

2025-27 Budget Review

Construction Contractors Board

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
Other Funds	17,472,891	19,950,763	21,497,189	23,333,963
Total Funds	17,472,891	19,950,763	21,497,189	23,333,963
Positions	59	59	59	60
FTE	59.00	59.00	59.00	59.50

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

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.

The CCB is an Other Funds agency, funded primarily by contractor license fees. The agency also receives a portion of its revenue from other fees, such as complaint processing fees, administrative fees, and other licenses and certifications issued by the Board. These other license fees include home inspectors, lead-based paint renovators, locksmiths, and others. The Board also receives a portion of the civil penalty revenue assessed against individuals who violate laws enforced by the CCB.

BUDGET ENVIRONMENT

The agency continues to experience revenue challenges stemming from a temporary 23% fee reduction implemented in 2017. Although the fee was restored to pre-2017 levels in July 2021, the lost revenue has had a lasting impact on the agency's fund balance and its ability to invest in operational improvements. Rising labor costs over the past two biennia have further strained the agency's capacity to maintain service levels. Since the last fee increase in 2010, total labor costs have risen by 55%, while the number of contractor licenses has grown by 29%, driving up service demand.

In March 2024, the board approved a \$75 increase to the two-year \$325 contractor license fee, which is expected to generate approximately \$3.5 million in additional revenue in 2025-27. This adjustment allows the agency to sustain current operational levels and support the implementation of the Licensing and Enforcement Modernization IT replacement system. These fees will need to be approved by the

Legislature in a fee ratification bill during the 2025 session or they will revert to their prior approved amounts.

The IT modernization project addresses critical shortcomings in the agency's outdated, inefficient, and disconnected information systems. The existing system, built in-house during the 1990s, has not been updated in years, making it difficult to implement necessary enhancements or modifications. The project achieved Stage Gate 1 certification from the Department of Administrative Services in February 2020, and work on Stage Gate 2 is underway, though progress depends on project funding through the fee increase.

CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget for the Board is \$21.5 million Other Funds and 59 positions (59.00 FTE). The current service level budget is \$1.5 million, or 7.7%, more than the 2023-25 legislatively approved budget. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures. Personal services expenditures comprise 78% of the Board's budget and the number of positions remain unchanged from the prior biennium. At CSL, the board has an ending fund balance of \$1.7 million Other Funds, which is an equivalent of two months of operating expenses.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget is \$23.3 million Other Funds and 60 positions (59.50 FTE). The budget is \$1.8 million, or 8.5%, more than the current service level of \$21.5 million. The Governor's budget includes a \$1.5 million Other Funds increase and one part-time position (0.50 FTE) for continued work on the agency's licensing system replacement IT project as well as increases for overtime costs primarily incurred during peak licensing renewal periods.

KEY PERFORMANCE MEASURES

A copy of the Construction Contractors Board Annual Performance Progress Report can be found on the LFO website: [APPR CCB 2024-09-30.pdf](#)

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