

# Construction Contractors Board



Agency Budget  
2021 - 2023  
House Bill 5509



# 50 Years Serving Oregon



- 2021 marks the 50<sup>th</sup> year of the Construction Contractors Board (CCB)
- Originally established as The Builders Board in 1971 to regulate homebuilders
- In 1989 regulation expanded to encompass commercial contractors and the name was changed
- Mission and Purpose: Protect Oregon consumers and support licensed contractors



# CCB Structure



- **Nine-member board** includes residential and commercial contractors, two public members and a local government representative
- **60 Full-time staff** providing statewide license, enforcement, education and dispute resolution services
- Supporting more than **41,000 licensed contractors**
- Providing protections to **ALL Oregon consumers**

**CCB's simple consumer message...**



# Protect Your Investment

## Check the License!



**Anyone can pretend  
to be a Contractor**





# CCB Consumer Protections



- **Verifiable license history:** A contractor's license status and history can be checked on CCB's website.
- **Financial protection:** Contractors carry liability insurance and workers compensation (if applicable).
- **Access to recovery from surety bond:** All contractors file a surety bond with CCB.
- **Access to CCB mediation services:** CCB can assist in mediating disputes between consumers and licensed contractors.
- **Consumer resources:** CCB provides a variety of resources to aid consumers in avoiding scams and ensuring a successful construction project.



# CCB Revenue



## **Other Funds: 100%**

✓ **Licensing fees: 87%**

✓ **Civil penalties: 11%**

(80% of civil penalties transfer to state General Fund)

✓ **Miscellaneous income: 2%**

(Filing fees, change fees, records etc.)



# CCB Programs



## Licensing – 15 FTE

- Process new applications (325-400 monthly)
- Renew existing licensees (1.3K – 2.0K monthly)
- Update insurance certificates (1.2K monthly)
- Update surety bonds (1.9K monthly)
- Issue expire/suspend notices (1.0K – 1.2K monthly)
- Operate call center (300-400 calls daily)

**96% Customer Service Satisfaction – KPM #8**



# CCB Programs



## Licensing Portfolio

- Residential and Commercial contractors
- Lead paint contractors
- Specialty licenses & certs.: (small percentage of CCB licensees – total is approx. 1,500)
  - Home inspectors
  - Locksmiths
  - Energy assessors
  - Home services contractors
  - Restoration contractors (new in 2017)
  - Road flagging companies (new in 2017)





# CCB Programs



## Field Investigations and Compliance – 23 FTE

- Identifying, investigating and stopping unlicensed work
  - Field investigators: Respond to tips and make random work site checks (10K+ worksite checks annually)
  - Compliance officers: Attempt to gain compliance or assess penalties and process cases (Avg. 200 Notice of Penalties monthly)
- CCB's enforcement program is
  - **Statewide** – investigators in every region of the state
  - **Responsive** – reports followed up on in 24-48 hours
  - **Efficient** – 28 days to close cases (**KPM #5**)



# CCB Programs



## Field Investigations and Compliance

- In addition to license status, CCB also addresses:
  - Lead paint license and worksite safety standards
  - Workers' compensation non-compliance
  - Scams and illegal advertising
  - Avoidance of other regulatory requirements in conjunction with sister agencies (BOLI, Employment Dept., Revenue Dept. and Building Codes Division)



# CCB Programs



## Dispute Resolution – 5 FTE

Mediate disputes between homeowners and contractors

- Voluntary program – some opt to go to court
- Provides informal path to resolve disputes – alternative to costly and time-consuming court process
- Approximately 2,000 disputes are resolved each year
- 80% success rate if both parties participate
- 92% of DRS participants rate the process fair and impartial (**KPM #7**)



# CCB Programs



## Consumer Outreach & Contractor Education – 4 FTE

- Educate consumers about legal protections, best practices for working with contractors and avoiding scams
  - 44% of Oregonians aware of legal rights through CCB (**KPM #2**)
  - Respond to specific events – resources for COVID and wildfires
- Deliver contractor training on legal requirements, law changes and resources available for contractors
  - Doubled live training in 2020 with live webinars (2,900 hrs.)
  - Collaborate w/ other agencies (BOLI, OSHA, DEQ, DCBS etc.)
- Expand informational resources available for non-English consumers and contractors





# 2020: Continuity in Crisis



## Evolving to Maintain Service

- Deployed new technology and changed business model to support telework – keep staff and public safe & maintain service delivery
- Common refrain – **“Thanks for being there to answer the phone.”**

## COVID Response

- Answered nearly 800 calls on 3/23: Governor’s Stay Home order
  - **“Am I allowed to work?”** They called us because they know us
- Collaborated with OSHA and Construction Industry Coalition – published COVID Construction Worksite Safety Practices
- Adopted temporary rule – Allowed contractors to defer renewal

## Wildfire Response

- Published consumer brochure specific to wildfire rebuild – collaborative effort with multiple agencies
- Joint press release with construction industry – avoid scams
- Creative solutions for contractors affected by wildfires



# 2020: Financial Impact



## Post-COVID Impact

- COVID budget impact has been more muted than expected, so far
  - Projected revenue is down by a little less than \$800K (5% of budget) for current biennium
- Decline in key revenue areas from pre-COVID activity:
  - New contractor license applications: 10% decline
  - Existing contractor renewal: 3-5% decline
- Possibility of additional decline in some sectors
- Economists forecast recovery will occur over three years



# 2020: Financial Impact



## Additional CCB Budget Issues

- Budgets for two prior biennia focused on *reducing ending balance* during a time of economic prosperity
  - Reduction was achieved through a temporary fee reduction
    - Permanent fee: \$325; Reduced fee: \$250
  - 2019-21 has a budgeted reduction of approx. \$3.0 million in ending balance
- Agency made a sizeable error projecting impact of fee reduction
  - 2019-21 ending balance is \$1 million less than original projection
  - Deeper reduction than expected means deferral of planned IT project
- Other Funds limitation at 2021-23 CSL is insufficient based on historic spending patterns due to 2019-21 reductions (\$2.1 M):
  - 2021-23 GRB: includes analyst adjustment of \$544K Other Funds limitation increase to address the issue



# 2020: Financial Impact



## CCB Leadership Response

- Pro-active, ongoing collaboration with CFO and LFO
- Early intervention:
  - Held open vacancies: 10% of FTE (6 positions)
  - Found additional savings through streamlining efforts
- Made conservative projections – assumed the worst
- Made modest adjustments as the actual revenue supported it

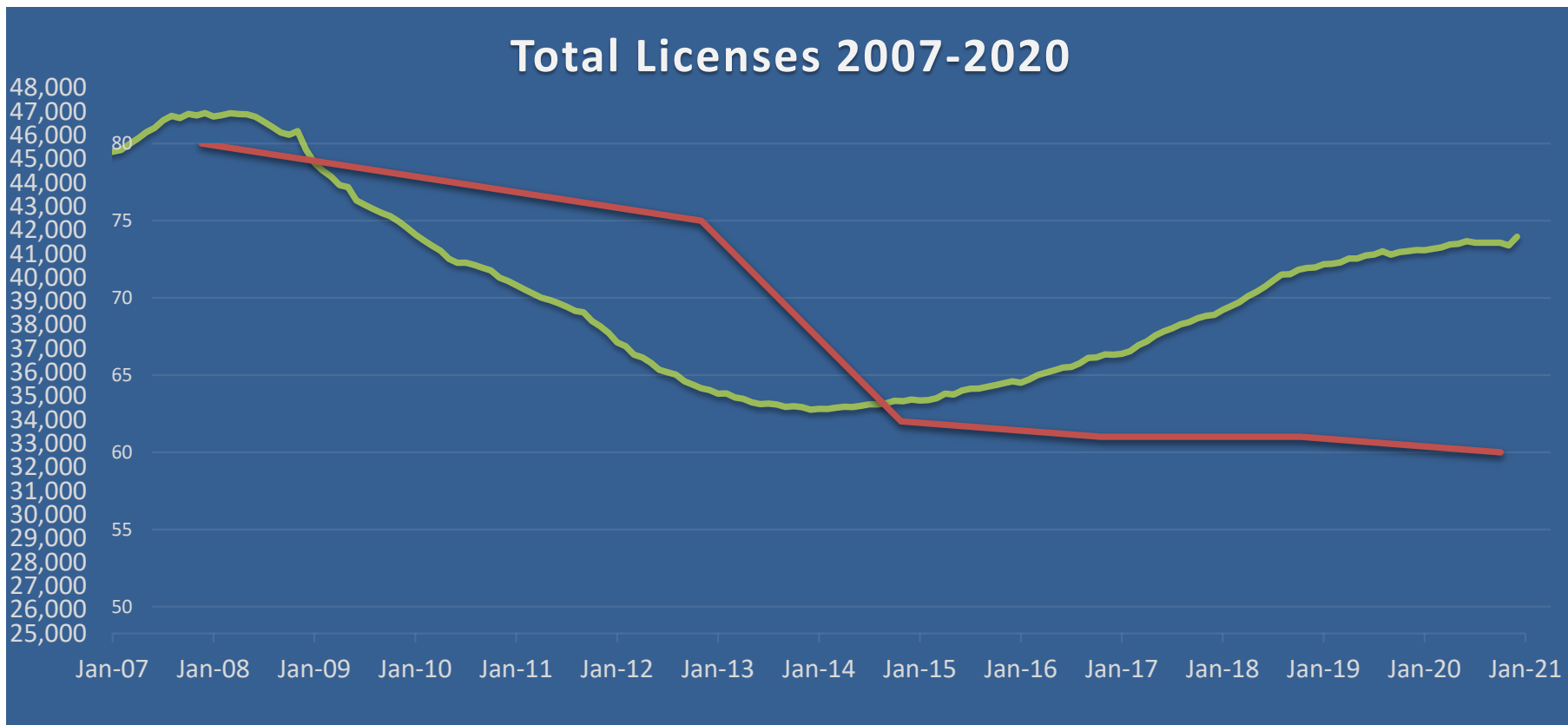
## Results

- Maintained consistent service to the customer
- Eliminated additional impact on ending balance due to COVID-19
- Managed within 2019-2021 budget – no additional request





# Economic Trends: Service and Financial Accountability



— Staffing levels



# 2021-2023: Challenges



## 2021-2023 – Three Interrelated Challenges

### Depleted Ending Balance

- Decision to reduce ending balance during economic prosperity limits some options for navigating current recession.

### Uncertain Immediate Economic Future

- Possibility for decline in certain sectors over the anticipated three-year recovery could result in additional revenue impact.

### Long-term Investments are Essential

- Agency's primary systems are over 30 years old, antiquated and inefficient
  - Agency has invested in current systems to ensure they are secure and stable until replacement.



# CCB Focus: 2021-2023



## **Sustainable Financial Management**

- Conserve resources & rebuild ending balance – adjust as revenue allows
- Retain capacity to deploy resources in support of:
  - Maximizing service delivery
  - Supporting long-term investments (license system replacement)

## **Accountable Service Delivery**

- Effective statewide enforcement
- Impartial dispute resolution services
- Broaden reach of consumer protection message

## **Operational Maturity**

- Continue to modernize operations within existing framework
- Continue to fortify the security of existing IT infrastructure
- Revisit possible IT investment as revenue allows



# 2021-2023 Budget Request



## **Governor's Recommended Budget: \$17.48 Million**

- Fee reduction sunsets – Fee returns to \$325 on July 1, 2021
- No new positions, position re-class etc.
- Eliminates one limited duration position
- Retains positions currently being held vacant – allows agency to manage to revenue
- 2021-2023 represents a 6% Increase from adjusted 2019-2021 LAB



# Proposed KPM Revisions



## **Key Performance Measure #2: REVISE**

### **Annual Survey of CCB Consumer Awareness**

- Proposed Revision: Move from annual survey to biennial survey
- Basis for proposal:
  - Gaining demographically accurate results increases cost and complexity.
  - Moving to biennial survey would allow agency to invest additional resources, provide comparable results and conserve resources

## **Key Performance Measure # 1: RETIRE**

### **Tested Contractors who have a compliance violation**

- This measure is obsolete – provides no operational benefit
- It was originally developed to demonstrate efficacy of testing
- Testing has now been in place for some time and is near universal



# CCB Leadership



## Management Team

- **Chris Huntington**, Administrator: 503-934-2184 or [chris.huntington@state.or.us](mailto:chris.huntington@state.or.us).
- **Stan Jessup**, Enforcement Manager: 503-934-2188 or [stan.m.jessup@state.or.us](mailto:stan.m.jessup@state.or.us).
- **Dana Zeimantz**, Licensing and Interim HR Manager: 503-934-2199 or [dana.zeimantz@state.or.us](mailto:dana.zeimantz@state.or.us).
- **Leslie Culpepper**, Communications and Education and Interim Business Services Manager: 503-934-2195 or [leslie.culpepper@state.or.us](mailto:leslie.culpepper@state.or.us).
- **Noel Magee**, IT Manager: 503-934-0403 or [noel.magee@state.or.us](mailto:noel.magee@state.or.us)



# CCB Board Members



- **Kurt Bolser, Chair:** General Contractor, large commercial (Grants Pass)
- **Dylan Bochsler, Vice Chair:** General Contractor, large commercial (Stayton)
- **Jim Kitchin:** General Contractor, residential/large commercial (Portland)
- **James Patrick:** General Contractor, residential/small commercial (Newport)
- **Susan Steward:** Public member (Portland)
- **Patty Dorroh:** Local Government (Burns)
- **Eric Olsen:** General Contractor, residential/small commercial (Monmouth)
- **Andrea Noble:** Public member (Central Point)
- **Rosa Martinez:** General Contractor, large commercial (Eagle Creek)



# Questions?

Chris Huntington

503-934-2184

[chris.huntington@state.or.us](mailto:chris.huntington@state.or.us)

CCB Website

<https://www.oregon.gov/ccb/pages/index.aspx>