

Construction Contractors Board



Agency Budget

2023 - 2025

House Bill 5009



What We Do: The 3 C's



CONSUMERS

- CCB **protects** Oregon consumers by enforcing licensing standards, resolving disputes and delivering education and resources to help consumers protect their investment.

CONTRACTORS

- CCB **supports** responsible licensed contractors through pro-active statewide enforcement, value-added education and streamlining the path to compliance with regulations.

CONTINUOUS IMPROVEMENT

- CCB continually looks for ways to **optimize** services while preserving scarce resources in order to support needed long-term investments.



How We Do It



Sustainable Financial Management

- Live within our means – monitor and adjust to available revenue
- Maintain reserves for service continuity and to support critical investments
- Status: **On Target**

Accountable Service Delivery

- Deliver services that respond to consumer and contractor needs
- Focus *scarce* resources on public-facing programs and services
- Status: **Ongoing – particular focus on**
 - Modernizing Systems and Processes to deliver more efficient service
 - Evolving our Workforce to improve productivity
 - Leveraging Partnerships to maximize public resources



CCB Structure



Board – Staff – Customers

- **Nine-member board** includes residential and commercial contractors, two public members and a local government representative.
- **59 permanent staff** providing license, enforcement, education and dispute resolution services.
- Support more than **42,000 licensed contractors**.
- Protects **ALL Oregon consumers** of construction services.



CCB Programs



Licensing – 19 FTE

- Process new applications (325-400 monthly)
- Renew existing licensees (1,300 – 2,000 monthly)
- Update insurance and bonds (2,000 monthly)
- Screening new applicants (325-400 monthly)
- Contractor Call center (300-400 calls daily)
- Customer service – 87% customer satisfaction (**KPM #7**)
- **Modernizing:** Using data to deliver better service
 - Email Reminders: more efficient, less cost
 - Online surveys: better response, real-time data



CCB Programs



Field Investigations and Compliance – 19 FTE

- Identifying, investigating and stopping unlicensed work
 - Field investigators: 8K annual jobsite checks
 - Compliance officers: Focus on consumer recovery and compliance
- CCB's enforcement program is
 - **Statewide** – investigators in every region of the state
 - **Responsive** – reports followed up on in 24-48 hours
 - **Efficient** – just over 40 days to resolve cases (**KPM #4**)
- **Partnerships:** Agreement with BCD for license checks
 - Maximizes public resources
 - Collaboration on best practices for greater consistency



CCB Programs



Dispute Resolution – 5 FTE

Mediate disputes between homeowners and contractors

- Voluntary program
- Alternative to costly and time-consuming court process
- Mediate approximately 1,000 disputes each year
- 70% success rate if both parties participate
- 85% Overall satisfaction rate with DRS process
- 70% rate process fair and impartial (**KPM #7**)
- **Evolving Workforce:** Cross-training mediators for more timely and efficient service delivery



CCB Programs



Consumer & Contractor Education – 4 FTE

- Educate consumers about legal protections, best practices and avoiding scams
- 10 point increase in public awareness – 54% (**KPM #1**)
- Deliver contractor training on legal requirements, law changes and resources available for contractors
- Significant expansion of information and resources available in Spanish for both consumers and contractors
 - Brochures and pamphlets, newsletters
 - Spanish Language Hub on Website
- **Partnerships:** Key to delivering valuable resources & information
 - Avoiding disaster scams (DOJ, DFR and CCB)
 - Provide contractors a full regulatory picture (OSHA, DEQ, DFR)
 - Work with industry partners to share information for contractors



CCB Programs



Administration and Central Services

- Administration, Policy and Human Resources – 4 FTE
 - Directs agency consistent with mission, values and strategic priorities
 - Establishes and administers consistent policy through rulemaking
 - Coordinates all human resource for the agency
- Business Services and Budget – 4 FTE
 - Budget development and execution; ongoing revenue analysis and projections
 - Procurement, contract administration, cashiering, mail etc.
 - **Evolving Workforce:** Restore budget function; build agency capacity in areas that are strongly tied to strategic priorities
- Information Technology – 4 FTE
 - Maintain and modernize IT infrastructure
 - Develop functionality that supports efficient service delivery
 - **Modernization:** Significant improvements to agency's IT infrastructure that provide additional opportunities for security and efficiency



Protect and Support



- **Verification**
 - Protect Your Investment! – Check the license.
 - Proactive statewide enforcement.
- **Protection**
 - Contractors carry liability insurance and workers compensation (if applicable).
- **Recovery**
 - All contractors file a surety bond with CCB that can be a source of recovery for unpaid debt.
- **Resolution:**
 - CCB can assist in mediating disputes between consumers and licensed contractors.
- **Education:**
 - CCB provides a variety of resources to aid consumers in avoiding scams and ensuring a successful construction project.



CCB Budget Overview



Revenue – 100% Other Funds

- **Revenue Breakdown**

- **Licensing fees: 87%**

- (Paid by contractors, \$325 for a two-year license)

- **Civil penalties: 11%**

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

- **Miscellaneous income: 2%**

- (Filing fees, change fees, admin and processing fees etc.)

- **Revenue heavily dependent on economic activity**

- Agency actively monitors and adjusts projections based on actuals, historical data and economic activity

- Requires a conservative approach – assume worst and adjust when actual revenue supports changing course



CCB Budget Overview



Governor's Recommended Budget: \$18.9M

- **Top Priorities**

- *Retain* existing staffing – allow agency to manage to revenue
- *Maintain* reserves to support critical IT investment

- **Guiding Principles**

- Modernize programs and systems
- Evolve workforce to better serve customers
- Leverage partnerships – maximize resources & service delivery

- **2023-2025 – Key points to address**

- **Recent history:** What it means about where we are
- **Revenue:** Always watching
- **Positions:** Staffing stable – 59 FTE (Reclass POP)
- **What's Next:** Possible License System POP in 2024



Looking Back



2017 – 2021: Off Target – Unclear Priorities

- Priority was reduction of reserve fund – achieved through temporary fee reduction
- Agency failed to accurately project the impact of strategy
- Critical investments were needed to maintain continuity and adequacy of services

Combination of Issues created a “Triple-Bind”

- Depleted Reserves
- Revenue Uncertainty
- Critical Long-term Investments Needed



Looking Forward: 2023-2025



On Target – In Progress

- **Restored reserves to adequate levels**
 - Operational reserves adequate to maintain continuity of service
 - Continue to preserve funding for eventual IT system replacement
- **How we got here**
 - Pro-active and transparent with board, industry, CFO and LFO
 - Early intervention – Ongoing monitoring
 - Combination of vacancy holds and other streamlining efforts
 - Stayed focused on the long-term goal for critical investment
 - Centered service delivery – didn't balance cuts on backs of customers
- **Revenue will *tell the tale***
 - *What will happen in the macro economy and the development sector?*
 - *How will it affect agency revenue?*



Agency Staffing



Stable Amidst Growing Customer Base

- Focus on evolving workforce and streamlining to keep pace
- Move away from paper to electronic process and communication
- Reducing cost and creating efficiencies

2023-2025 GRB Staffing

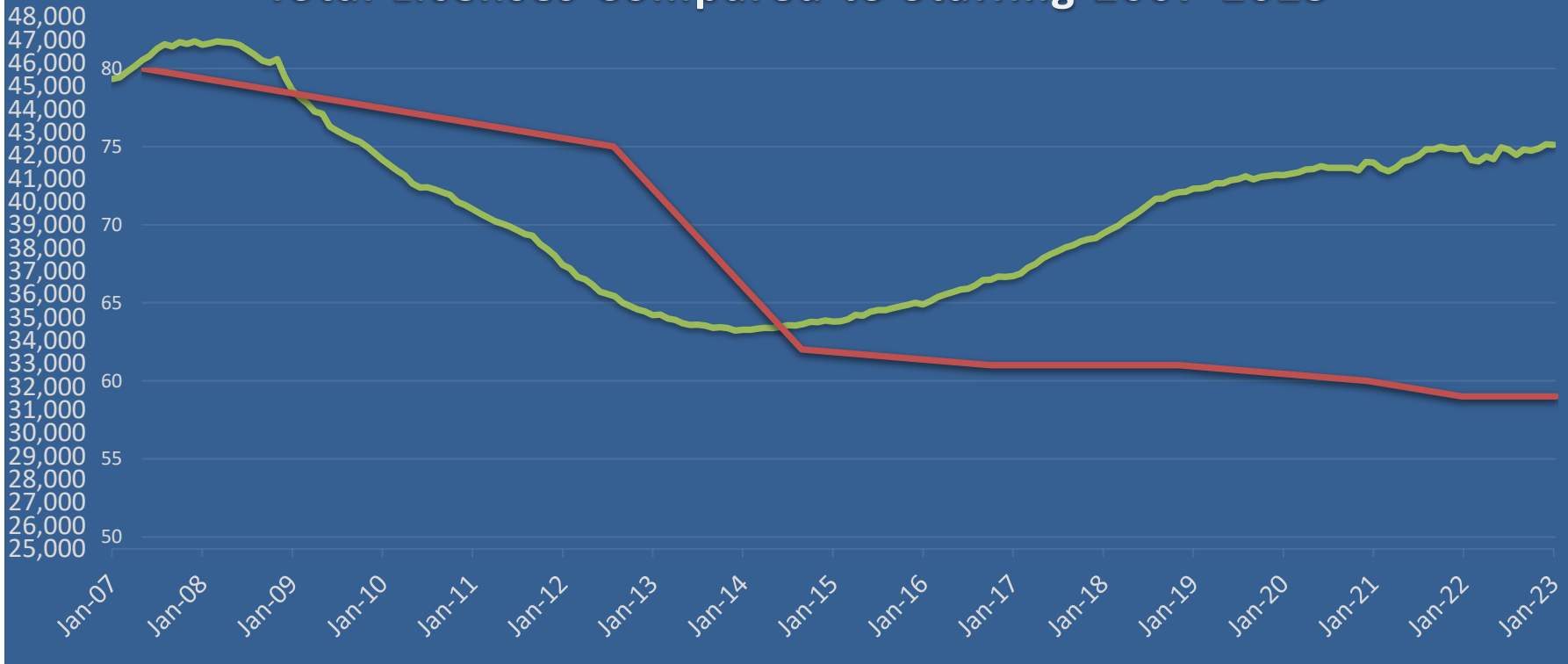
- Retains existing staffing: 59 FTE
- No new programs initiated
- Position Reclass POP: Agency-funded – generates slight savings
- Reallocates existing resources to better meet needs:
 - Fiscal Analyst 1 to Fiscal Analyst 2
 - Procurement Specialist 1 to OPA 1
 - Compliance Specialist 2 to OPA 2



Revenue & Staffing



Total Licenses Compared to Staffing 2007-2023





License System Replacement



Modernization Project Critical to Future

- **Current system is antiquated and inefficient**
 - Ties the agency to archaic processes and methods
 - Enhancements to benefit customers are difficult or impossible
- **Multi-year focus**
 - Build the financial stability to make the investment
 - Do the preparation, planning up front to make project successful
- **Status: Steady progress... on our timeline**
 - Stage Gate 1 reauthorization given preliminary approval
 - Laying the groundwork for successful project
 - Come back once a clearer picture on cost – possibly as early as 2024



Senate Bill 228 (2023)



The 3 C's: "Sharpening the Blade" – No budget impact

Consumers – Enhanced protections

- Clarifies that a breached settlement agreement can form the basis for regulatory action against contractor
- Provides board rulemaking authority to clarify standards for receipt of complaints to avoid denial for technicalities

Contractors – Stronger enforcement tools

- Provides additional grounds for taking action against a license and provides additional tools such as conditioning a license
- Strengthens standards relating to denying a license to individuals and businesses with past regulatory violations

Continuous Improvement – Support for modernization effort

- Provides rule authority for agency to make changes to streamline procedural requirements in support of agency modernization efforts



Conclusion



What We Do

- Consumers
- Contractors
- Continuous Improvement

How We Do It

- Sustainable financial management
- Accountable Service Delivery

Strategic Priorities

- Ensure continuity of service through effective financial stewardship
- Modernize programs and systems through critical investment
- Evolve the workforce and leverage partnerships to deliver more effective and efficient government services



CCB Leadership



Management Team

- **Chris Huntington**, Administrator: 503-934-2184 or chris.huntington@ccb.Oregon.gov
- **Vena Swanson**, Enforcement Manager: 503-934-2188 or vena.l.swanson@ccb.Oregon.gov
- **Dana Zeimantz**, Licensing and Interim HR Manager: 503-934-2199 or dana.zeimantz@ccb.Oregon.gov
- **Leslie Culpepper**, Communications and Education: 503-934-2195 or leslie.culpepper@ccb.Oregon.gov
- **Noel Magee**, IT Manager: 503-934-0403 or noel.magee@ccb.Oregon.gov



CCB Board Members



- **Dylan Bochsler, Chair:** General Contractor, large commercial (**Stayton**)
- **Eric Olsen, Vice Chair:** General Contractor, residential (**Monmouth**)
- **Kurt Bolser:** General Contractor, large commercial (**Grants Pass**)
- **Abel Carbajal:** General Contractor, remodeler (**Independence**)
- **Deb Flagan:** General Contractor, residential/small commercial (**Bend**)
- **Susan Steward:** Public member (**Portland**)
- **Patty Dorroh:** Local Government (**Burns**)
- **Andrea Noble:** Public member (**Central Point**)
- **Rosa Martinez:** General Contractor, large commercial (**Eagle Creek**)



Questions?

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CCB Website

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