

CONSTRUCTION CONTRACTORS BOARD

Annual Performance Progress Report (APPR) for Fiscal Year (2007-2008)

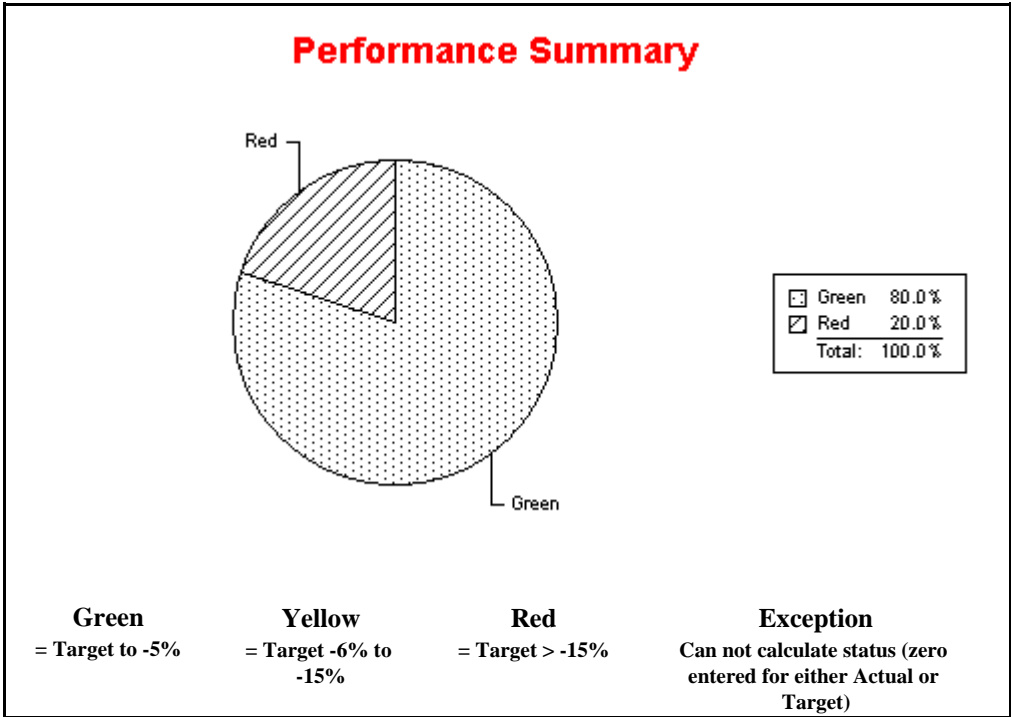
Proposed KPM's for Biennium (2009-2011)

Original Submission Date: 2008

2007-2008 KPM #	2007-2008 Approved Key Performance Measures (KPMs)
1	Tested Contractors – Reduce the percent of CCB tested contractors that have a final order for damages that remain unpaid after 60 days, or that are discharged in bankruptcy.
2	Homeowner Awareness – Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.
3	Unlicensed Recidivism Rate – Percent of offenders who recidivate by performing work without a CCB license within three years of first offense.
4	Contractors Who Fail to Pay Damages – Percent of licensed contractors operating in Oregon that fail to pay in full final Dispute Resolution (claims) final orders for damages.
5	Enforcement Investigations – Average days to close an enforcement investigation.
6	Dispute Resolution Final Orders – Average days to issue a dispute resolution (claims) final order.
7	Fair and Impartial Dispute Resolution Process – Percent of parties to claims who perceive claims process to be fair and impartial.
8	License and Renewal Processing – Percent of contractors satisfied with the agency’s processing of license and renewal information.
9	Customer Service - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information
10	Best Practices – Percent of best practices met by the Board.

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	Title: Rationale:

CONSTRUCTION CONTRACTORS BOARD		I. EXECUTIVE SUMMARY	
Agency Mission: The Construction Contractors Board protects the public's interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through education, contractor licensing, dispute resolution, and law enforcement.			
Contact: Craig P. Smith, Administrator		Contact Phone: 503-378-4621	
Alternate: Linda J. Teet, Administrative Services Manager		Alternate Phone: 503-378-4621	



1. SCOPE OF REPORT

All agency programs are covered by key performance measures. The Oregon Construction Contractors Board (CCB) is the state agency charged with the responsibility to regulate construction contractors. CCB protects consumers by licensing and holding contractors financially accountable for their business practices through the combined efforts of its four major programs:

- Consumer Education and Contractor Education and Testing (KPM #1 and 2)

- Licensing and Customer Service (KPM #8 & 9)
- Enforcement (allegations of license law violations) (KPM #3 and 5)
- Dispute Resolution (complaints involving contract disputes) (KPM #4, 6, and 7)

2. THE OREGON CONTEXT

CCB regulatory services affect the validity of Oregon's economy and the financial security of most Oregon citizen's largest investment, their own home.

In a recent report to the State of Washington Legislative Assembly designed to review the Washington regulatory environment for residential contractors, Oregon was highlighted as having both:

- Annual performance reports submitted to the legislature (which) addresses critical performance metrics.
- Formal complaint resolution process with enforcement powers.

Oregon regulatory structure has served as a model for other states to follow with its unique dispute resolution program.

The agency serves as infrastructure to manage many different regulatory requirements for construction contractors including basic business competency training and testing, compliance with revenue, workers compensation and employment tax requirements, building code and permit compliance, contract law compliance, environmental law compliance and other consumer protection measures, which include liability insurance and surety bond requirement compliance.

Current law mandates that the agency divide its programs to ensure that construction contractors practice their trades in such a manner as to protect consumers, construction workers, and building standards to maintain safe structures in Oregon. Legislative mandates established as a result of the 2005 Taskforce on Construction Claims in 2007 include mandatory continuing education and increased bond and insurance requirements.

Oregon needs contractors to understand and comply with a vast number of laws designed to protect the public.

Links to Oregon Benchmarks: None. Discussion: It was determined that CCB programs do not directly link to the existing set of Oregon Benchmarks. With help from the Oregon Progress Board, the agency developed two high level outcomes (HLOs) to measure the effect the agency has on moving Oregon forward.

HLO1. Percent of all licensed contractors that discharge CCB complaint final orders in bankruptcy, which significantly damage other Oregonians.

HLO2. Percent of homeowners who understand and highly rate the value of hiring a properly licensed contractor.

3. PERFORMANCE SUMMARY

PROGRESS SUMMARY:

1. KPMs making progress at or trending toward target achievement:

- KPM 3: Unlicensed Recidivism Rate
- KPM 4: Contractors Who Fail to Pay Damages
- KPM 6: Dispute Resolution Final Orders
- KPM 7: Fair and Impartial Dispute Resolution Process
- KPM 8: License and Renewal Processing
- KPM 9: Customer Satisfaction
- KPM 10: Best Practices

2. KPMs not making progress not at or trending toward target achievement:

- KPM 1: Tested Contractors
- KPM 2: Homeowner Awareness
- KPM 5: Enforcement Investigations

3. KPMs - progress unclear target not yet set:

None.

Total Number of Key Performance Measures (KPMs): 10

4. CHALLENGES

Challenges include finding ways to increase customer satisfaction with limited resources during a time of increasing government resolutions. Current economic downturn and collapse of the home building industry, coupled with the cost of state mandated insurance, education, and testing is driving some contractors to work without a license. The agency will combat this trend by improving the publics' perception of the value of a license (thereby driving down the demand for unlicensed contractors) and reducing recidivism by adjusting agency sanctions to be perceived by contractors as an unmistakable deterrent to unlicensed activity.

Over the last 25 years the agency has perfected its Licensing program. The licensing reforms, enacted during the 2007 Legislature, have proven to

be a significant challenge. The challenges imposed by licensing reforms have resulted in decreased customer satisfaction and continuing need to further perfect its application of the licensing requirements.

The agency is concerned that KPM 1 (recently revised in 2007) should be evaluated and may need to be further revised to better judge the value of the CCB effort to train and test new contractor business competency.

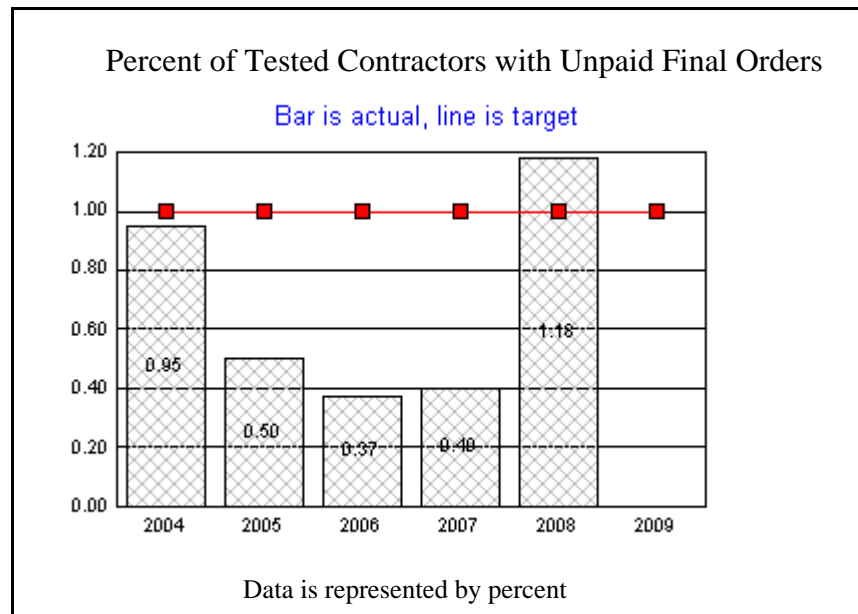
5. RESOURCES AND EFFICIENCY

The agency's budget for fiscal year ending June 30, 2008, was \$7,003,539, and will be \$8,798,997 for 2008-09. These monies are spread between the agency's four major programs:

- Contractor/Consumer Education Programs
- Licensing Program
- Dispute Resolution Services Program
- Enforcement/Discipline/Compliance Programs

Two of the agency's KPMs are designed to measure efficiency (KPM 5 and 6). Over the course of the last two fiscal years, one or the other of these measures have met or exceeded its target. The agency is aiming at meeting targets for both during the next fiscal year.

KPM #1	Tested Contractors – Reduce the percent of CCB tested contractors that have a final order for damages that remain unpaid after 60 days, or that are discharged in bankruptcy.	2007
Goal	Goal 1: To protect Oregon consumers of construction related services. Objective 1b: Contractor Education: To ensure that all licensed contractors have an adequate level of business competency.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Licensing Program Quarterly Report and Dispute Resolution Quarterly Report.	
Owner	Education Manager, Gina Fox, (503) 378-4621 ext. 4016 and Dispute Resolution Section, William J. Boyd, Manager, (503) 378-4621 ext. 4028.	



1. OUR STRATEGY

The agency uses its prerequisite training and testing requirements to train and provide a measurable level of business competency for new

contractors obtaining a new or first time license. Responsible managing individuals (RMIs) are required to demonstrate completion of agency approved training. Prospective RMIs are tested by an agency-approved vendor selected through a competitive bidding process.

It is difficult to actually measure business competency. In the end, the least competent businesses fail and file for bankruptcy in an effort to erase debts caused by many poor business decisions. Based upon the above, the agency had been attempting to measure the level of success of its business competency requirement (test) by measuring the rate of bankruptcies in two specific classes of current licensees:

- Tested contractors 17,431 – July 1, 2008
- Untested contractors 28,535 – July 1, 2008

The rationale is that tested contractors will have the “business competency” to avoid poor business practices and decisions that lead to business failure, bankruptcy, and unrecoverable damages to consumers.

During the 2007 Legislative Session, the legislature directed the agency to revise this performance measure. With the help of legislative staff, the agency developed a new measure based upon unpaid final orders. The new performance measure tracks the number of tested contractors that have a final order for damages that remains unpaid after 60 days, or that are discharged in bankruptcy. This measure may prove to be insufficient to measure the performance of the agency’s education efforts.

Our strategy is to provide contractors with the business training they need to facilitate success and prevent failures, which would lead to unpaid final orders or bankruptcies.

2. ABOUT THE TARGETS

The lower the score, the better.

Because this performance measure was initiated during the 2007 fiscal year, targets may need to be adjusted. The agency developed data going back to 2004 for purposes of comparison. The targets did not take into account the 2008-09 economic conditions that have affected the construction industry.

3. HOW WE ARE DOING

In 2008, we found that 1.18 percent (205) of tested contractors (17,431) licensed by the agency had a DRS final order for damages that remained

unpaid for greater than 60 days during the fiscal year ending June 30, 2008. This is an increase over past years, but is the first time we have sought to qualify this measurement; and therefore, establish a performance measure baseline from which to compare future such measurements.

Although the agency is in the process of re-evaluating the value of this performance measure, agency staff plan to continue to measure this information as it may be an indication of the value of agency business competency testing. The number of tested contractors that filed bankruptcy in 2007 dropped dramatically. While the agency's prerequisite education program likely affected this statistic, a change in federal bankruptcy laws most likely provided a greater affect.

The agency tracks the number of contractors who do not pay a debt to a homeowner or other entity within 60 days, or file bankruptcy to discharge the debt. Due to increased economic pressures on contractors it is likely to increase over the next several fiscal years until economic conditions improve.

4. HOW WE COMPARE

No comparative information exists.

5. FACTORS AFFECTING RESULTS

Factors such as the economy and the personal health of owners of licensed businesses significantly affect contractor's decisions that lead to unpaid final orders.

6. WHAT NEEDS TO BE DONE

The 2007 Legislature revised this performance measure.

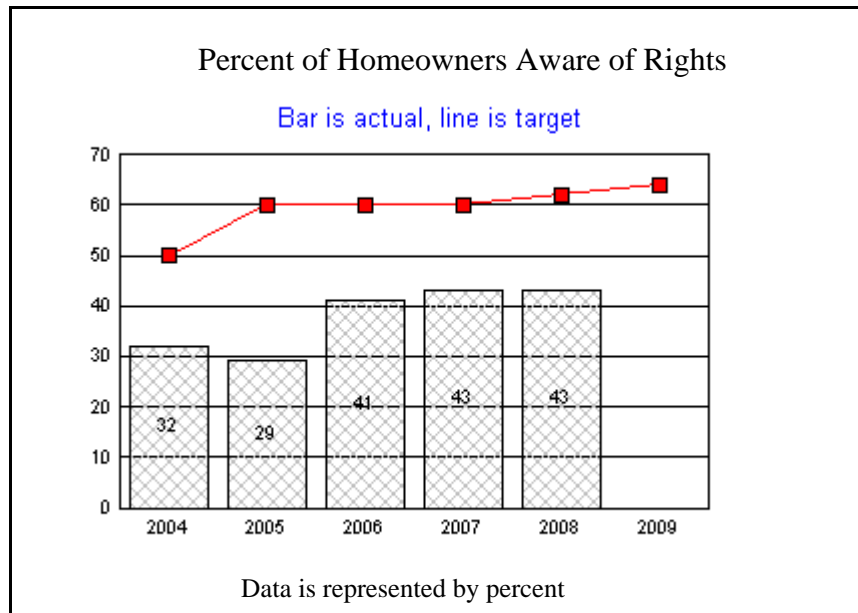
In order to improve performance, the agency shall review the agency's prerequisite education manual and the manner in which information contained in the manual is taught to new contractors in order to strengthen contractor's construction business management competency.

It remains possible, however, that economic conditions will drive the measurement in an adverse manner despite improvements to the agency's business education programs.

7. ABOUT THE DATA

This data is calculated per quarter by the agency's Dispute Resolution Services and Information Technology Sections. The reported data represents fiscal years ending June 30 of the reported year. For example: data reported for the year 2008 represents data gathered from July 1, 2007 through June 30, 2008.

KPM #2	Homeowner Awareness – Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.	2002
Goal	Goal 1: To protect Oregon consumers of construction related services. Objective 1c: Consumer Education: To educate consumers of their rights and responsibilities and the services and authority of the CCB.	
Oregon Context	HLO2 – Percent of homeowners who understand and highly rate the value of hiring a properly licensed contractor.	
Data Source	CCB-sponsored scientific random sample survey among Oregon homeowners.	
Owner	Education Section, Gina Fox, Education Manager (503) 378-4621 ext. 4016.	



1. OUR STRATEGY

In 2006, the CCB developed and began implementing a comprehensive Consumer Education Plan designed to leverage limited resources to

maximize outputs and outcomes that will help educate Oregon consumers. Partners include other state agencies with similar missions (Landscape Contractors Board, Department of Justice, and Department of Consumer and Business Services) and consumer/construction industry groups interested in consumer protection issues. In 2007, the agency began an improved consumer awareness campaign. The agency attends home and remodeling show venues throughout the state to reach those most interested in building or making home improvements. The agency also sends press releases and partners with media to reinforce how, and why, consumers can acquire information necessary to protect their interests.

2. ABOUT THE TARGETS

The higher the number, the better.

The agency has very ambitious targets ranging from 60 percent in 2006 to 64 percent in 2009. The targets may prove to be overly ambitious.

3. HOW WE ARE DOING

Beginning with the 2005 survey, the agency developed six specific questions in the survey to measure awareness. For the past three years, the answers to these questions, number 4 – 9 on the 2008 survey, are averaged together for the percentage of homeowners who are aware of the agency's services and their rights and responsibilities as a consumer. Though the earlier data (2004-2005) indicates that the percent of homeowners that are aware of their rights and responsibilities had dropped approximately 3 percent, from 32 percent in 2004 to 29 percent in 2005, this was likely due to modification of survey questions. Over the past two years the agency began using a comparison of consistent survey questions. These surveys have demonstrated improvements to consumer awareness, which has increased to 41 percent in 2006 and 43 percent in 2007. The result in 2008 has mimicked 2007 at 43 percent.

During the 2007 budget hearings, a subcommittee member suggested a more accurate measure of this KPM would be to ask the six specific questions in the survey to only homeowners that actually had construction work completed. The agency was able to gather that data in the 2008 survey. It indicates that of those homeowners that actually had construction work done in the past five years, 53 percent were aware of their rights and responsibilities and were aware of the CCB. Though the percentage of homeowners has not increased, the agency is confident that more and more Oregon homeowners are hearing the agency's key messages. The key will be in changing homeowner attitudes and perceptions.

4. HOW WE COMPARE

Comparative data is not available.

5. FACTORS AFFECTING RESULTS

Due to the 2008 recession and downturn in the construction industry during the 2007-09 biennium, the agency may be forced to not spend all monies budgeted for its consumer awareness campaign.

Year after year, survey data indicates that a majority of homeowners recognize the importance of using licensed contractors (2008: 93 percent). But many do not take the necessary step of verifying the license. Most common response when asked why they did not check was 'trust'. Homeowners either trusted the contractor was truthful when telling them they were licensed or the homeowner trusted their own judgment.

The lack of revenue during the 2001-03 and 2003-05 biennia curtailed the agency's consumer education activity, which likely resulted in reduced performance in this area during that time period. In 2007, funds were rescheduled for the agency's public awareness campaign. The 2007-09 biennial budget provides additional resources for education.

The 2008-09 recession, however, has caused the agency to institute a hiring freeze and delay spending planned for the sixth through eighth quarters of the biennium. This action has curtailed spending on this program during the last several quarters of the 2007-09 biennium.

6. WHAT NEEDS TO BE DONE

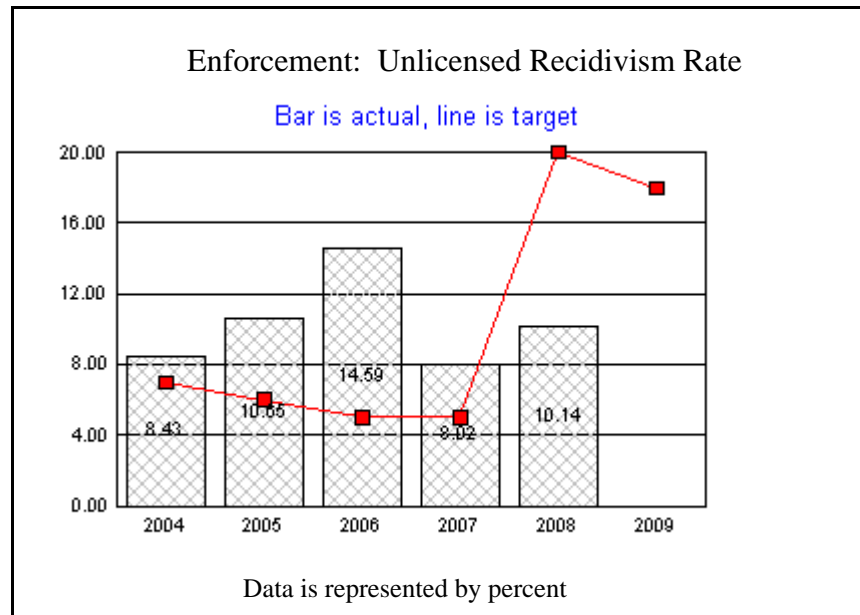
The agency must continue to review, revise and implement its Consumer Education Plan, measure its outcomes, and analyze the results on a performance basis.

7. ABOUT THE DATA

This data was previously acquired on a yearly basis in the winter of each calendar year.

In June, 2008, the agency began collecting data in June to provide the most recent statistics in the reports. The data in this report is from June 2008. It will be gathered again in June 2009.

KPM #3	Unlicensed Recidivism Rate – Percent of offenders who recidivate by performing work without a CCB license within three years of first offense.	2002
Goal	Goal 1: To protect Oregon consumers of construction related services. Objective 1d: Enforcement: To provide timely and effective investigations of unlawful acts and sanction appropriately.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Enforcement Program Quarterly Report.	
Owner	Enforcement Section, Richard Blank, Program Manager, (503) 378-4621 ext. 4024.	



1. OUR STRATEGY

The agency’s disciplinary program must be structured in such a manner so as to deter construction businesses from operating without a proper CCB

license.

In order to facilitate consumer protection, the agency strives to reduce consumer's exposure to unlicensed activity by providing an effective deterrent to unlicensed construction activity. The agency maintains an Enforcement Section equipped with resources and authority designed to dissuade contractors from operating without a proper CCB license. The Enforcement Section partners with the construction industry, building permit offices, other states, local regulatory agencies, media and law enforcement in its efforts to stop unlicensed construction activity.

The agency seeks to eliminate unlicensed activity—the performance measure is designed to show the level of success the agency achieves with repeat offenders.

The likelihood of detection and significance of penalties drive the effectiveness of the agency's disciplinary efforts. A low rate of the recidivism would provide evidence that the agency's disciplinary program is deterring unlawful conduct.

2. ABOUT THE TARGETS

The lower the number, the better.

Original targets were established more than five years ago. The 2007 Legislature established targets for fiscal year 2008 of 20 percent and fiscal year 2009 of 18 percent. The recidivism rate for criminal law enforcement exceeds 30 percent.

The agency seeks to have the lowest possible rate of recidivism.

3. HOW WE ARE DOING

The 2007 Legislature provided additional resources for agency's enforcement efforts. These additional resources have been used in field operations, which have helped to identify an increased number of repeat offenders.

It is too early to tell if targets established for 2008 and 2009 are reasonable.

In the fiscal year (FY) ending in 2008, 42 of the 414 offenders (10.14 percent) had previously been found to have worked without a CCB license in the past 3 years. The 2008 rate of recidivism (10.14 percent) is a 26.4 percent increase in recidivism rate recorded in 2007 (8.02 percent).

4. HOW WE COMPARE

Percent of paroled adult offenders convicted of a new felony within three years of initial release has averaged around 30 percent. A past Oregon Progress Board report indicates that about one paroled felon in three is convicted of a new felony within three years of release. (Source: Progress Board report 2005, 64. Adult Recidivism.)

5. FACTORS AFFECTING RESULTS

Increased resources to perform random job site checks authorized by the 2007 legislature will raise the results of this measure in the short run, but will lower it in the long run.

Increased demand for construction services coupled with increased cost of compliance with CCB regulations (including liability insurance), and other increases in contractor regulations, have driven some contractors to perform work without a proper CCB license.

The worsening economy will have an adverse effect on this performance measure as displaced workers seek to supplement unemployment by performing “side jobs” without a proper CCB license. When related businesses such as recreational vehicle (RV) manufacturers, home improvement and building suppliers, and mobile home manufacturing facilities downsize and/or close, displaced workers will perform construction “side jobs” in their community without a contractor’s license. Some individuals may choose to risk agency enforcement action despite the agency’s enforcement efforts, due to the severity of their personal financial condition.

6. WHAT NEEDS TO BE DONE

The agency must continue to maintain an effective and robust Enforcement Program to deter unlicensed activity. Targets for this KPM were adjusted by the 2007 Legislature and may need to be reviewed and evaluated in the future.

7. ABOUT THE DATA

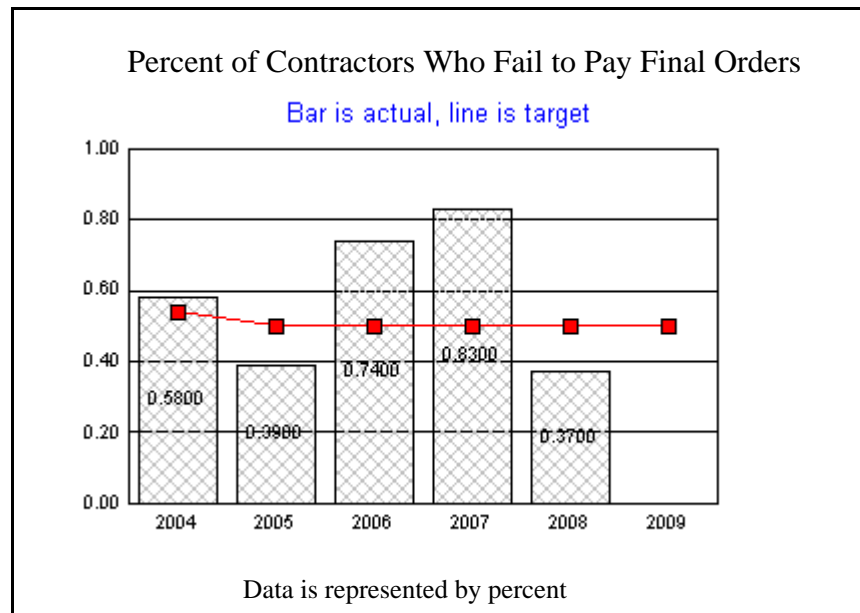
This data is gathered quarterly by the CCB Enforcement Section and represents cumulative data for the fiscal year ending June 30 of each year.

Additional data may be obtained by requesting copies of agency program quarterly reports. These reports are currently in Board Packets published on the website.

For purposes of this measure, a repeat offender (recidivist) is a construction business that has an owner or officer in it, or a previous construction

business, that was found to have worked without a CCB license within the three years preceding the beginning of the subject fiscal year reporting period.

KPM #4	Contractors Who Fail to Pay Damages – Percent of licensed contractors operating in Oregon that fail to pay in full final Dispute Resolution (claims) final orders for damages.	2002
Goal	Goal 1: To protect Oregon consumers of construction related services. Objective 1e: Dispute Resolution: To hold contractors financially accountable for their business practices.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Dispute Resolution Quarterly Report statistics. By measuring the number of contractors per year that fail to pay in full, Dispute Resolution (complaint) final orders for damages divided by the number of CCB licensees per year at the end of the fiscal year.	
Owner	Dispute Resolution Services, William J. Boyd, Manager, (503) 378-4621 ext. 4028.	



1. OUR STRATEGY

The agency's programs work cooperatively to hold individuals and construction businesses accountable for their business practices. The Licensing Section identifies owners and officers of licensed construction businesses. The Dispute Resolution Services (DRS) Section determines or liquefies construction debts. The Enforcement Section suspends the licenses of those businesses that have owners or officers that have current or past unresolved construction debts.

It is the agency's strategy to prevent individuals responsible for unpaid construction debts from owning an actively licensed construction business, and thereby hold these individuals accountable for their business decisions. This performance measure tracks the number of current licensees responsible for unpaid debt. The Oregon court system is an important partner in this activity.

2. ABOUT THE TARGETS

The lower the number, the better.

The target for 2005 and beyond is set at .50 percent. The lower the number score, the better. This target was set based upon statistics for 2001 through 2003.

3. HOW WE ARE DOING

The agency has met and exceeded the target. The lower the number, the better the performance.

The percent of contractors that failed to pay damages significantly decreased in fiscal year 2007 ending June 30, 2008.

The agency has developed and implemented procedures to refocus existing resources to suspend contractors who had failed to pay DRS final orders. These improved procedures resulted in significant improvements to the agency's efforts to hold contractors accountable for their business practices and are reflected in this performance measure.

As the economy has weakened, the problems in the marketplace between contractors and their customers appear to have caused a considerable amount of contractors to fail to pay CCB Dispute Resolution Services final orders.

The number of contractors that had unpaid DRS orders in 2008 (171) was less than one-half of that of 2007 (382) or 2006 (327).

4. HOW WE COMPARE

No comparison data is available.

5. FACTORS AFFECTING RESULTS

The declining economy of the last twenty-four months has been a “two edged sword”. On one hand the weakening economy has removed some marginal construction businesses. On the other hand, tough economic conditions have stressed the ability of some otherwise legitimate contractors in a way that has resulted in some business failures. The agency’s increased focus on this issue has driven the improved results displayed in this performance measure. In the past, data indicated that the number of unpaid final orders significantly increased and the agency’s target was not met. The most recent results are a vast improvement.

6. WHAT NEEDS TO BE DONE

The agency will continue its efforts to identify and discipline contractors and businesses that are owned by individuals responsible for unpaid construction debts. The agency’s use of the new authority provided by HB 2654 (2007) to discipline contractors as “unfit for licensure” for failure to timely pay final orders that exceed bond amounts should reduce the number of contractors who fail to pay Dispute Resolution Services final orders in full.

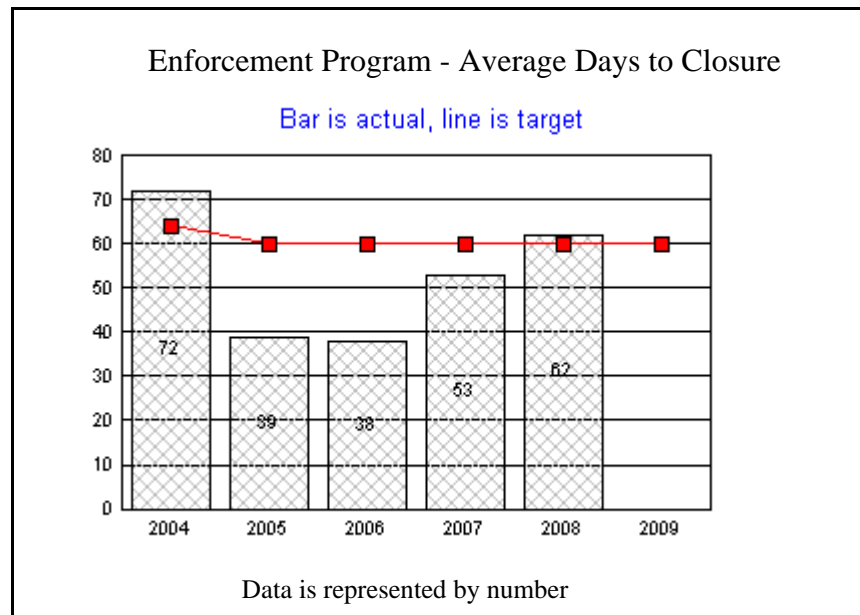
7. ABOUT THE DATA

We have met and exceeded the target. This data is determined once a year in July based upon reports run for the FY ending June 30th. The data is based upon the number of DRS “closed” files where there is any amount left unpaid by the contractors.

Improvement to data collection efforts also served to perfect the reliability and consistency of this performance measure.

CCB reviewed its data for fiscal years ending 2005 and 2006. It was noted that while the underlying data was accurate, there was an error in creating the data table such that fiscal year ending 2006 reported .41% of contractors failed to pay final orders when, in fact, it was .74%. The table provides those revised results for 2006.

KPM #5	Enforcement Investigations – Average days to close an enforcement investigation.	1994
Goal	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 1d: Enforcement: To provide timely and effective investigations of unlawful acts and sanction appropriately.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Enforcement Quarterly Reports.	
Owner	Enforcement Section, Richard Blank, Manager, (503) 378-4621 ext. 4024.	



1. OUR STRATEGY

In order to effectively deter unlicensed and other illegal activity in the construction industry, the agency must process complaints in a timely manner. Those investigations often lead to disciplinary actions, which, if properly administered, provide an effective deterrent to illegal activity. This

efficiency-based performance measure is designed to measure the timeliness of the CCB enforcement process.

2. ABOUT THE TARGETS

The lower the number, the better.

Targets have been set to reflect rapid processing of complaints of illegal activity. The lower the number score, the better. The agency has set very ambitious target for processing an agency enforcement action of 60 days—start to finish.

3. HOW WE ARE DOING

The average length of time to process agency disciplinary actions has increased by approximately 17 percent and resulted in the agency failing to meet its target for the first time in four years.

The data indicates that the agency met or exceeded its goals during three of the last four fiscal years. However, the length of time to process enforcement actions increased in FY 08 due, in part, to receipt of 39% more complaints (5,102 FY 08 vs. 3,678 FY 07). The 17 percent increase in the length of time to process corresponds to the increase in the number of complaints received.

4. HOW WE COMPARE

No comparative data is currently available.

5. FACTORS AFFECTING RESULTS

An increased number of unlicensed contractors due to the deepening recession and the cost and availability of liability insurance are factors that likely affect this performance measurement. Increased efforts to positively identify violators have caused an increase in the amount of time to investigate complaints.

In addition, the 2007 Legislature added a Field Investigations program, including 12 jobsite investigators. This program has significantly increased workload for enforcement staff by locating and better reporting illegal construction activity, which creates new actions for the enforcement staff to research and process. Enforcement staff have also been proactively researching Craigslist advertisements to locate and penalize contractors advertising illegally.

6. WHAT NEEDS TO BE DONE

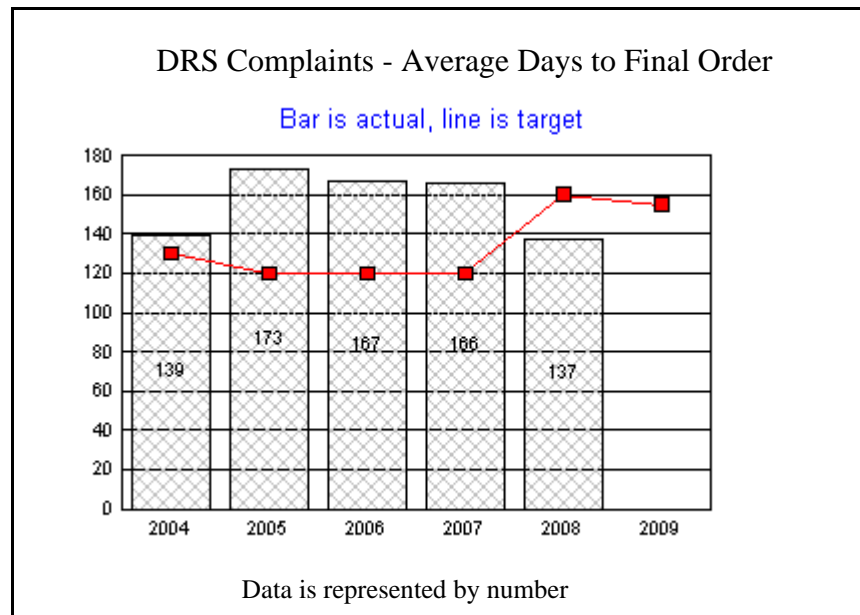
The agency shall find ways to modify its procedures and resources in a manner that will reduce the average number of days it takes to close disciplinary files. No additional resources should be sought. The agency must find more efficient ways to bring enforcement disciplinary files to closure.

Due to the 39% increase in enforcement complaints filed during the 2008 FY, the agency did not meet its target. Customer expectations will likely cause the agency to investigate more complex issues such as violations of worker compensation insurance laws, independent contractor law, and paying workers “under the table”. These investigations are problematic and may lengthen the average time to open and close such enforcement complaints. Training and proper utilization of the 2007 Legislatively-approved field staff will be key to managing the length of time it takes to process these enforcement complaints and meet targets for this performance measure.

7. ABOUT THE DATA

This data is gathered on a quarterly basis and reported by the agency’s Enforcement Section. Additional information may be obtained by requesting the agency section quarterly reports. Data for this report represents fiscal year totals, with the fiscal year ending June 30th of the subject year.

KPM #6	Dispute Resolution Final Orders – Average days to issue a dispute resolution (claims) final order.	1994
Goal	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 2a: Dispute Resolution: To efficiently process complaints.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Dispute Resolution Section Quarterly Reports.	
Owner	Dispute Resolution Section, William J. Boyd, Manager, (503) 378-4621 ext. 4028.	



1. OUR STRATEGY

The agency seeks to resolve disputes as fast as possible in an effort to hold contractors accountable for their business practices and resolve consumer complaints in a timely manner. The efficient processing of consumer “breach of contract” complaints will drive customer satisfaction

results.

2. ABOUT THE TARGETS

The lower the number score, the better.

Targets were developed based upon obtainable goals in 2003. The 2007 Legislature adjusted the targets.

3. HOW WE ARE DOING

The agency met its FY 08 target despite closing 13% more files in FY 08.

4. HOW WE COMPARE

There is no comparative data.

5. FACTORS AFFECTING RESULTS

Legislation that went into effect in January 2005 reduced the number of DRS complaints by nearly one-half. Complainants were required to provide a 30-day notice to contractors of their intent to file a complaint with the CCB and pay a recoverable processing fee (\$50). These actions combined to eliminate easily resolved and frivolous complaints. Consequently, the agency was left with complaints that are relatively complex, not easily resolvable and, as such, take longer to process. In short, the “low hanging fruit” is no longer available, and the average length of time to close a DRS complaint has averaged above the target over the last four years. During FY 08 the agency received more complaints from material dealers due to the poor economic conditions. While increases in the number of complaints added workload, they served to lower the average time it takes to resolve DRS complaints because they are significantly simpler to process compared to other DRS (owner/wage/sub/prime) complaints.

The agency is working with the Office of Administrative Hearings (OAH) to reduce the length of time to process a complaint.

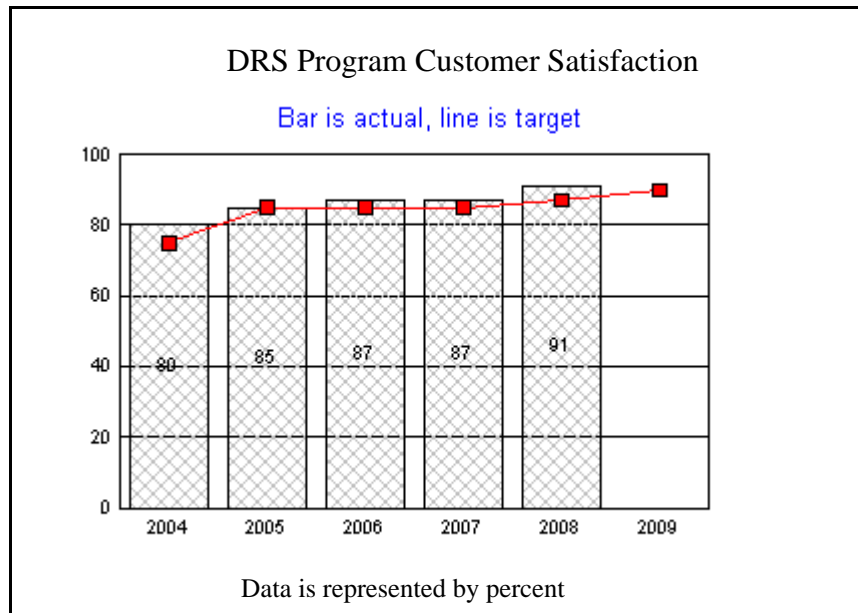
6. WHAT NEEDS TO BE DONE

The agency continues to search for ways to reduce the length of time to process these complaints, including training new staff as quickly as possible. The agency will closely monitor its Dispute Resolution Services performance and adjust policies and resources to achieve the targets.

7. ABOUT THE DATA

The data is based upon fiscal year results for years ending June 30th. Additional data is available from the agency's Dispute Resolution Services quarterly reports.

KPM #7	Fair and Impartial Dispute Resolution Process – Percent of parties to claims who perceive claims process to be fair and impartial.	2002
Goal	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 2b: Dispute Resolution: To maximize participant’s perception of fairness given the requirements of due process under the law.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB complaint final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Dispute Resolution Section Customer Satisfaction Survey started April 1, 2002 and reported in the Dispute Resolution 2005-07 Biennium Reports.	
Owner	Dispute Resolution Services Section, William J. Boyd, Manager, (503) 378-4621 ext. 4028.	



1. OUR STRATEGY

It is imperative that the public perceive the agency's Dispute Resolution Program to be trustworthy and fair to both consumers and contractors.

The agency strives to satisfy all parties that participate in its Dispute Resolution Services (DRS) program. This is a difficult assignment given the fact that DRS often ends up with both a "winner and a loser". Here the agency measures its performance by measuring the degree to which parties perceive the Dispute Resolution Services process to be fair and impartial in an effort to achieve the goal of excellent customer satisfaction.

2. ABOUT THE TARGETS

The higher the score, the better.

Those targets seemed to be both challenging and obtainable. The targets were raised by the 2007 Legislature.

3. HOW WE ARE DOING

The agency has exceeded its targets. The agency will strive to increase this level of satisfaction with the program.

4. HOW WE COMPARE

There is no comparative data.

5. FACTORS AFFECTING RESULTS

Citizens overall opinion of government (state and local) and the agency specifically, will affect this performance measure.

The Office of Administrative Hearings performance may also affect this performance measure.

The agency is looking for ways to increase the number of returned surveys, which currently hovers around ten percent. In FY 08 the agency increased the responses to its surveys by sending postage paid envelopes out with the surveys.

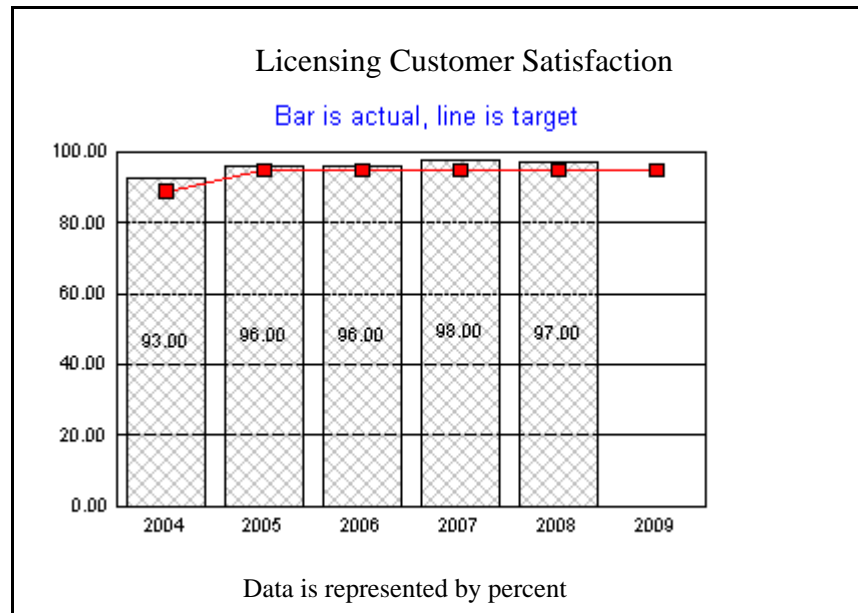
6. WHAT NEEDS TO BE DONE

The agency will look for ways to improve its communications with the parties.

7. ABOUT THE DATA

The data sample should be increased, if possible. The higher the survey's rate of response, the greater the reliability of the data. Additional data is available from the agency's Dispute Resolution Services quarterly reports. The data is from question number 7 on the survey.

KPM #8	License and Renewal Processing – Percent of contractors satisfied with the agency’s processing of license and renewal information.	2002
Goal	Goal 3. To regulate in a manner that supports a fair, honest, and competitive business climate in the construction industry. Objective 3a.: Licensing: To efficiently license and renew all construction businesses required by law in a business friendly manner.	
Oregon Context	HLO1 – Percent of all licensed contractors that discharge CCB complaints final orders in bankruptcy, which significantly damages other Oregonians.	
Data Source	CCB Licensing Quarterly Reports and survey conducted by CCB during license renewals.	
Owner	Licensing Section, Kristie Patton, Manager, (503) 378-4621 ext. 4012.	



1. OUR STRATEGY

Provide superior service in a timely manner. The agency strives to make licensing and renewals an efficient and trouble free experience. Contractors

that supply all the necessary information for processing expect to receive their license in a timely manner. The strategy of the agency is to clearly explain what is needed to secure a license, and process applications within hours, or days, of receiving them in an effort to meet customer expectations. The agency processes between 1,500 and 2,000 license renewals per month. Licenses are renewed every two years. Today the agency serves approximately 46,000 licensed contractors (both active and inactive).

2. ABOUT THE TARGETS

The higher the number score, the better.

While the agency strives to satisfy 100 percent of its customers, it has set an ambitious goal of 95 percent for this performance measure.

3. HOW WE ARE DOING

The agency exceeded its goal and currently enjoys a very high level of customer satisfaction with this set of customers. The agency has exceeded its targets every year since 2002. The agency raised its target to 95 percent for 2005-06 and has met, or exceeded this ambitious goal.

4. HOW WE COMPARE

There is no comparative data available at this time.

5. FACTORS AFFECTING RESULTS

The cost and availability of liability insurance, which some contractors complain causes a barrier to entry or continuation in the market.

Increased regulations that went into effect in 2008 and 2009 as a result of legislation passed in 2007 may adversely affect the performance measure. During the 2007 Legislature, licensing reforms have proven to be a significant challenge. The Licensing and Education Program staff have worked hard to ensure that contractors are well-informed about the license requirement changes. As of June 2008, the challenges imposed by licensing reforms have resulted in a very minor (1%) decreased customer satisfaction.

6. WHAT NEEDS TO BE DONE

The agency shall look for ways to improve its services to these customers.

7. ABOUT THE DATA

The data reflects information gathered and reported by the agency on a quarterly basis and represents fiscal years ending June 30th. This data is limited to the first three quarters of the years because this section surveyed contractors for the statewide customer results during the fourth quarter of fiscal year. The data is from question number 7 on the survey.

For FY 2004 and 2005 question 2 of the survey was inadvertently used rather than question number 7. The correct percentages should have been reported as follows: 2004 96% and for 2005 97%. The charts have not been changed to correct this mistake.

KPM #9	Customer Service - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”; overall, timeliness, accuracy, helpfulness, expertise, availability of information	2006
Goal	Agency Overall Satisfaction – Percent of customers rating their overall satisfaction with the agency above average or excellent and Customer Satisfaction – Percent of customers rating satisfaction with agency services above average or excellent for: A: Timeliness; B: Accuracy; C; Helpfulness; D: Expertise; E: Information Availability.	
Oregon Context	CCB has no primary links to the Oregon Benchmarks.	
Data Source	Customer Service Surveys completed and returned April 1, 2008 through June 30, 2008.	
Owner	Licensing Section, Kristie Patton, Manager, (503) 378-4621 ext. 4012.	



1. OUR STRATEGY

The agency strives to provide prompt, courteous service that is responsive to our customers’ needs and public protection.

2. ABOUT THE TARGETS

The higher the number, the better.

Targets were developed based upon 2006 data and represents incremented improvements sought by the agency over 2006 results.

3. HOW WE ARE DOING

Customer satisfaction levels have declined compared to the previous fiscal year (FY). The agency currently enjoys a high level of customer satisfaction.

4. HOW WE COMPARE

During the 2008 fiscal year, the agency will review data from other regulatory agencies.

5. FACTORS AFFECTING RESULTS

Increasing government regulation of the construction industry may adversely drive agency customers' satisfaction levels. Cost and availability of insurance and education and testing requirements complicate contractor's lives and may affect their overall satisfaction with the agency. The dramatic increase in regulations administered by the agency due to legislation passed by the 2007 Legislature will create significant challenges.

For the fiscal years 2006-07 and 2007-08, the "I don't know" responses were taken out of the survey result calculations due to the fairly high instance rate of "I don't know" responses. This distorted the survey results.

6. WHAT NEEDS TO BE DONE

The agency must continue to find ways to improve customer service, including finding ways to help contractors comply with the current trend to increase requirements for contractors to maintain their license.

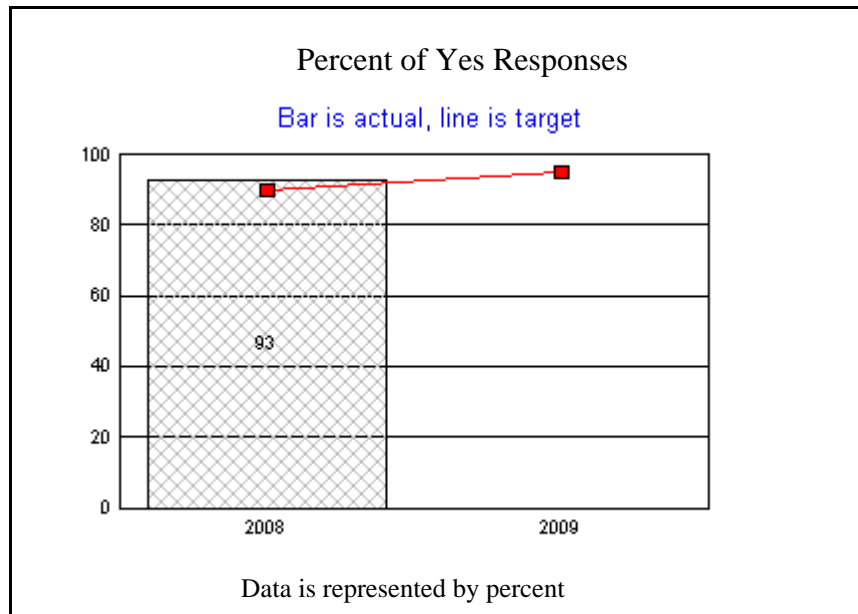
7. ABOUT THE DATA

The following is information on the CCB survey:

- a. Survey Name: Customer Service.
- b. Surveyor: Staff of the Construction Contractors Board.

- c. Date Conducted: April, May, and June 2007.
- d. Population: Contractors who are receiving their contracting license during April, May, and June 2007.
- e. Sampling Frame: The survey form was sent to each contractor who received a license during the three-month period of April, May, and June 2007.
- f. Sampling Procedure: A 'census' survey was conducted. The survey form was sent to each contractor who received a license during the three-month period of April, May, and June 2007.
- g. Sample Characteristics: Data from each survey received was entered by CCB staff into the agency's database and tracked. Responses to each question are available individually as well as cumulatively.
- h. Weighting: No weighting was applied.

KPM #10	Best Practices – Percent of best practices met by the Board.	2007
Goal	Best Practices – Percent of best practices met by the Board.	
Oregon Context	CCB has no primary links to the Oregon Benchmarks.	
Data Source	During a Board meeting in July 2008, Board Members individually voted on each of the 15 Best Practices as they perceived them for the 2007-08 FY.	
Owner	Administrator Craig P. Smith (503) 378-4621 ext. 4010.	



1. OUR STRATEGY

To develop and implement recommended statewide “Best Practices” for Boards and Commissions to improve the governance provided by the agency.

This statewide measure for Boards and Commissions was instituted by the Construction Contractors Board in FY 08. The agency administrator reviewed the measure's 15 Best Practices with Board members throughout the year, and discussed each of them individually.

2. ABOUT THE TARGETS

The agency has targets ranging from 90 percent in 2008 to 95 percent in 2009. In order to reach 95 percent all the Best Practice criteria must be marked 'Yes', which is effectively 100%. The agency shall strive to reach 100 percent.

3. HOW WE ARE DOING

The Construction Contractors Board has met its FY 08 target goal.

4. HOW WE COMPARE

We shall look at comparables for the FY 2009 report.

5. FACTORS AFFECTING RESULTS

When board members discussed Best Practice #3 ("The agency's mission and high-level goals are current and applicable") a new board member questioned whether the Construction Contractors Board's current Mission and Goals are in fact current. Based upon this single new member's concerns that the Mission and Goals may not be current, or at least need to be reviewed, the entire Best Practice scored 'No'. This 'No' voted caused an overall score of 93%.

6. WHAT NEEDS TO BE DONE

Board members and staff, along with interested stakeholders, will review the agency Mission and Goals and make changes as needed by September 30, 2009.

7. ABOUT THE DATA

Board members individually evaluated group performance and met to discuss their observations. A collective score was determined based upon the individual evaluations.

The Construction Contractors Board strives to perform its internal functions according to DAS policies and procedures and other appropriate guidelines. During a board meeting in July 2008, Board Members individually voted on each of the 15 Best Practices as they perceived them for the 2007-08 FY. One or more 'No' votes automatically caused the entire vote on an individual Best Practice to be 'No'.

CONSTRUCTION CONTRACTORS BOARD**III. USING PERFORMANCE DATA**

Agency Mission: The Construction Contractors Board protects the public's interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through education, contractor licensing, dispute resolution, and law enforcement.

Contact: Craig P. Smith, Administrator

Contact Phone: 503-378-4621

Alternate: Linda J. Teet, Administrative Services Manager

Alternate Phone: 503-378-4621

The following questions indicate how performance measures and data are used for management and accountability purposes.

<p>1. INCLUSIVITY</p>	<p>* Staff : Several methods were used to obtain input by staff, including discussions during monthly management and program unit meetings. The agency management team worked with the Oregon Progress Board to examine the agency's mission, goals and performance measures.</p> <p>* Elected Officials: Legislators reviewed the agency's performance measures during the 74th Legislative Assembly and recommended changes for the next biennium.</p> <p>* Stakeholders: The agency management team worked with stakeholders and Board members, to review and discuss the agency's performance measures.</p> <p>* Citizens: The agency's performance measures are available on the agency's website for citizen review and comment. Citizens are encouraged to provide public comment at monthly agency public meetings.</p>
<p>2 MANAGING FOR RESULTS</p>	<p>The agency uses its performance measures to gauge agency progress, effectiveness, efficiencies, and levels of customer satisfaction. Program managers review individual section's performance and customer satisfaction survey results to fine tune programs. Board members are provided with annual performance measure results. They are used to develop agency efficiencies and evaluate policy issues. The agency's management team continues to analyze performance measures and their results in an effort to fine tune the measures and guarantee that these measures represent meaningful management tools.</p>
<p>3 STAFF TRAINING</p>	<p>Agency staff participated in training offered by the Oregon Progress Board. This training was instrumental in the agency's efforts to develop, monitor, and report its performance measures. Agency managers have reviewed measures with program staff who, in turn, have offered suggestions on fine tuning and perfecting reliable methods of collection and interpretation of data.</p>

4 COMMUNICATING RESULTS

* **Staff :** Results are reported during public Board meetings and at staff meetings.

* **Elected Officials:** Results are reported at legislative committee meetings.

* **Stakeholders:** Stakeholder meetings are held and performance measure results are reported.

* **Citizens:** Agency web address: www.oregon.gov/CCB