

SB 5509 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Angela Parada, Department of Administrative Services

Reviewed By: Ben Ruef, Legislative Fiscal Office

**Construction Contractors Board
2025-27**

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 19,950,763	\$ 21,497,189	\$ 23,370,802	\$ 3,420,039	17.1%
Total	\$ 19,950,763	\$ 21,497,189	\$ 23,370,802	\$ 3,420,039	17.1%

Position Summary

Authorized Positions	59	59	60	1
Full-time Equivalent (FTE) positions	59.00	59.00	59.50	0.50

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Construction Contractors Board (CCB) receives Other Funds fee revenue from contractor licenses, continuing education, and complaint processing, as well as other revenues from fines and interest. For 2025-27, CCB projects a beginning balance of \$5.7 million and anticipates receiving \$20.9 million in fees which includes estimates for a two-step contractor licensing fee increase. The first was implemented in July 2024 for contractor license renewals, contingent upon the passage of CCB's fee ratification bill, Senate Bill 5510, and the second would impact new licensing applicants effective July 2025. Total available revenue is anticipated to be \$26.6 million. The projected ending balance is \$3.3 million Other Funds, which is equivalent to approximately four months of operating expenditures.

Summary of General Government Subcommittee Action

CCB regulates the profession of construction contracting and providing construction-related consumer protection services. The board licenses construction contractors, subcontractors, home inspectors, and issues certifications for locksmiths, construction flaggers, home energy assessors, and lead paint removal. CCB also investigates complaints, imposes fines for violation of Oregon laws, and ensures new contractors meet statutory pre-licensing educational and testing requirements. The Governor appoints the nine-member board, which includes six contractors, one elected representative of local government and two public members. The board oversees approximately 42,000 licensed contractors.

The subcommittee recommended a budget of \$23,370,802 Other Funds expenditure limitation and 60 positions (59.50 FTE). This represents an increase of 17.1 percent from the 2023-25 Legislatively Approved Budget. The subcommittee recommended approval of the following packages:

Package 101: License System Replacement. This package includes one limited duration Operations and Policy Analyst 4 position (0.50 FTE) and \$1,500,000 Other Funds expenditure limitation to fund the replacement of the CCB's thirty-year-old licensing system. The current system lacks modern security features and functionality. This update will mean a better customer experience and better utility for staff. The agency has obtained Enterprise Information Services Stage Gate 1 approval of the business case and associated documents in support of the license system replacement and is more than 50% complete with Stage Gate 2 submissions.

Package 102: License Fee Increase. This is a revenue-only package increasing the fee for new issuances of contractor licenses. The Board has proposed and adopted a \$75 increase to the two-year license fee paid by contractors increasing the fee from \$325 to \$400 for a two-year license. The proposal would have this fee apply to renewals on or after July 1, 2024 (2023-2025 biennium) and to new applications submitted on or after July 1, 2025 (beginning of next biennium). This is estimated to generate an additional \$3.5 million in revenue for the 2025-27 biennium. The fee was last increased in 2010.

Package 104: Move IT Hosting to SDC. This package increases Other Funds expenditure limitation by \$35,644 to move the hosting of information technology infrastructure to the State Data Center. The move will free up CCB IT staff to support the transition to the new licensing system.

Package 105: Personal Services Adjustments. This package increases Other Funds expenditure limitation by \$337,949 and provides the agency with flexibility to pay personnel costs related to overtime (\$50,000), temporary workers (\$47,000), and differentials (\$64,000). It also allows the agency the financial flexibility to hire the following positions at a higher step than the budgeted rate of step three:

- Business Services Manager – Manager 1 (Step 7)
- Enforcement Program Analyst – Operations & Policy Analyst 2 (Step 6)
- Field Investigator Mediator – Compliance Specialist 2 (Step 9)

Also included is a reclassification of a Systems & Programming Supervisor 1 position to a Chief Information Manager 1 at no additional cost.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Construction Contractors Board
Angela Parada - (503) 720-0987

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ -	\$ -	\$ 19,950,763	\$ -	\$ -	\$ -	\$ 19,950,763	59	59.00
2025-27 Current Service Level (CSL)*	\$ -	\$ -	\$ 21,497,189	\$ -	\$ -	\$ -	\$ 21,497,189	59	59.00
SUBCOMMITTEE ADJUSTMENTS									
SCR 017- 00 Construction Contractors Board									
Package 101: License System Replacement									
Personal Services	\$ -	\$ -	\$ 156,004	\$ -	\$ -	\$ -	\$ 156,004	1	0.50
Services and Supplies	\$ -	\$ -	\$ 1,343,996	\$ -	\$ -	\$ -	\$ 1,343,996		
Package 104: Move IT Hosting to SDC									
Services and Supplies	\$ -	\$ -	\$ 35,664	\$ -	\$ -	\$ -	\$ 35,664		
Package 105: Personal Services Technical Adjustments									
Personal Services	\$ -	\$ -	\$ 337,949	\$ -	\$ -	\$ -	\$ 337,949	0	0.00
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,873,613	\$ -	\$ -	\$ -	\$ 1,873,613	1	0.50
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 23,370,802	\$ -	\$ -	\$ -	\$ 23,370,802	60	59.50
% Change from 2023-25 Leg Approved Budget	0.0%	0.0%	17.1%	0.0%	0.0%	0.0%	17.1%	1.7%	0.8%
% Change from 2025-27 Current Service Level	0.0%	0.0%	8.7%	0.0%	0.0%	0.0%	8.7%	1.7%	0.8%

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

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Agency: Construction Contractors Board

Mission Statement:

The Construction Contractors Board (CCB) protects the public interest relating to improvements to real property. The agency helps prevent and resolve problems in the construction industry by regulating construction contractors through education, licensing, enforcement and dispute resolution. The CCB strives to promote a fair, honest and competitive construction industry in Oregon in a manner that ensures consumer rights.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Homeowner Awareness - Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.		Approved	78%	60%	60%
2. Unlicensed Recidivism Rate - Percent of offenders who perform work without a CCB license within three years of first offense.		Approved	12.99%	5%	5%
3. Contractors Who Fail to Pay Damages - Percent of licensed contractors operating in Oregon that fail to pay in full final dispute resolution complaints for damages.		Approved	0.29%	0.50%	0.50%
4. Enforcement Investigations - Average days to close an enforcement investigation.		Approved	49	40	40
5. Dispute Resolution Final Orders - Average days to issue a dispute resolution (claims) final order.		Approved	158	155	155
6. Fair and Impartial Dispute Resolution Process - Percent of parties to claims who perceive claims process to be fair and impartial.		Approved	89.30%	90%	90%
7. License and Renewal Processing - Percent of contractors satisfied with the agency's processing of license and renewal information.		Approved	83%	96%	96%
8. Customer Service - Percent of customers rating the agency's customer service as "good" or "excellent". Ratings cover timeliness, accuracy, helpfulness, expertise, availability of information and overall performance.	Timeliness	Approved	71.85%	95%	95%
	Accuracy		86.96%	95%	95%
	Expertise		90.72%	95%	95%
	Helpfulness		90.43%	95%	95%
	Availability of Information		86.66%	95%	95%
	Overall		81.79%	95%	95%
9. Best Practices - Percent of best practices met by the Board.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the key performance measures and targets as presented.

SubCommittee Action:

The General Government Subcommittee approved the key performance measures and targets.