

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Peter Buckley, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Nancy Nathanson, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

MEMORANDUM

To: *General Government Subcommittee*
From: *Krista McDowell, Legislative Fiscal Office (503) 986-1838*
Date: *April 5, 2015*
Subject: *HB 5011 Construction Contractors Board*

Construction Contractors Board – Agency Totals

	2011-13 Actuals	2013-15 Legislatively Approved*	2015-17 Current Service Level	2015-17 LFO Recommended
Other Funds	12,623,574	16,287,732	15,829,174	14,772,368
Total Funds	12,623,574	16,287,732	15,829,174	14,772,368
Positions	75	75	69	62
FTE	75.00	74.50	69.00	62.00

* includes Emergency Board and administrative actions through December 2014

Background Information:

During the 2013-15 biennium the CCB has undergone an extensive internal evaluation and has made strides to reduce expenses, close budget gaps, intensify communications with both employees and the public, as well as build more significant relationships with stakeholders and other government resources.

The 2015-17 LFO Recommended Budget is a reflection of the Agency Request Budget, and makes considerations for the CCB’s plan to maximize technology to further improve service and reduce costs.

Adjustments to Current Service Level:

See attached “Work Session Presentation Report”.

Accept LFO Recommendation:

Sen./Rep. _____ Moves the LFO recommendation to HB 5011.

Accept LFO Recommendation with Modifications:

Sen./Rep. _____ Moves the LFO recommendations on HB 5011, with modifications.

Budget Notes:

There are no Budget Notes in the CCB budget bill: HB 5011.

Performance Measures

See attached "Legislatively Proposed 2015-17 Key Performance Measures" form.

Accept LFO Recommendation:

Sen./Rep. _____ Moves the LFO recommendation on Key Performance Measures to HB 5011.

Accept LFO Recommendation with Modifications:

Sen./Rep. _____ Moves the LFO recommendations on Key Performance Measures, with modifications, to HB 5011.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$14,772,368 Other Funds, and 62 positions (62.00 FTE) and that House Bill 5011 be as amended accordingly.

Accept LFO Recommendation:

Sen./Rep. _____ Moves the -1 amendment to HB 5011.

Final Subcommittee Action:

Final Motion:

Sen./Rep. _____ Moves House Bill 5011, as amended, to the full committee with a "do pass" recommendation.

Chair to assign carriers:

Full: _____

1st Chamber: _____

2nd Chamber: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	15,874,620	-	-	-	15,874,620	75	75.00
2013-15 Ebds, SS & Admin Act	-	-	413,112	-	-	-	413,112	-	(0.50)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	16,287,732	-	-	-	16,287,732	75	74.50
2013-15 Leg Approved Budget (Base)	-	-	16,287,732	-	-	-	16,287,732	75	74.50
Summary of Base Adjustments	-	-	(642,226)	-	-	-	(642,226)	(6)	(5.50)
2015-17 Base Budget	-	-	15,645,506	-	-	-	15,645,506	69	69.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(48,554)	-	-	-	(48,554)	-	-
030: Inflation & Price List Adjustments	-	-	232,222	-	-	-	232,222	-	-
2015-17 Current Service Level	-	-	15,829,174	-	-	-	15,829,174	69	69.00
070: Revenue Reductions/Shortfall	-	-	(1,056,806)	-	-	-	(1,056,806)	(7)	(7.00)
Adjusted 2015-17 Current Service Level	-	-	14,772,368	-	-	-	14,772,368	62	62.00
2015-17 Legislative Actions	-	-	14,772,368	-	-	-	14,772,368	62	62.00
Net change from 2013-15 Leg Approved Budget	-	-	(1,515,364)	-	-	-	(1,515,364)	(13)	(12.50)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(9.3%)	0.0%	0.0%	0.0%	(9.3%)	(17.3%)	(16.8%)
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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2013-15 Ebds, SS & Admin Act	-	-	413,112	-	-	-	413,112	-	(0.50)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	16,287,732	-	-	-	16,287,732	75	74.50
2013-15 Leg Approved Budget (Base)	-	-	16,287,732	-	-	-	16,287,732	75	74.50
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2015-17 Base Budget	-	-	15,645,506	-	-	-	15,645,506	69	69.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(48,554)	-	-	-	(48,554)	-	-
030: Inflation & Price List Adjustments	-	-	232,222	-	-	-	232,222	-	-
2015-17 Current Service Level	-	-	15,829,174	-	-	-	15,829,174	69	69.00
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Adjusted 2015-17 Current Service Level	-	-	14,772,368	-	-	-	14,772,368	62	62.00
2015-17 Legislative Actions	-	-	14,772,368	-	-	-	14,772,368	62	62.00
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Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	(9.3%)	0.0%	0.0%	0.0%	(9.3%)	(17.3%)	(16.8%)
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package eliminates 7 positions (7.00 FTE) and reduces Other Fund expenditure limitation by \$1,056,806. This package is \$200,000 less than the Governors Recommended Budget, which assumed additional savings in services and supplies.

LFO Recommendation Approve As Modified

LFO Recommended	-	-	(1,056,806)	-	-	-	(1,056,806)	(7)	(7.00)
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Legislatively Proposed 2015-2017 Key Performance Measures

Agency: CONSTRUCTION CONTRACTORS BOARD

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 law enforcement.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
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.		Approved KPM	0.26	1.00	1.00
2 - Homeowner Awareness: Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.		Approved KPM	46.00	50.00	50.00
3 - Unlicensed Recidivism Rate: Percent of offenders who perform work without a CCB license within three years of first offense.		Approved KPM	14.20	15.00	15.00
4 - Contractors Who Fail to Pay Damages: Percent of licensed contractors operating in Oregon that fail to pay in full final dispute resolution complaints for damages.		Approved KPM	0.33	0.50	0.50
5 - Enforcement Investigations: Average days to close an enforcement investigation.		Approved KPM	181.00	60.00	60.00
6 - Dispute Resolution Final Orders: Average days to issue a dispute resolution (claims) final order.		Approved KPM	154.00	155.00	155.00
7 - Fair and Impartial Dispute Resolution Process: Percent of parties to claims who perceive claims process to be fair and impartial.		Approved KPM	94.00	90.00	90.00
8 - License and Renewal Processing: Percent of contractors satisfied with the agency's processing of license and renewal information.		Approved KPM	94.00	96.00	96.00
9 - Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Accuracy	Approved KPM	93.20	95.00	95.00
9 - Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Availability of Information	Approved KPM	92.40	90.00	90.00

Agency: CONSTRUCTION CONTRACTORS BOARD

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
9 - Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Expertise	Approved KPM	95.80	95.00	95.00
9 - Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Helpfulness	Approved KPM	97.10	95.00	95.00
9 - Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Overall	Approved KPM	95.00	95.00	95.00
9 - Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Timeliness	Approved KPM	95.30	95.00	95.00
10 - Best Practices: Percent of best practices met by the Board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

LFO recommends approval of the agency's key performance measures with modifications to the descriptions of the following KPM's: #3 Previous Description: Unlicensed Recidivism Rate: Percent of offenders who recidivate by performing work without a CCB license within three years of first offense. #3 Proposed Description: Unlicensed Recidivism Rate: Percent of offenders who perform work without a CCB license within three years of first offense. #4 Previous Description: 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. #4 Proposed Description: Contractors Who Fail to Pay Damages: Percent of licensed contractors operating in Oregon that fail to pay in full final dispute resolution complaints for damages. #9 Previous Description: Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent". These rankings would be for overall service as well as for timeliness, accuracy, helpfulness, expertise, availability of information #9 Proposed Description: Customer Service: Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.

Sub-Committee Action:

HB 5011-1
(LC 9011)
4/6/15 (TR/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 5011**

1 In line 6 of the printed bill, delete “\$14,540,074” and insert “\$14,772,368”.

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