

SB 5511 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: Krista Dauenhauer, Legislative Fiscal Office

Construction Contractors Board

2017-19

PRELIMINARY

Budget Summary*

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 15,069,970	\$ 16,327,641	\$ 16,321,751	\$ 1,251,781	8.3%
Total	\$ 15,069,970	\$ 16,327,641	\$ 16,321,751	\$ 1,251,781	8.3%

Position Summary

Authorized Positions	62	62	61	-1
Full-time Equivalent (FTE) positions	62.00	62.00	61.00	-1.00

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Construction Contractors Board (CCB) relies on Other Funds fee revenues from contractor licenses, continuing education, and complaint processing. Licensee revenues have rebounded due to a strong economy, leading to a projected beginning fund balance of \$9.6 million in the 2017-19 biennium. Due to the high beginning fund balance, the agency is temporarily reducing its main contractor license fee, from \$325 per biennium to \$250 per biennium, which is projected to reduce fee revenues by \$2.8 million in the 2017-19 biennium. The agency is also eliminating its fee for continuing education courses starting in January 2018, further reducing revenues by \$1.2 million in the biennium. CCB is projected to have an ending fund balance of \$5.2 million, which is equivalent to eight months of operating expenditures.

Summary of General Government Subcommittee Action

The Subcommittee recommended a budget of \$16,321,751 Other Funds and 61.00 full-time equivalent positions. This is an 8.3 percent increase from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved Package 101 - Technology Streamlining Initiative: This package establishes one limited duration position (1.00 FTE) and increases Other Funds limitation by \$346,840. The position will assist with the rollout of the online licensing system and other technology initiatives.

The Subcommittee approved Package 801 - LFO Analyst Adjustments: This package eliminates two vacant positions (2.00 FTE) and reduces Other Funds limitation by \$352,730. The package also adjusts revenues and beginning balances to reflect current projections and the agency's fee decrease.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Construction Contractors Board
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ -	\$ -	\$ 15,069,970	\$ -	\$ -	\$ -	15,069,970	62	62.00
2017-19 Current Service Level (CSL)*	\$ -	\$ -	\$ 16,327,641	\$ -	\$ -	\$ -	16,327,641	62	62.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 017 - Construction Contractors Board									
Package 101: Technology Streamlining Initiative									
Personal Services	\$ -	\$ -	\$ 280,736	\$ -	\$ -	\$ -	280,736	1	1.00
Services and Supplies	\$ -	\$ -	\$ 66,104	\$ -	\$ -	\$ -	66,104		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ (305,762)	\$ -	\$ -	\$ -	(305,762)	-2	-2.00
Services and Supplies (Professional Services)	\$ -	\$ -	\$ (46,968)	\$ -	\$ -	\$ -	(46,968)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ (5,890)	\$ -	\$ -	\$ -	(5,890)	-1	-1.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 16,321,751	\$ -	\$ -	\$ -	16,321,751	61	61.00
% Change from 2015-17 Leg Approved Budget	0.0%	0.0%	8.3%	0.0%	0.0%	0.0%	8.3%	-1.6%	-1.6%
% Change from 2017-19 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.6%	-1.6%

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Construction Contractors Board

Mission Statement:

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 Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
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	0.35%	1%	1%
2. Homeowner Awareness - Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.		Approved	51%	50%	50%
3. Unlicensed Recidivism Rate - Percent of offenders who perform work without a CCB license within three years of first offense.		Approved	7.29%	15%	15%
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	0.06%	0.50%	0.50%
5. Enforcement Investigations - Average days to close an enforcement investigation.		Approved	10	60	60
6. Dispute Resolution Final Orders - Average days to issue a dispute resolution (claims) final order.		Approved	158	155	155
7. Fair and Impartial Dispute Resolution Process - Percent of parties to claims who perceive claims process to be fair and impartial.		Approved	89%	90%	90%
8. License and Renewal Processing - Percent of contractors satisfied with the agency's processing of license and renewal information.		Approved	95%	96%	96%
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	95.10%	95%	95%
	Accuracy		96.10%	95%	95%
	Expertise		97.20%	95%	95%
	Helpfulness		97%	95%	95%
	Availability of Information		94%	95%	95%
	Overall		94.90%	95%	95%
10. Best Practices - Percent of best practices met by the Board.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office (LFO) recommends approval of the KPMs.

SubCommittee Action:

Approve the LFO recommendation with the understanding that the CCB will review KPM #5 "Enforcement Investigations - Average days to close an enforcement investigation" and consider proposing a new target in the 2019-21 budget cycle.