

# CONSTRUCTION CONTRACTORS BOARD Annual Performance Progress Report (APPR) for Fiscal Year 2005-06

2007-09 Budget Form 107BF04c

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To obtain additional copies of this report, contact Construction Contractors Board at 503-378-4621, mailing address PO Box 14140, Salem OR 97309-5052, or visit [http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual\\_Performance\\_Reports](http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual_Performance_Reports).

## 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.

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# ABOUT THIS REPORT

## Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, and how performance data are used, and to analyze agency performance for each key performance measure legislatively approved for the 2005-07 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.

## KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **Key Performance Measures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.**

## Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

**CONSTRUCTION CONTRACTORS BOARD**

**TABLE OF MEASURES**

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.

2005-07 KPM#	2005-07 Key Performance Measures (KPMs)	Page #
1	Customer Contact Index – Total number of customer contacts (web site hits, telephone calls, IVR calls, packets of mail requested, home show contacts, and speech contacts).	5
2	Tested Contractors – Percent of CCB tested contractors that file bankruptcy.	6-7
3	Homeowner Awareness – Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.	8-9
4	Unlicensed Recidivism Rate – Percent of offenders who recidivate by performing work without a CCB license within three years of first offense.	10-11
5	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.	12-13
6	Enforcement Investigations – Average days to close an enforcement investigation.	14-15
7	Dispute Resolution Final Orders – Average days to issue a dispute resolution (claims) final order.	16-17
8	Fair and Impartial Dispute Resolution Process – Percent of parties to claims who perceive claims process to be fair and impartial	18-19
9	License and Renewal Processing – Percent of contractors satisfied with the agency’s processing of license and renewal information.	20-21
10	Customer Satisfaction – Percentage of customers rating their overall satisfaction with the agency’s customer service as “good” or “excellent”: (a) timeliness; (b) accuracy; (c) helpfulness; (d) expertise; (e) information availability.	22-23

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	Phone: 503-378-4621 ext. 4010
Alternate: Linda J. Teet, Administrative Services Manager	Phone: 503-378-4621 ext. 4000

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:

- Contractor Education and Testing (KPM #1, 2, and 3)
- Licensing and Customer Service (KPM # 9)
- Enforcement (allegations of license law violations) (KPM #4 and 6)
- Dispute Resolution (claims involving contract disputes) (KPM #5, 7, and 8)

2. THE OREGON CONTEXT

The agency serves as infrastructure to manage many different regulatory requirements for construction contractors including basic business competency, 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.

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 claim 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.

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**3. PERFORMANCE SUMMARY**

<b>KPM Progress Summary</b>	<b>Key Performance Measures (KPMs) with Page References</b>	<b># of KPMs</b>
KPMs MAKING PROGRESS at or trending toward target achievement	Customer Contact Index (page 5), Contractors Who Fail to Pay Damages (page 12-13), Enforcement Investigations (page 14-15), Fair and Impartial Dispute Resolution Process (page 18-19), License and Renewal Processing (page 20-21)	5
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	Tested Contractors (page 6-7), Homeowner Awareness (page 8-9), Unlicensed Recidivism Rate (page 10-11), Dispute Resolution Final Orders (page 16-17)	4
KPMs - PROGRESS UNCLEAR target not yet set	Customer Satisfaction (page 22-23)	1
Total Number of Key Performance Measures (KPMs)		10

**4. CHALLENGES**

Challenges include finding ways to increase customer satisfaction with very limited resources. 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 public’s 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 as an actual deterrent to unlicensed activity.

**5. RESOURCES USED AND EFFICIENCY**

The agency’s budget for fiscal year ending June 30, 2006, was \$5,368,000. KPMs 6 and 7 are efficiency measures, while the agency presently enjoys a high level of efficiency with regard to the days it takes to process disciplinary actions (KPM #6), we are lagging behind in our efforts to rapidly process contract disputes (KPM #7).

**CONSTRUCTION CONTRACTORS BOARD**

**II. 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	Phone: 503-378-4621 ext. 4010
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<b>The following questions indicate how performance measures and data are used for management and accountability purposes.</b>	
<p><b>1 INCLUSIVITY</b> Describe the involvement of the following groups in the development of the agency’s performance measures.</p>	<ul style="list-style-type: none"> <li>• Staff: The agency management team worked with the Oregon Progress Board to examine the agency’s mission, goals and performance measures.</li> <li>• Stakeholders: The agency management team worked with stakeholders and Board members, to review and discuss the agency’s performance measures.</li> <li>• Elected Officials: Legislators reviewed the agency’s performance measures during the 73<sup>rd</sup> Legislative Assembly and recommended changes for the next biennium.</li> <li>• Citizens: The agency’s performance measures are available on the agency’s website for citizen review and comment.</li> </ul>
<p><b>2 MANAGING FOR RESULTS</b> How are performance measures used for management of the agency? What changes have been made in the past year?</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><b>3 STAFF TRAINING</b> What training has staff had in the past year on the practical value and use of performance measures?</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>
<p><b>4 COMMUNICATING RESULTS</b> How does the agency communicate performance results to each of the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> <li>• Staff: Results are reported during public Board meetings and at staff meetings.</li> <li>• Elected Officials: Results are reported at legislative committee meetings.</li> <li>• Stakeholders: Stakeholder meetings are held and performance measure results are reported.</li> <li>• Citizens: Agency web address: <a href="http://www.ccb.state.or.us">www.ccb.state.or.us</a></li> </ul> <p>Each agency program’s quarterly report reflects statistical data relating to its program. Statistics are reviewed to determine if the measure indicates cost-effectiveness. The reports are located in the Board packet materials on the agency’s website and are discussed at Board meetings on a quarterly basis.</p>

### III. KEY MEASURE ANALYSIS

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.

<b>KPM #91500-1</b>	<b>CUSTOMER CONTACT INDEX</b> Total number of customer contacts (web site hits, telephone calls, IVR calls, packets of mail requested, home show contacts, and speech contacts).	<b>Measure since: e.g. 2002</b>
<b>Goal</b>	Goal 1: To protect Oregon consumers of construction related services. Objective 1a: Licensing: To efficiently maintain and share, on request, public records for licensed contractors.	
<b>Oregon Context</b>	HLO2 – Percent of homeowners who understand and highly rate the value of hiring a properly licensed contractor.	
<b>Data source</b>	CCB database records (customer contacts per month.xls (LJT)).	
<b>Owner</b>	Administrative Services Section, Linda J. Teet, Manager, (503) 378-4621 ext. 4000	

1. **OUR STRATEGY**

The agency’s strategy is to maximize the number of agency contacts with its customers and thereby disseminate the greatest amount of information to the public.

2. **ABOUT THE TARGETS**

Targets were selected based upon 2001-03 data results. Rapid growth of internet contacts has exceeded agency expectations. The agency seeks the **highest** number of contacts possible.

3. **HOW WE ARE DOING**

In 2005 and 2006 use of the agency’s website has resulted in an unexpectedly large number of agency contacts. In 2005, customer contacts exceeded the target by nearly 90 percent; 2006 data also exceeded projections by 33 percent. Customer contacts continue to trend upward, exceeding targets.

4. **HOW WE COMPARE**

No comparative data is available.

5. **FACTORS AFFECTING RESULTS**

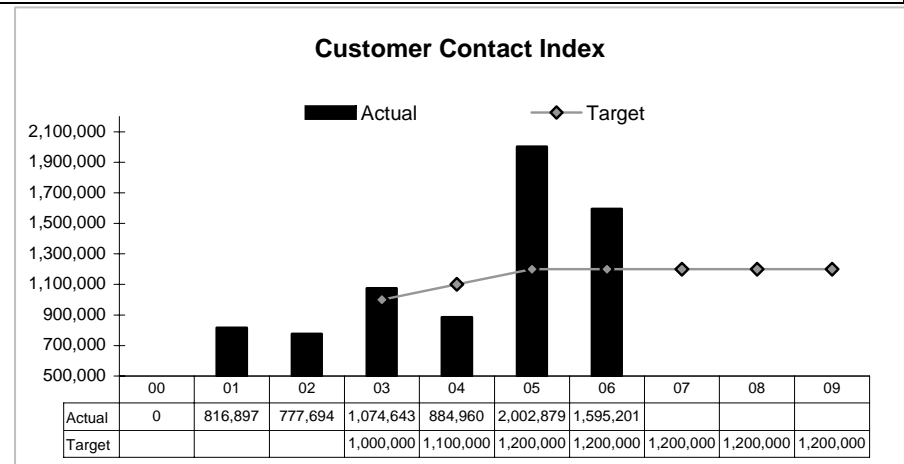
The explosion of the use of personal computers has affected the output measurement.

6. **WHAT NEEDS TO BE DONE**

The agency must consider whether the measure remains relevant.

7. **ABOUT THE DATA**

This data is calculated per quarter by the agency’s Administrative 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 2006 represents data gathered from July 1, 2005 through June 30, 2006.



### III. KEY MEASURE ANALYSIS

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.

KPM #91500-2	TESTED CONTRACTORS Percent of CCB tested contractors that file bankruptcy.	Measure since: e.g. 2002
<b>Goal</b>	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.	
<b>Oregon Context</b>	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data source</b>	CCB Licensing Program Quarterly Report 2005-07 and Dispute Resolution Quarterly Report 2005-07	
<b>Owner</b>	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 license applicants. Responsible managing individuals (RMIs) are required to demonstrate completion of agency approved training printed in the agency’s Contractor Reference Manual by a private provider. 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 has 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:

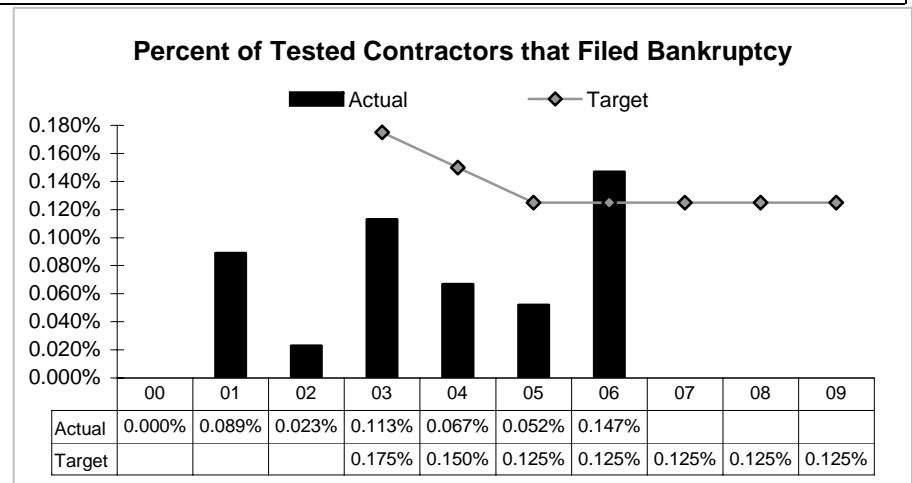
- Tested contractors (12,252 – July 1, 2006)
- Untested contractors (31,756 – July 1, 2006)

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

During the 2005-07 budget process, the Assembly directed the agency to re-evaluate this performance measure.

**2. ABOUT THE TARGETS**

While the rates of bankruptcy are small (less than one percent), the agency strives to reduce the number as low as possible. Therefore, the lower the score reported the better.



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**3. HOW WE ARE DOING**

The rate of bankruptcy for tested contractors has demonstrated a steady drop from 2003 until 2005. The 2006 data reversed that trend and showed a significant increase. In 2006, agency statistics showed that 18 out of 12,252 tested contractors (.147%) filed bankruptcy. While this is a significant increase over 2005 (.052%), it remains roughly half of that of untested contractors ( $90 \div 31,756 = .283\%$ ). 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 appears to be an important indication of the value of agency business competency testing.

**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 may also significantly affect contractor's decisions that lead to bankruptcy.

**6. WHAT NEEDS TO BE DONE**

Pursuant to directions from the Legislature in 2005-07 budget process, the agency shall evaluate the usefulness of this performance measure and report its conclusions and recommendations to the Joint Legislative Advisory Committee (JLAC) in a timely manner.

**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 2006 represents data gathered from July 1, 2005 through June 30, 2006.

### III. KEY MEASURE ANALYSIS

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.

<b>KPM #91500-3</b>	<b>HOMEOWNER AWARENESS</b> Percent of homeowners who are aware of their rights and responsibilities and the services of CCB.	<b>Measure since:</b> e.g. 2002
<b>Goal</b>	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	
<b>Oregon Context</b>	HLO2 – Percent of homeowners who understand and highly rate the value of hiring a properly licensed contractor.	
<b>Data source</b>	CCB-sponsored scientific random sample survey among Oregon homeowners.	
<b>Owner</b>	Education Section, Gina Fox, Education Manager (503) 378-4621 ext. 4016	

**1. OUR STRATEGY**

The CCB has developed 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. The agency also uses media press releases to reinforce how, and why, consumers can acquire information necessary to protect their interests.

**2. ABOUT THE TARGETS**

The agency has set what appear to be very ambitious targets ranging from 45 percent in 2003 to 60 percent in 2005 and beyond. The targets may prove to be overly ambitious.

**3. HOW WE ARE DOING**

In 2005, agency data indicates that the percent of homeowners that are aware of their rights and responsibilities dropped approximately 9 percent, from 32 percent in 2004 to 29 percent in 2005. While the trend in the last two reported years is down, the agency has developed a plan to raise its performance. In this case, the higher the number reported, the better the agency’s performance. Due to reduced revenues, data for 2002 and 2003 was not collected.

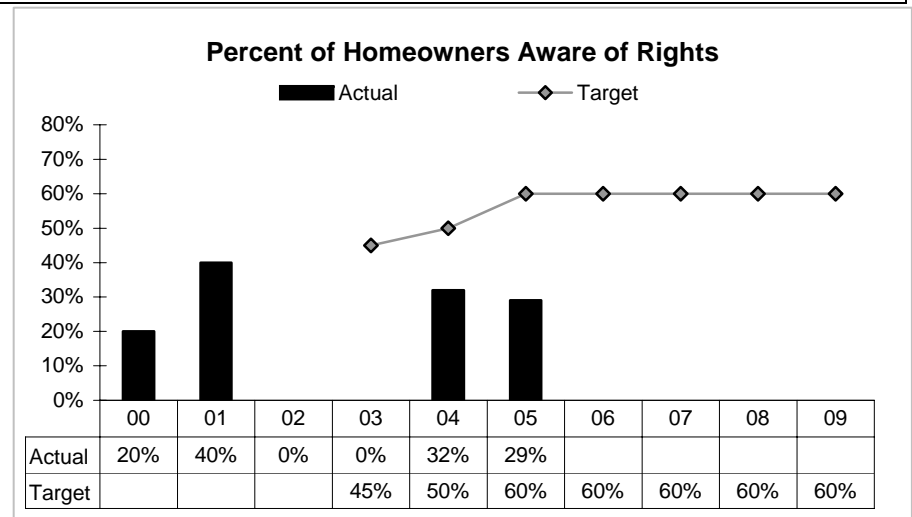
**4. HOW WE COMPARE**

Comparative data is not available.

**5. FACTORS AFFECTING RESULTS**

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.

Traditionally, the agency has committed a very small percentage of agency resources to consumer education. It is now apparent that consumers would benefit by the agency finding ways to allocate additional effective resources to prevention—rather than waiting to cure problems caused by contractors.



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**6. WHAT NEEDS TO BE DONE**

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

**7. ABOUT THE DATA**

This data is acquired on a yearly basis in the winter of each calendar year. The most recent data for year 2005 was reported in November 2005.

### III. KEY MEASURE ANALYSIS

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.

KPM #91500-4	UNLICENSED RECIDIVISM RATE Percent of offenders who recidivate by performing work without a CCB license within three years of first offense.	Measure since: e.g. 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 claims 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**

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.

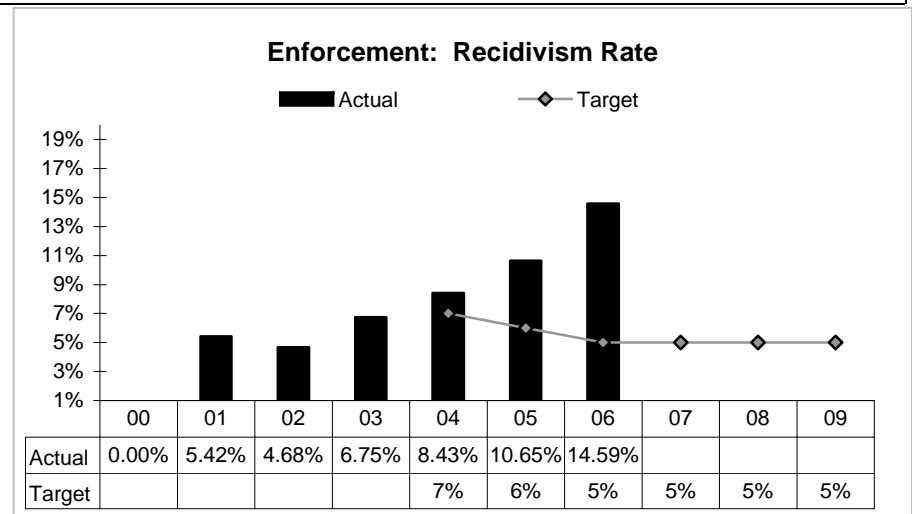
2. **ABOUT THE TARGETS**

Targets were established more than three years ago. They may be unrealistic and in need of revision. The recidivism rate for criminal law enforcement is in the double digits. As the agency perfects its investigation, data management, and methodology for this performance measure, more realistic targets may have to be considered. The agency seeks to have the lowest possible rate of recidivism.

3. **HOW WE ARE DOING**

Data suggests that the rate of recidivism is increasing. The agency’s enhanced enforcement efforts may find more repeat offenders in the short run. The agency has recently moved three of its personnel from other agency programs to booster its enforcement efforts.

In the fiscal year (FY) ending in 2006, 34 of the 233 offenders (14.6 percent) had previously been found to have worked without a CCB license in the past 3 years. The 2006 rate of recidivism (14.6 percent) is a 40 percent increase in recidivism rate recorded in 2005 (10.7 percent).



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**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. The most recent 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 demand for construction services coupled with increased cost of compliance with CCB regulations (including liability insurance) have driven some contractors to perform work without a proper CCB license.

The agency has improved its methodology and data collection for this performance measure (PM). 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.

**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 should be re-evaluated.

**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 will soon be placed on the agency's website and are currently in Board Packets published on the website.

### III. KEY MEASURE ANALYSIS

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.

<b>KPM #91500-5</b>	<b>CONTRACTORS WHO FAIL TO PAY DAMAGES</b> Percent of licensed contractors operating in Oregon that fail to pay in full final Dispute Resolution (claims) final orders for damages.	Measure since: e.g. 2002
<b>Goal</b>	Goal 1: To protect Oregon consumers of construction related services. Objective 1e: Dispute Resolution: To hold contractors financially accountable for their business practices	
<b>Oregon Context</b>	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data source</b>	CCB Dispute Resolution Quarterly Report statistics. By measuring the number of contractors per year that fail to pay, in full, Dispute Resolution (claims) final orders for damages divided by the number of CCB licensees per year at the end of the fiscal year.	
<b>Owner</b>	Dispute Resolution Section, 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**

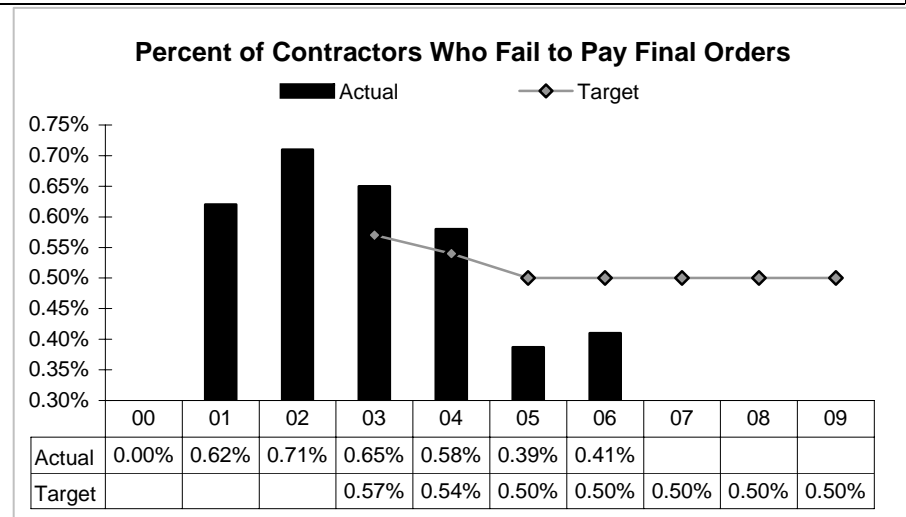
The target for 2005 and beyond is set at .50 percent. The lower the number score, the better. This target was set based upon statistics for 2001 through 2003.

**3. HOW WE ARE DOING**

The data indicates that efforts employed by the agency to reduce the percentage of licensed contractors that fail to pay orders for damages have appeared to work over the last several years. Agency efforts to identify and discipline “deadbeat” contractors have intensified in the last 12 months. In 2005 and 2006, the rate of licensed contractors failing to pay final orders for damages (approximately .40 percent) was significantly better than that recorded for 2005 (.58 percent) and is well below the target of .50 percent.

**4. HOW WE COMPARE**

No comparison data is available.



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**5. FACTORS AFFECTING RESULTS**

The robust economy of the last twenty-four months is a likely contributor to this performance. The agency's increased focus on this issue has also helped the agency meet this target. As the economy softens, contractor defaults on final orders to pay damages may increase.

**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.

**7. ABOUT THE DATA**

Data come from CCB Dispute Resolution Services consumer damage reports by FY 2000-2006 (revised 9/19/06).

### III. KEY MEASURE ANALYSIS

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KPM #91500-6	ENFORCEMENT INVESTIGATIONS Average days to close an enforcement investigation.	Measure since: e.g. 1994
<b>Goal</b>	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.	
<b>Oregon Context</b>	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data source</b>	CCB Enforcement Quarterly Reports	
<b>Owner</b>	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 effectively process complaints in a timely manner. Those investigations often lead to disciplinary actions, which, if properly administered, provide an effective disincentive to illegal activity. This outcome-based performance measure is designed to gauge contractors’ perception regarding this vital part of the agency.

2. **ABOUT THE TARGETS**

Targets have been set to reflect rapid processing of complaints of illegal activity. The lower the number score, the better.

3. **HOW WE ARE DOING**

The data indicates that the agency exceeded its goals over the last two fiscal years. In 2006, CCB enforcement complaints were closed on average in 38 days, which is a 47 percent decrease from the 72 days reported in 2004. This measure exceeded targets in 2005 and 2006.

4. **HOW WE COMPARE**

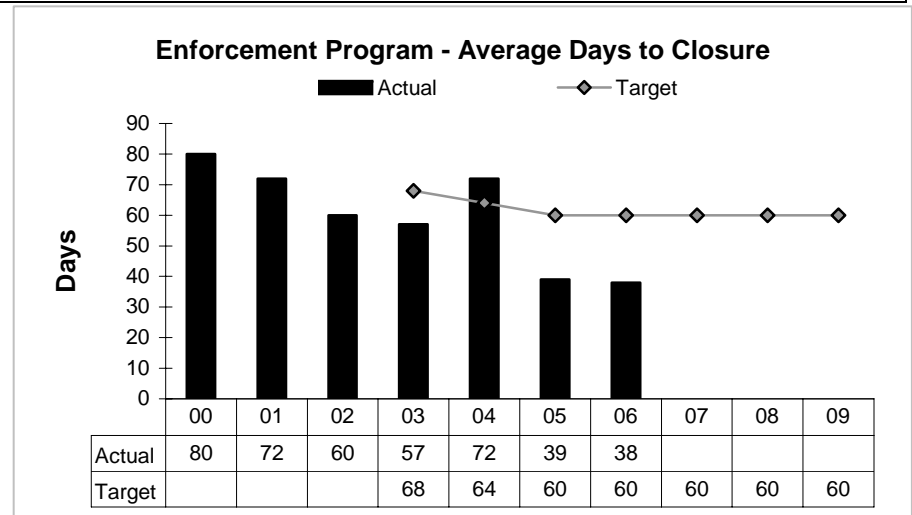
No comparative data is currently available.

5. **FACTORS AFFECTING RESULTS**

Limited resources and an increased number of unlicensed contractors due to the cost and availability of liability insurance are factors that may affect this measure.

6. **WHAT NEEDS TO BE DONE**

Although data shows that the agency is doing well with this performance measure, 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.



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**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 30<sup>th</sup> of the subject year.

### III. KEY MEASURE ANALYSIS

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.

KPM #91500-7	DISPUTE RESOLUTION FINAL ORDERS Average days to issue a dispute resolution (claims) final order.	Measure since: e.g. 1994
<b>Goal</b>	Goal 2. Provide excellent customer service to all who wish to use our services. Objective 2a: Dispute Resolution: To efficiently process claims.	
<b>Oregon Context</b>	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data source</b>	CCB Dispute Resolution Section Quarterly Reports	
<b>Owner</b>	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**

Targets were developed based upon what appeared to be obtainable goals in 2003. The lower the number score, the better.

3. **HOW WE ARE DOING**

The number of days it takes to process a CCB Dispute Resolution Services (DRS) complaint has not met the targets set in 2003 by an unacceptable margin. The average days to process a DRS complaint has gone up 40 percent between 2004 and 2006.

4. **HOW WE COMPARE**

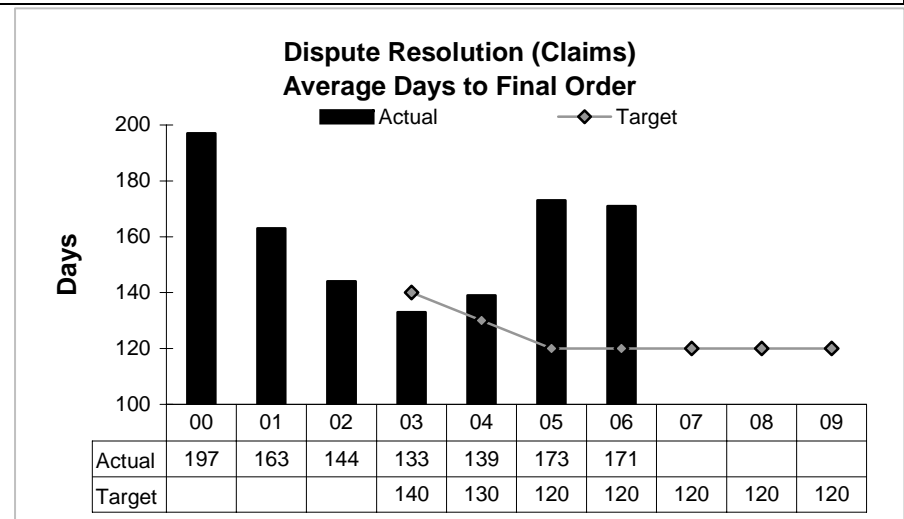
There is no comparative data.

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 (approximately \$50). These measures combined to eliminate easily resolved and frivolous complaints. Consequently, the agency is left with complaints that are relatively complex, not easily resolvable and, as such, take longer to process. In short, the “low hanging fruit” was no longer available, and the average length of time to close a DRS complaint has significantly increased over the last two years.

6. **WHAT NEEDS TO BE DONE**

The agency continues to search for ways to reduce the length of time to process these complaints. Given the change in the law, the targets may be unobtainable and in need of revision.



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**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.

### III. KEY MEASURE ANALYSIS

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.

KPM #91500-8	FAIR AND IMPARTIAL DISPUTE RESOLUTION PROCESS Percent of parties to claims who perceive claims process to be fair and impartial on Question 7.*	Measure since: e.g. 2002
<b>Goal</b>	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.	
<b>Oregon Context</b>	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data source</b>	CCB Dispute Resolution Section Customer Satisfaction Survey started April 1, 2002 and Dispute Resolution 2003-05 Biennium Reports.	
<b>Owner</b>	Dispute Resolution Section, William J. Boyd, Manager, (503) 378-4621 ext. 4028	

**1. OUR STRATEGY**

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 dispute resolution 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 2004 target of 80 percent was increased to 85 percent effective 2005. Those targets seemed to be both challenging and obtainable. The higher the number score, the better.

**3. HOW WE ARE DOING**

The agency has met its targets. The agency will strive to increase this level of satisfaction with the program. In 2006, the number of parties that perceive the CCB Dispute Resolution Services program to be fair and impartial was up nearly 9 percent (80 percent to 87 percent) over the 2004 results.

**4. HOW WE COMPARE**

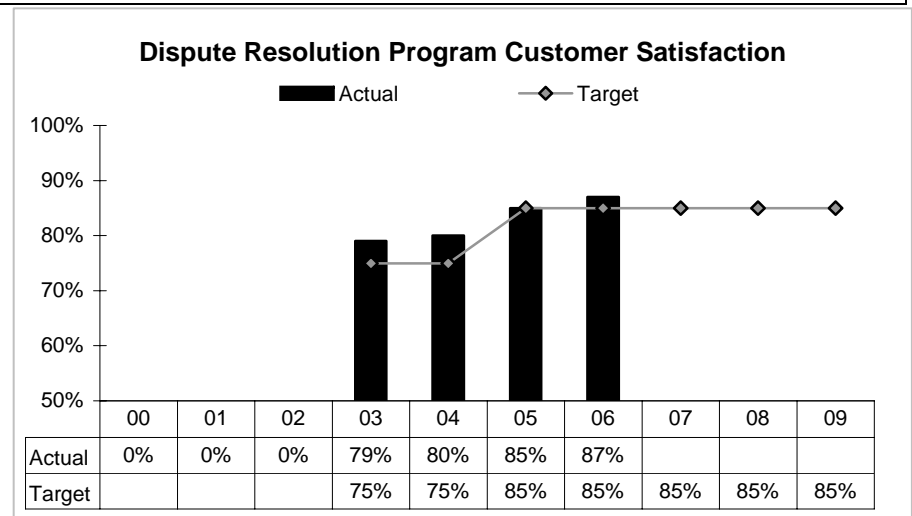
There is no comparative data.

**5. FACTORS AFFECTING RESULTS**

The agency has a fairly tight control of this data and performance measure. The agency is looking for ways to improve response to these surveys, which currently hovers around ten percent.

**6. WHAT NEEDS TO BE DONE**

Increase response to surveys by using a random sampling approach or postage-paid envelope to encourage respondent’s participation in the survey.



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**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.

### III. KEY MEASURE ANALYSIS

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.

KPM #91500-9	LICENSE AND RENEWAL PROCESSING Percent of contractors satisfied with the agency’s processing of license and renewal information on Question 2.	Measure since: e.g. 2002
<b>Goal</b>	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.	
<b>Oregon Context</b>	HLO1 – Percent of all licensed contractors that discharge CCB claims final orders in bankruptcy, which significantly damages other Oregonians.	
<b>Data source</b>	CCB Licensing Quarterly Reports and survey conducted by CCB of during license renewals.	
<b>Owner</b>	Licensing Section, Kristie Patton, Manager, (503) 378-4621 ext. 4012	

**1. OUR STRATEGY**

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 receipt of in an effort to meet customer expectations. The agency processes between 1,500 and 2,000 license renewals per month. Most licenses are renewed every two years. Today the agency serves approximately 44,000 licensed contractors (both active and inactive).

**2. ABOUT THE TARGETS**

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

**3. HOW WE ARE DOING**

The agency is meeting its goals 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 revised its target to 95 percent for 2005-06 and has met, or exceeded this ambitious goal.

**4. HOW WE COMPARE**

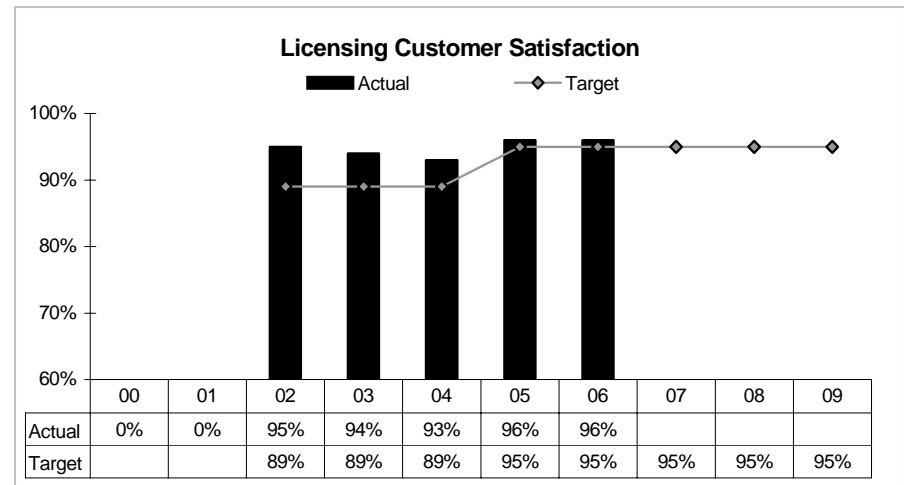
There is no comparative data available at this time.

**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.

**6. WHAT NEEDS TO BE DONE**

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



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**7. ABOUT THE DATA**

The data reflects information gathered and reported by the agency on a quarterly basis and represents fiscal years ending June 30<sup>th</sup>. 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.

**CONSTRUCTION CONTRACTORS BOARD**

**III. KEY MEASURE ANALYSIS**

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.

KPMs 91500-10	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	Measure since: 2006
<b>Goal</b>	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.	
<b>Oregon Context</b>	CCB has no primary links to the Oregon Benchmarks	
<b>Data source</b>	Customer Service Surveys completed and returned April 1, 2006 through June 30, 2006.	
<b>Owner</b>	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**

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

**3. HOW WE ARE DOING**

The agency currently enjoys a high level of customer satisfaction. Data indicates that agency customers’ rate agency “helpfulness” relatively low—which represents that area the agency will bring resources to bear in an effort to make improvements.

**4. HOW WE COMPARE**

During the 2007 fiscal year, data will be available for comparison to other agencies.

**5. FACTORS AFFECTING RESULTS**

Increasing government regulation of the contracting industry drives agency customers’ expectations of greater service from the agency. Cost and availability of insurance and education and testing requirements complicate contractor’s lives and may affect their overall satisfaction with the agency.

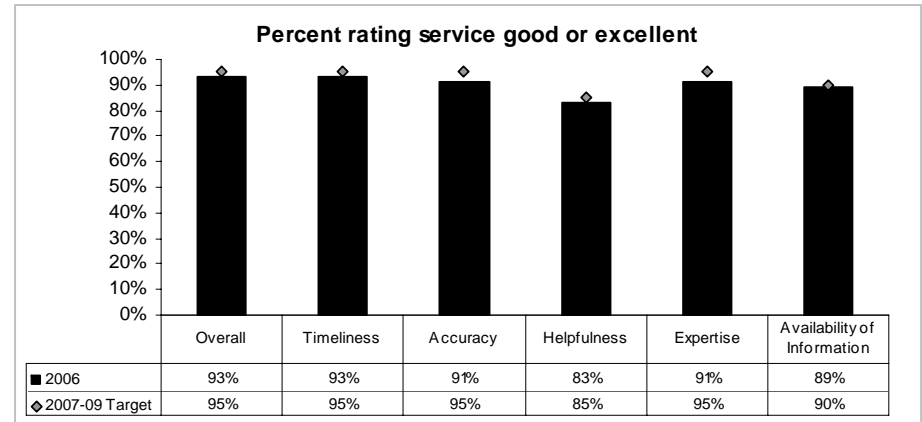
**6. WHAT NEEDS TO BE DONE**

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 OUR CUSTOMER SERVICE SURVEY**

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 2006.



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- d. Population: Contractors who are renewing their contracting license during April, May, and June 2006.
- e. Sampling Frame: Each licensed contractor receives a renewal form the month they are scheduled for renewal. Each of the contractors due to renew their license in April, May, and June 2006 received a survey form with their renewal form. Approximately 6,300 licensees received the survey form during this period.
- f. Sampling Procedure: A 'census' survey was conducted. The survey form was sent to each licensed contractor due to receive a renewal form during the three-month period of April, May, and June 2006.
- 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.