

Construction Contractors Board					
	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
Other Funds	13,236,738	15,859,876	16,174,047	17,001,154	16,665,921
Total Funds	13,236,738	15,859,876	16,174,047	17,001,154	16,665,921
Positions	62	61	61	59	61
FTE	62.00	61.00	61.00	59.00	61.00

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Construction Contractors Board (CCB) regulates the profession of construction contracting and provides construction related consumer protection services. The agency licenses construction contractors, subcontractors, home inspectors, and issues certifications for locksmiths, construction flaggers, home energy assessors, and lead paint removal. Furthermore, the agency investigates complaints, imposes fines for violations of Oregon laws and ensures that new contractors meet statutory pre-licensing educational and testing requirements.

CSL Summary and Issues

The agency is projected to close out the 2017-19 budget cycle with \$13.72 million in expenditures, which is 24% below the 2019-21 CSL calculation of \$17 million. Given the discrepancy between CSL and actual expenditures, as well as an accumulation of 2017-19 ending fund balance which is estimated to be 14 months of equivalent expenditures by the end of the biennium; CSL calculations should not be considered an accurate reflection of the current agency budgetary outlook.

Policy Issues

The CCB requests the following policy option packages for 2019-21:

- Package 101 - Funds one limited duration Operations and Policy Analyst 4 position (1.00 FTE) for a cost of \$259,695 Other Funds, to oversee the implementation of a licensing system which would integrate with the Building Codes division of the Department of Consumer and Business Services.
- Package 102 - Funds the reclassification of the agency's primary budget position from an Accounting Technician 3 to a Fiscal Analyst 1 for a cost of \$20,406 in Other Funds.
- Package 103 - Funds one Public Service Representative 4 position (1.00 FTE) for a cost of \$161,122 Other Funds, to manage workload associated with contractor licensing.

Other Significant Issues and Background

A temporary \$75 licensing fee reduction was implemented as part of CCB's 2017-19 Legislatively Adopted Budget due to a large accumulation of ending fund balance. The agency planned to expend the excessive ending balance during the 2017-19 biennium, however, due to continued underspending the ending balance remains; with an estimated \$8.29 million projected 2017-19 ending fund balance or an equivalent of 14 months of operating expenditures. Therefore, the temporary fee reduction is assumed to remain during the 2019-21 budget cycle.

As a part of the 2017-19 Legislatively Adopted Budget, the agency was granted one limited duration position to rollout an online licensing system as part of HB 2843 (2015). The system would, in theory, function in combination with the Department of Consumer and Business Services – Building Codes division, allowing licensees information to be accessible by both agencies. However, due to failed vendor contract negotiations and staff turnover at CCB, the project remains in the early planning stages with no foundational project management documents, and no cost estimates for system implementation and operations maintenance. Policy option package 101 seeks funding for a limited duration position to continue the licensing system work. Given that this licensing system effort has been four years in the making and no tangible results have been produced, any additional funding should be diligently deliberated before being awarded.