

LEGISLATIVE FISCAL OFFICE
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 WAYS AND MEANS

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To: General Government Subcommittee
 From: Ben Ruef, Legislative Fiscal Office
 Date: April 16, 2025
 Subject: SB 5509 – Construction Contractors Board
 Work Session Recommendations

Construction Contractors Board				
<i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
Other Funds	17,472,891	19,950,763	21,497,189	23,370,802
TOTAL FUNDS	17,472,891	19,950,763	21,497,189	23,370,802
Positions	59	59	59	60
FTE	59.00	59.00	59.00	59.50

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

LFO is recommending a budget for the Construction Contractors Board of \$23.4 million Other Funds with 60 positions (59.50 FTE), which is a 17.1% increase from the 2023-25 legislatively approved budget and 8.7% increase to the 2023-25 current service level. The recommendation leaves the CCB ending fund balance at an estimated four month operating reserve.

Increases from the current service level in the LFO recommended budget are primarily driven by three policy packages related to the agency's licensing system replacement project and expanded flexibility for covering personnel costs.

- Package 101 adds \$1.5 million in Other Funds expenditure limitation and one position (0.50 FTE) to complete the replacement of the Construction Contractors Board's 30-year-old licensing system.
- Package 104 increases Other Funds expenditure limitation by \$35,644 to migrate IT infrastructure hosting to the State Data Center, allowing IT staff to focus on the system transition.
- Package 105 provides an additional \$337,949 in Other Funds expenditure limitation to cover personnel-related costs, including \$50,000 for overtime, \$47,000 for temporary staffing, and \$64,000 for pay differentials.

The recommended budget also reflects a \$75 increase in the licensing fee for new applicants, raising the two-year license fee from \$325 to \$400 for applications submitted on or after July 1, 2025, as approved by the Board. A similar \$75 increase for license renewals, effective July 1, 2024, is included in the SB 5510 (2025) fee ratification bill. Combined, these fee changes are expected to generate approximately \$3.47 million in additional revenue for the 2025-27 biennium. The last licensing fee increase was in 2010.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation

MOTION: I move the LFO recommendation to SB 5509. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to SB 5509, with modifications. *(vote)*

Performance Measures

See attached "Legislatively Proposed 2025-27 Key Performance Measures."

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

Amendment

LFO recommends a budget of \$23,370,802 Other Funds and 60 positions (59.50 FTE), which is reflected in the –1 amendment.

MOTION: I move adoption of the –1 amendment to SB 5509. *(vote)*

Final Subcommittee Action

LFO recommends that SB 5509, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5509, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	18,860,099	-	-	-	18,860,099	59	59.00
2023-25 Ebds, SS & Admin Act	-	-	1,090,664	-	-	-	1,090,664	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	19,950,763	-	-	-	19,950,763	59	59.00
2023-25 Leg Approved Budget (Base)	-	-	19,950,763	-	-	-	19,950,763	59	59.00
Summary of Base Adjustments	-	-	1,448,954	-	-	-	1,448,954	-	-
2025-27 Base Budget	-	-	21,399,717	-	-	-	21,399,717	59	59.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(245,879)	-	-	-	(245,879)	-	-
030: Inflation & Price List Adjustments	-	-	343,351	-	-	-	343,351	-	-
2025-27 Current Service Level	-	-	21,497,189	-	-	-	21,497,189	59	59.00
Adjusted 2025-27 Current Service Level	-	-	21,497,189	-	-	-	21,497,189	59	59.00
Total LFO Recommended Packages	-	-	1,873,613	-	-	-	1,873,613	1	0.50
2025-27 Legislative Actions	-	-	23,370,802	-	-	-	23,370,802	60	59.50
Net change from 2023-25 Leg Approved Budget	-	-	3,420,039	-	-	-	3,420,039	1	0.50
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	17.1%	0.0%	0.0%	0.0%	17.1%	1.7%	0.9%
Net change from 2025-27 Adj Current Service Level	-	-	1,873,613	-	-	-	1,873,613	1	0.50
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	8.7%	0.0%	0.0%	0.0%	8.7%	1.7%	0.9%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	18,860,099	-	-	-	18,860,099	59	59.00
2023-25 Ebds, SS & Admin Act	-	-	1,090,664	-	-	-	1,090,664	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	19,950,763	-	-	-	19,950,763	59	59.00
2023-25 Leg Approved Budget (Base)	-	-	19,950,763	-	-	-	19,950,763	59	59.00
Summary of Base Adjustments	-	-	1,448,954	-	-	-	1,448,954	-	-
2025-27 Base Budget	-	-	21,399,717	-	-	-	21,399,717	59	59.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(245,879)	-	-	-	(245,879)	-	-
030: Inflation & Price List Adjustments	-	-	343,351	-	-	-	343,351	-	-
2025-27 Current Service Level	-	-	21,497,189	-	-	-	21,497,189	59	59.00
Adjusted 2025-27 Current Service Level	-	-	21,497,189	-	-	-	21,497,189	59	59.00
Total LFO Recommended Packages	-	-	1,873,613	-	-	-	1,873,613	1	0.50
2025-27 Legislative Actions	-	-	23,370,802	-	-	-	23,370,802	60	59.50
Net change from 2023-25 Leg Approved Budget	-	-	3,420,039	-	-	-	3,420,039	1	0.50
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	17.1%	0.0%	0.0%	0.0%	17.1%	1.7%	0.9%
Net change from 2025-27 Adj Current Service Level	-	-	1,873,613	-	-	-	1,873,613	1	0.50
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	8.7%	0.0%	0.0%	0.0%	8.7%	1.7%	0.9%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 License System Replacement

Package Description This package includes one limited duration Operations and Policy Analyst 4 position (0.50 FTE) and \$1,500,000 Other Funds expenditure limitation to fund the replacement of the CCB's thirty-year-old licensing system. The current system lacks modern security features and functionality. This update will mean a better customer experience and better utility for staff. The agency has obtained EIS Stage Gate 1 approval of the business case and associated documents in support of the license system replacement and is more than 50% complete with Stage Gate 2 submissions. The agency expects to issue a request for proposals (RFP) sometime in 2025.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	1,500,000	-	-	-	1,500,000	1	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 License Fee Increase

Package Description This is a revenue only package increasing the fee for new issuances of contractor licenses. The Board has proposed and adopted a \$75 increase to the two-year license fee paid by contractors increasing the fee from \$325 to \$400 for a two-year license. The proposal would have this fee apply to renewals on or after July 1, 2024 (2023-2025 biennium) and to new applications submitted on or after July 1, 2025 (beginning of next biennium). This is estimated to generate an additional \$3,468,900 in revenue for the 2025-27 biennium. The fee was last increased in 2010.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Move IT Hosting to SDC

Package Description This package increases Other Funds expenditure limitation by \$35,644 to move the hosting of information technology infrastructure to the State Data Center. The move will free up CCB IT staff to support the transition to the new licensing system.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	35,664	-	-	-	35,664	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 Personal Services Technical Adjustments

Package Description This package increases Other Funds expenditure limitation by \$337,949 and provides the agency with flexibility to pay personnel costs related to overtime (\$50,000), temporary workers (\$47,000), and differentials (\$64,000). It also allows the agency the financial flexibility to hire the following positions at a higher step than the budgeted rate of step three:

- Business Services Manager – Manager 1 (Step 7)
- Enforcement Program Analyst – OPA 2 (Step 6)
- Field Investigator Mediator – CS 2 (Step 9)

Also included is a reclassification of a Systems & Programming Supervisor 1 position to a Chief Information Manager 1 at no additional cost.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	337,949	-	-	-	337,949	-	-
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Legislatively Proposed 2025 - 2027 Key Performance Measures

Published: 4/1/2025 12:42:14 PM

Agency: Construction Contractors Board

Mission Statement:

The Construction Contractors Board (CCB) protects the public interest relating to improvements to real property. The agency helps prevent and resolve problems in the construction industry by regulating construction contractors through education, licensing, enforcement and dispute resolution. The CCB strives to promote a fair, honest and competitive construction industry in Oregon in a manner that ensures consumer rights.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Homeowner Awareness - Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.		Approved	78%	60%	60%
2. Unlicensed Recidivism Rate - Percent of offenders who perform work without a CCB license within three years of first offense.		Approved	12.99%	5%	5%
3. 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	0.29%	0.50%	0.50%
4. Enforcement Investigations - Average days to close an enforcement investigation.		Approved	49	40	40
5. Dispute Resolution Final Orders - Average days to issue a dispute resolution (claims) final order.		Approved	158	155	155
6. Fair and Impartial Dispute Resolution Process - Percent of parties to claims who perceive claims process to be fair and impartial.		Approved	89.30%	90%	90%
7. License and Renewal Processing - Percent of contractors satisfied with the agency's processing of license and renewal information.		Approved	83%	96%	96%
8. 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	71.85%	95%	95%
	Accuracy		86.96%	95%	95%
	Expertise		90.72%	95%	95%
	Helpfulness		90.43%	95%	95%
	Availability of Information		86.66%	95%	95%
	Overall		81.79%	95%	95%
9. Best Practices - Percent of best practices met by the Board.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the key performance measures and targets as presented.

SubCommittee Action:

SB 5509-1
(LC 9509)
4/8/25 (DFY/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
SENATE BILL 5509**

1 In line 6 of the printed bill, delete “\$23,333,963” and insert “\$23,370,802”.

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