

**SB 5511 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Gomberg

**Joint Committee On Ways and Means**

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**Action Date:** 04/21/17

**Action:** Do Pass the A-Eng bill.

**House Vote**

**Yeas:** 8 - Gomberg, Holvey, Huffman, Nathanson, Rayfield, Smith G, Stark, Williamson

**Nays:** 1 - McLane

**Exc:** 2 - Smith Warner, Whisnant

**Senate Vote**

**Yeas:** 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

**Prepared By:** Patrick Heath, Department of Administrative Services

**Reviewed By:** Krista Dauenhauer, Legislative Fiscal Office

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**Construction Contractors Board**

**2017-19**

## **Budget Summary\***

	2015-17 Legislatively Approved Budget <sup>(1)</sup>	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

<sup>(1)</sup> 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  
Patrick Heath -- (503) 378-3742

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
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 017 - Construction Contractors Board</b>									
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)		
<b>TOTAL ADJUSTMENTS</b>	\$ -	\$ -	\$ (5,890)	\$ -	\$ -	\$ -	(5,890)	-1	-1.00
<b>SUBCOMMITTEE RECOMMENDATION *</b>	\$ -	\$ -	\$ 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.