

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Sen. Whitsett

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.

Action Date: 05/01/15

Vote:

Senate

Yeas: 11 - Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

Exc: 1 - Bates

House

Yeas: 9 - Buckley, Gomberg, Huffman, Komp, McLane, Rayfield, Smith, Whisnant, Whitsett

Exc: 3 - Nathanson, Read, Williamson

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: Krista McDowell, Legislative Fiscal Office

Agency: Construction Contractors Board

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				<u>\$ Change</u>	<u>% Change</u>
Other Funds Limited	\$ 16,287,732	\$ 15,829,174	\$ 14,772,368	\$ (1,515,364)	-9.3%
Total	\$ 16,287,732	\$ 15,829,174	\$ 14,772,368	\$ (1,515,364)	-9.3%

Position Summary

Authorized Positions	75	69	62	-13
Full-time Equivalent (FTE) positions	74.50	69.00	62.00	-12.50

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The Construction Contractors Board (CCB) relies entirely on Other Funds revenue from contractor license fees, complaint processing fees, and civil penalty payments. The Agency receives 80 percent of its revenue from contractor licensees and renewal fees. In recent years, the Agency has been faced with revenue constraints due to a reduced level of licensees. However, recent projections indicate that licensing numbers have stabilized. The Board's projected ending balance is \$2,098,992 Other Funds, equivalent to approximately 3.4 months operating expenses.

Summary of General Government Subcommittee Action

The Subcommittee recommended \$14,772,368 Other Funds budget for 2015-17 is 9.3 percent lower than the legislatively approved spending level for the 2013-15 biennium.

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 Subcommittee budget makes considerations for the CCB to maximize technology to further improve service and reduce costs.

The Subcommittee approved Package 070: Revenue Shortfalls. This package eliminates seven positions (7.00 FTE) and reduces Other Funds expenditure limitation by \$1,056,806. The package addresses the revenue shortfall the agency is facing, and leaves an adequate ending balance.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5011-A

**Construction Contractors Board
Dustin Ball -- 503-378-3119**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ -	\$ -	\$ 16,287,732	\$ -	\$ -	\$ -	\$ 16,287,732	75	74.50
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$ 15,829,174	\$ -	\$ -	\$ -	\$ 15,829,174	69	69.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 017 - Construction Contractors Board									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (1,030,859)	\$ -	\$ -	\$ -	\$ (1,030,859)	-7	-7.00
Capital Outlay	\$ -	\$ -	\$ (25,947)	\$ -	\$ -	\$ -	\$ (25,947)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ (1,056,806)	\$ -	\$ -	\$ -	\$ (1,056,806)	-7	-7.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 14,772,368	\$ -	\$ -	\$ -	\$ 14,772,368	62	62.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	-9.3%	0.0%	0.0%	0.0%	-9.3%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	-6.7%	0.0%	0.0%	0.0%	-6.7%		

*Excludes Capital Construction Expenditures

Legislatively Approved 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

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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:

The Subcommittee approved the KPM's with updated verbiage to the KPM descriptions.