

Construction Contractors Board



Agency Budget

2025 - 2027

Senate Bill 5509



Agenda



1. “What we do, how we do it.”
2. Program overview
3. Budget structure
4. 2025-2027 budget priorities:
 - a) POP 102: Fee increase – First since 2010
 - b) POP 101: Database replacement – First since early 90’s
 - c) Other POPs
5. Conclusion and questions



CCB Structure



Board – Staff – Customers

- Nine-member board appointed by Governor, confirmed by Senate.
 - Three residential contractors
 - Three commercial contractors
 - Two Public members
 - One local government representative
- 59 permanent staff providing license, enforcement, education, dispute resolution and administrative services.
- Support approximately 50,000 licensees.
- Protect all Oregon consumers of construction services and provide support for worker protections.



What We Do: The 3 C's



CONSUMERS

- CCB **protects** Oregon consumers by licensing contractors, enforcing standards, resolving disputes and educating consumers about successfully working with contractors.

CONTRACTORS

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

COOPERATION

- CCB **leverages partnerships** with other agencies to optimize service delivery and provide value-added programs.



How We Do It



Sustainable Financial Management

- **Background:** Revenue is heavily dependent on economic conditions.
 - More than 90% of operating revenue comes from contractor license fees.
- **Approach:** Ongoing (daily) monitoring of actual revenue and reserves:
 - **Revenue** drives adequacy of consumer protections and customer service.
 - **Reserves** support continuity of services and critical investments.

Accountable Service Delivery

- **Background:** Regularly survey both consumers and contractors:
 - All survey comments are discussed and published in public board packets.
- **Approach:** Measure performance – adjust services without increasing operational cost:
 - **Modernize** systems and processes to operate more efficiently.
 - **Improve productivity** through education and cross-training.



CCB Programs



Licensing – 19 FTE

- Process and screen new applications (325-450 monthly)
- Renew existing licensees (1,300 – 2,000 monthly)
- Update insurance and bonds (2,000 monthly)
- Contractor Call center (300-400 calls daily)
- Managing approximately 50,000 licensees
- **Modernizing:**
 - Call-back option on phone queue improves customer experience.
 - Online portal for new applications, cut processing time significantly.
- **Accountable Service Delivery:**
 - Customer service rating – 80% positive (**KPM #7**).
 - Improved to **86%** post modernization enhancements (noted above).

CCB Programs



Field Investigations and Compliance – 17 FTE

- CCB's enforcement program is
 - Statewide – Investigators cover every region of Oregon.
 - Responsive – Reports investigated within 24-48 hours.
 - Balanced – Education for harmless errors, penalties for public harm.
- Identify, investigate and prevent unlicensed work.
 - Field investigators: Visit 8K Oregon jobsites annually.
 - Compliance officers: Process cases and work to gain compliance.
 - Timely processing goal – Slightly above 40-day target at 49 days (**KPM #4**).
- **Cooperation:** License check partnership with Building Codes Division.
 - Maximizes use of public resources and reduces government duplication.
- **Modernization:** Remote investigations pilot program.
 - Expands the reach of our enforcement resources.
 - Use remote investigative techniques without need for onsite presence.



CCB Programs



Dispute Resolution – 7 FTE

- Mediate disputes between consumers and licensed contractors.
- Voluntary alternative to costly and time-consuming court process.
- 70% success rate when both parties participate.
- 89% of participants rate process fair and impartial (**KPM #6**).
 - **19%** increase from 2023 survey ratings.
- Courts still available if mediation fails.
- Bond available for unpaid judgments.
- **Improve Productivity:**
 - Cross-train investigators for more timely mediations.
 - Expanded use of scheduled phone mediations.



CCB Programs



Consumer & Contractor Education – 4 FTE

- **Consumer Education Program**
 - Educate consumers about legal protections and best practices.
 - Deliver topical webinars – winterization, insurance claims, avoiding scams.
 - 24% increase in public awareness – 78% (**KPM #1**).
- **Contractor Education Program**
 - Deliver training on legal requirements and resources for contractors.
 - Rely on agency partners to provide contractors expanded regulatory picture.
 - Initiated monthly workshops for those planning to become a contractor.
- **Cooperation:** Partnerships are key to delivering value:
 - Avoiding disaster scams (DOJ, DFR and CCB).
 - Provide contractors a full regulatory picture (OSHA, DEQ, DFR).



CCB Programs



Administration and Central Services

- Administration, Policy and Human Resources – 4.5 FTE (.5LD)
 - Directs agency consistent with mission and strategic priorities.
 - **Improve productivity:** Focus resources to customer-facing operations.
- Business Services and Budget – 4 FTE
 - Budget development and execution; ongoing revenue analysis and projections
 - Procurement, contract administration, cashiering, mail etc.
- Information Technology – 4 FTE
 - Develop functionality that supports efficient service delivery
 - **Modernization:** Move to state data center (SDC) allows focus on areas that have direct customer and operational benefit.



Protect and Support



“Multi-layered” Approach

- **Consumer outreach and education:**
 - Information Resource – Learn how to protect valuable investment.
- **Pre-License support for contractor applicants**
 - Pre-license workshops streamline process & reduce errors/delays.
- **Initial license application screening**
 - Stop contractors with history of debt/violations from returning.
- **Verifiable license history**
 - History includes complaints, violations, prior licenses etc.



Protect and Support (contd.)



- **Proactive statewide enforcement**
 - Statewide enforcement presence in the field.
- **Financial protections**
 - Liability insurance and workers compensation.
- **Direct consumer recovery**
 - Surety bond can be a source of recovery for unpaid debt.
- **Dispute resolution**
 - Required notice prompts most contractors to resolve issues.
- **Contractor education and support**
 - CCB has services to aid contractors prior to and after licensing.



CCB Budget Structure



Revenue – 100% Other Funds

- **Operating Revenue Breakdown:**

- Contractor License fees: 91%
- Civil penalties: 7%
- Miscellaneous charges: 2%
- TOTAL: 100%

- **Revenue is tied to economic conditions:**

- Paying a license fee is an economic decision, made by a business.
- Monitor economic activity because it may affect license activity.
- Closely monitor license activity, because it materially affects revenue.



How Are We Doing?



Status: On Target

Revenue – Sustainable Path

- First fee increase since 2010 ensures sufficient revenue based on existing staffing levels – Senate Bill 5510 and POP 102.

Reserves – Sufficient to invest in future

- Support critical IT system replacement – POP 101.
- 2025-2027 projected ending fund balance: 4.64 months.
 - Assumes approval of fee increase as well as \$1.5M license system replacement.

Service Delivery – Improving service without adding cost

- Improvements in customer service measures achieved through efficiency and new tools without adding long-term operational costs.



2025-2027 Budget



Governor's Recommended Budget: \$23.3M

- **Top Priorities**

- Ratify board-adopted fee increase.
- Approval of request for critical IT investment.

- **Guiding Principles**

- Modernize programs and systems to support efficiency and long-term cost control.
- Continue to maximize existing resources in support of improved service delivery.

- **2025-2027 – Key points to address:**

- Staffing, Revenue and Service Delivery
- Basis for fee increase and expected outcomes
- IT Replacement Project
- Additional POPs



Agency Staffing



Keeping up with growing customer base

- Streamline processes and add tools to improve efficiency and customer experience:
 - Moved to simple online submission for new applications.
 - Remote investigations lengthens reach allows investigations to proceed remotely.
 - Scheduled phone mediations for more timely resolution of claims.
 - Call-back feature – reduces active hold times.

2025-2027 GRB Staffing: 59.5 FTE

- Retains existing staffing.
- Adds .5 FTE limited duration project manager (system replacement).



2025-2027 Priority 1: Revenue



Stabilize Revenue to Support Service Continuity

- What did we do?: Raised two-year license fee from \$325 to \$400
 - Implemented on renewals beginning July 2024
 - Implemented for new applicants beginning July 2025
- Why? **COST – PRICE – OUTCOMES**:
 - Since fee was last raised in 2010, operational **COSTS** are up more than 55%
 - The **PRICE** paid by contractors has not increased prior to board action in 2024.
 - Inaction would negatively impact **OUTCOMES** for contractors and consumers.
- Context: CCB is a “Fee-for-Service” Agency:
 - Over 90% of operating revenue comes from licensed contractors
 - Revenue directly drives adequacy of consumer protections and customer service
 - Board and industry voiced support for ensuring strong consumer protections and level playing field supported by CCB programs.
 - Board and industry also voiced support for greater predictability of future increases and board is working with industry to be responsive to that request.



2025-2027 Priority 2: Modernization



Modernization is Critical to Future

- What are we proposing? Replace 1990's era database with modern commercial product.
 - Built the reserves to ensure project completion.
 - Do the preparation, planning up front to make project successful.
 - Agency received Stage Gate 2 Endorsement from DAS – January 2025.
- Why? Current system is antiquated, inefficient and at risk of failure
 - Ties the agency to archaic paper processes and methods – higher staff costs.
 - Limited ability to provide improved or enhanced services to customers.
 - Limited ability to utilize data to make data driven decisions.
- Background on POP 101:
 - 2025-2027 Estimate: \$1.5 Million, primarily on implementation costs.
 - Annual maintenance and hosting estimated \$190K - \$250K.
 - Estimates based on multiple responses provided by potential vendors.



Additional POPs



Move IT Hosting to State Data Center (POP 104)

- Outsources infrastructure hosting to experts.
- Allows agency to dedicate scarce IT resources to:
 - Administration of new system
 - Forward-facing business operations
 - Enhancements that benefit consumers and contractors

Personal Services Adjustments (POP 105)

- Adjusts limitation in line with past and expected spending.
- Combination of:
 - Overtime, temporary, differential staffing that is consistent with past spending
 - Adjustments to ensure agency may hire at levels consistent with past hiring.



Conclusion



What We Do

- Consumers, Contractors & Cooperation

How We Do It

- Sustainable financial management
- Accountable Service Delivery

Strategic Priorities

- Modernize programs and systems to support improved service delivery, efficiency and long-term cost control.
- Continue to maximize existing resources in support of efficiency and improved service delivery.



CCB Leadership



Management Team

- **Chris Huntington**, Administrator
- **Vena Swanson**, Enforcement Manager
- **Dana Zeimantz**, Licensing
- **Leslie Culpepper**, Communications and Education
- **Noel Magee**, IT Manager
- **Heather Parker**, Senior HR Business Partner
- **Sanya Kite**, Board Supervising Executive Secretary



CCB Board Members



- **Dylan Bochsler, Chair:** General Contractor, large commercial (**Stayton**)
- **Eric Olsen, Vice Chair:** General Contractor, residential (**Monmouth**)
- **Rosa Martinez:** General Contractor, large commercial (**Eagle Creek**)
- **Abel Carbajal:** General Contractor, remodeler (**Independence**)
- **Nate Gerding:** General Contractor, large commercial (**Corvallis**)
- **Deb Flagan:** General Contractor, residential/small commercial (**Bend**)
- **Brent Landels:** Public Member (**Bend**)
- **Sean VanGordon:** Local Government (**Springfield**)
- **Van White:** Public Member (**Portland**)



Questions?

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CCB Website

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