative rule from \$295, to \$260/2 year on 10/1/2005.

<sup>3</sup> In 2007 the agency sought no adjustment to its fee authority because it reported that it was charging only \$260/2 year. It is fair to say that the Legislature only authorized a fee of up to \$260 in the LAB.

<sup>4</sup> In 2009 the GRB sought a move to a 2 year \$410 fee. The Legislature chose not to approve any increase for Fiscal Year ending 6/30/10 and a modest increase up to \$325/2 year for Fiscal Year ending 6/30/11.