Below is the follow-up responses to the CCB public hearing.

Thanks,

Krista

From: Dauenhauer Krista
Sent: Wednesday, March 6, 2019 4:04 PM
To: Rep Smith G <Rep.GregSmith@oregonlegislature.gov>; Sen Wagner
<Sen.RobWagner@OregonLegislature.gov>; Sen Hansell <Sen.BillHansell@oregonlegislature.gov>;
Sen Roblan <Sen.ArnieRoblan@oregonlegislature.gov>; Rep Bonham
<Rep.DanielBonham@oregonlegislature.gov>; Rep Gomberg
<Rep.DavidGomberg@oregonlegislature.gov>; Rep Marsh <Rep.PamMarsh@oregonlegislature.gov>;
Rep Nearman <Rep.MikeNearman@oregonlegislature.gov>
Cc: 'NIVENS Remmal' <remmal.d.nivens@ccb.state.or.us>
Subject: FW: CCB Follow up

Hello members of the Ways & Means Subcommittee on General Government,

Below are the follow-up responses from questions in Monday's public hearing on <u>HB 5010</u> (Construction Contractors Board). Please let myself or the Interim Administrator, Rem Nivens, know if you have any further questions.

Thanks,

Krista L. Dauenhauer

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From: NIVENS Remmal <<u>remmal.d.nivens@ccb.state.or.us</u>>
Sent: Wednesday, March 6, 2019 10:18 AM
To: Dauenhauer Krista <<u>Krista.Dauenhauer@oregonlegislature.gov</u>>
Subject: CCB Follow up

Chairs Wagner and Smith, members of the General Government Subcommittee and LFO staff-Below are responses to two questions from the hearing on the Construction Contractor Board budget that required follow up.

From Senator Roblan: Do we have the same problem as other industries where licensed contractors

say they don't have employees and that the individuals who are working with them are "private" or "subcontractors" even though they come to work every day and act like employees?

CCB response: If they're actually subcontractors they would also have to be licensed in order to be doing any construction work. Enforcement staff try to determine who the players are, what & how they are being paid and who they are working for. In addition, sometimes the exempt contractor will say that they run employees through a temp service. In that case, we call the temp agency and ask when that employee was last paid so we can verify that the employee is legitimate and also covered by workers compensation insurance. We don't know how much this happens in other industries and in construction it's more likely an issue of a contractor having employees without workers compensation insurance.

From Rep. Gomberg: Question asking about the outstanding debt owed to the agency, which has increased, as well as the amount of reversals associated with a significant amount of the debt.

CCB response: For Fiscal Year 2018, the Agency prepared and submitted the annual Delinquent Accounts – Fund Report. In previous years, the Agency reported all liquidated and delinquent accounts (L&D) in the Other Funds category. In order to more accurately reflect 80% of our civil penalties transferring to the General Fund, the Agency submitted two annual reports – one reflecting 20% of civil penalties allocated to Other Funds and one reflecting 80% of civil penalties allocated to General Funds. This correction resulted in accounting adjustments to the LFO reports which most notably are represented by reversals.

Rem Nivens Interim Administrator Oregon Construction Contractors Board (O) 503-934-2184 (C) 971-701-1256