



Oregon

Tina Kotek, Governor

Construction Contractors Board

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To the Members of the Joint Committee on Ways and Means

Co-Chairs Lieber and Sanchez,

This memorandum and accompanying form address the request of the Legislative Fiscal Office (LFO) for 2025-2027 agency budget reduction options. NOTE: CCB has not established or expanded any programs since July 2021 – the related form is omitted from this submission.

Agency Mission

The Construction Contractors Board (CCB) is a regulatory agency that protects Oregon consumers through licensing of the construction industry. The agency's statutory mission is to protect and serve Oregon consumers and support responsible licensed contractors while promoting a positive business climate. CCB's administers the following programs:

- Licensing of businesses engaged in construction.
- Statewide enforcement of licensing requirements.
- Dispute resolution of conflicts arising between consumers and contractors.
- Education of both consumers and contractors.

Agency Budget Context

CCB is an Other Funds agency, supported primarily by contractor license fees. The agency also receives a small portion of revenue from administrative and processing fees. The board retains a portion of civil penalties collected from individuals who violate laws. CCB retains 20 percent of civil penalties, transferring 80 percent to the General Fund.

Approximately 90 percent of operating revenue is derived from the fee paid to apply for a new contractor license and to renew every two years. In 2024 the agency increased license fee for the first time in nearly 14 years. The new fee is \$400 for a two-year license, an increase of \$75.

As an Other Funds agency, the CCB regularly *rebalances* our resources and manages our programs to live within available revenue. The agency closely monitors revenue and economic indicators in order to project fluctuations that may require the agency to adjust service levels and alter planned expenditures.



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Agency reserve funds are closely monitored and maintained at appropriate levels in order to support strategic priorities. Reserves serve two primary purposes:

- Continuity of services during revenue downturns.
- Strategic investments, such as the agency's planned modernization effort, which was approved during the 2025-2027 budget authorization process.

Over the last several years the agency has worked to retain sufficient reserves to move forward with the critical replacement of our 1990-era license database. The current database hampers the agency's ability to improve services and drives up long-term costs.

Reduction Options

The agency has proposed a reduction package that allows the agency to manage scarce resources if agency revenue declines, while achieving long-term strategic objectives. The reduction package is made up of two primary components:

- Partial delay in implementation of the agency's modernization project, including some of the planned position costs associated with the project.
- Reduction in positions that can be absorbed while maintaining core program services.

The agency suggests the identified positions should be left within the organization and held vacant rather than being removed from the budget entirely. This allows the agency to live within available revenue while also moving swiftly to restore services as the economy improves.

The potential impact on services should also be considered in context. Agency staffing has remained largely static since 2013, notwithstanding growth of approximately 20% in the contractor community. This is an effective reduction that the agency has absorbed in order to hold down long-term costs.

The agency believes this approach will allow CCB to maintain core services. Potential outcomes are the license processing times will increase, and statewide enforcement efforts will be reduced. These programs are among the larger programs within the agency and are best suited to absorb these reductions to service levels.

The package also retains planned expenditures related to the modernization project but pushes the project out until it is certain that revenues are sufficient to ensure project viability. CCB presumes policymakers understand the criticality of the modernization project and the criticality of preserving agency reserves for that purpose.

The agency welcomes the opportunity to answer any questions about our proposal.

Chris Huntington

Administrator, Oregon Construction Contractors Board

2025-27 Biennium

2025-27 LAB				-	-	22,590,561	-	-	-	22,590,561	* Net of Pass through payments/costs to mitigate inappropriate adverse budgetary impact					
Detail of Reductions to 2025-27 Legislatively Adopted Budget																
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
Dept	Prgm/ Div															
1	1	915		Pos. #805 - Licensing PSR4			235,940				\$ 235,940	805	1.00	No	Yes	Reduces capacity and further constrains workflow support for primary revenue generation (Licensing)
2	2	915		Pos. #813 - Enforcement CS2			255,087				\$ 255,087	813	1.00	No	Yes	Reduces capacity and further constrains workflow support for primary consumer safety/protection activities.
3	3	915		Pos #765 - Licensing Project OPA2			117,970				\$ 117,970	765	0.50	No	Yes	Reduces/Defers capacity and constrains project leadership support for new licensing software implementation. Directly impacts all operations, revenue generation and customer/consumer safety, protection and support.
4	4	915		POP 101 - IT Professional Services			520,531				\$ 520,531			No	Yes	Reduces/Defers implementation timeline, capacity and constrains potential vendor production for new licensing softare implementation. Directly impacts all operations, revenue generation and customer/consumer safety, projection and support.
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TOTAL				-	-	1,129,528	-	-	-	\$ 1,129,528	2,383	2.50				

Target (5%)	-	-	1,129,528	
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Difference	-	-	-
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