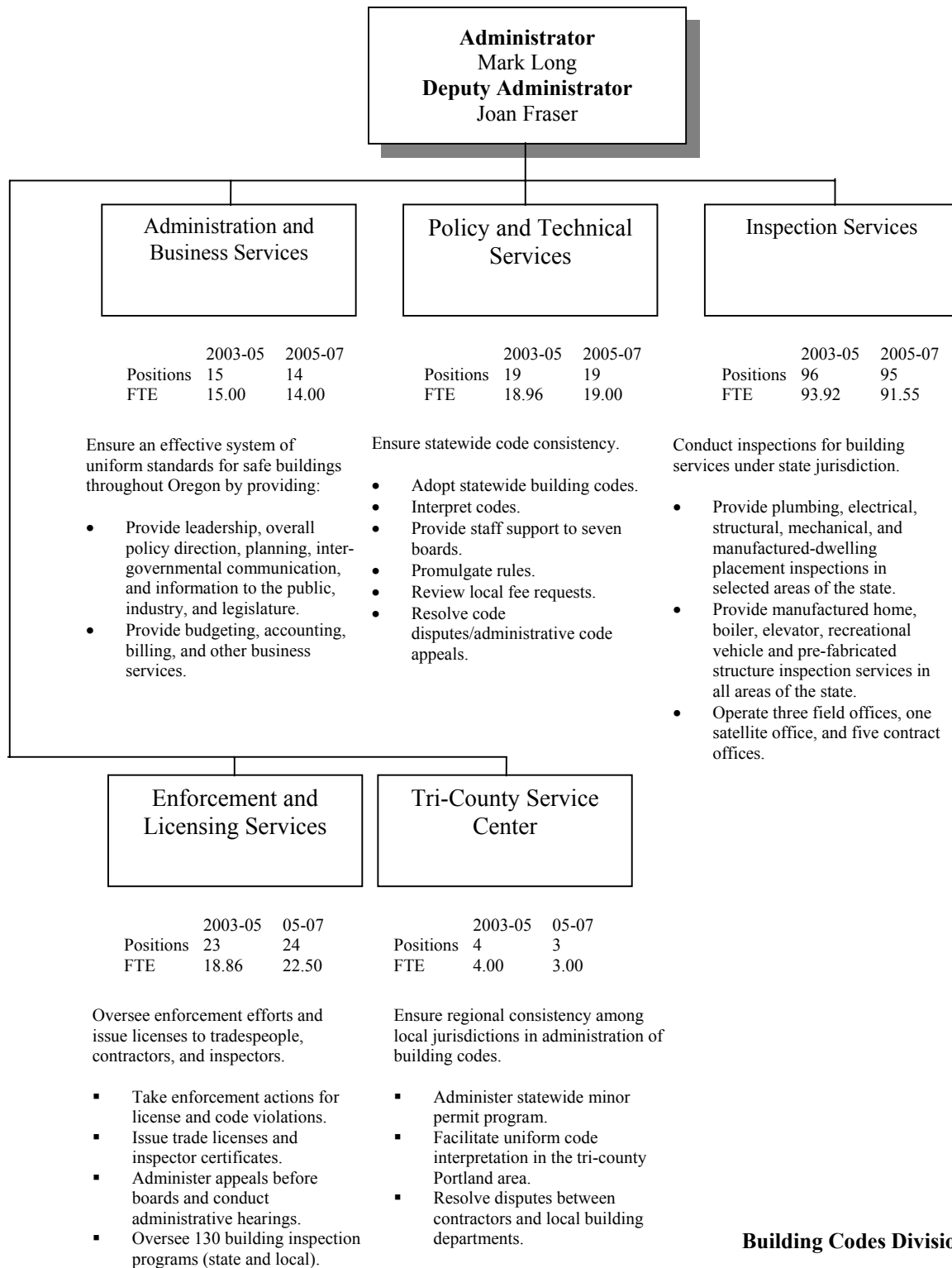


# BUILDING CODES DIVISION



## Building Codes Division

2003-2005	2005-2007
Approved	Requested
157 Positions	148 Positions
150.74 FTE	143.75 FTE
\$25,323,910	\$24,467,689

# **BUILDING CODES DIVISION**

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## **Mission**

The mission of the Building Codes Division is to work with Oregonians to ensure safe building construction while supporting a positive business climate within the state.

## **What we do**

The division accomplishes its mission by:

- Administering uniform statewide building codes that set standards for construction.
- Providing code and rule interpretation.
- Providing oversight of local jurisdictions
- Investigating license and code violations.
- Certifying inspectors and licensing trade professionals.
- Issuing construction and operating permits.
- Conducting inspections.

## **Program delivery**

The Building Codes Division supports a positive business climate through streamlined regulation, consistent application of building codes statewide, excellent service to division customers, reasonable safeguards for the safety and welfare of building users, and effective enforcement efforts. Specifically, the division seeks to:

- Ensure maximum safety and accessibility of new construction in Oregon while supporting a positive business climate, by setting and enforcing statewide standards for building construction.
- Ensure the competency and professionalism of construction inspectors, electricians, and plumbers, through testing, certification or licensure, and continuing education.
- Provide statewide services relating to fabrication, installation, repair, and continued inspection of boilers and pressure vessels; inspection of recreational vehicles, manufactured homes, and prefabricated structures; and inspection of elevators.
- Provide a building inspection program of last resort for local jurisdictions that cannot offer one of their own.

## **Accomplishments, 2003-2005**

### *Streamlined regulations and regulatory processes*

- Streamlined enforcement and licensing processes, making them more consistent across program lines.
- Replaced complex plumbing-permit fee-calculations with a simplified base-fee-plus-larger-project-fee. The old fee counted rooms, fixtures, feet of pipe, service hookups, etc. As a result, the division went from 26 separate plumbing fees to 8. The new fee schedule makes it easier for division customers to determine permit costs while remaining revenue neutral.

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- Reduced the number of Oregon-specific modifications to the state building code by 30 percent.
- Implemented HB 2717 which streamlined regulatory processes for industrial electrical equipment resulting in more consistent treatment and more timely commercialization of high tech equipment.
- Changed the inspector certification program to rely more on national certifications and to ensure that inspectors who write violations, must cite the code that is being violated.
- Implemented HB 2564 where we consolidated electrical, boiler, and plumbing business licenses and instituted a single renewal date. This simplifies the system for contractors who have two or more licenses in these fields.
- Began implementation of an electronic licensing system that allows customers to apply and pay for licenses on-line.
- Expanded use of permits that can be used statewide for minor construction work.

## *Improved customer service*

- Provided focused customer-service training for staff.
- Implemented SB 713. Established a pilot in the Portland area that allows customers in certain jurisdictions to purchase permits on-line through the division's web site. The site will also allow customers to obtain information about licenses, compliance activities, code interpretations, and other information.
- Established tools to solicit customer feedback such as evaluations, surveys, and focus groups.
- Improved and updated the division's Web site, making it easier to find information.
- Made available rapid-approval processes for essential projects under SB 715 and promoted consultative services along with alternate inspection/plan review programs.
- Allowed customers to apply for and purchase permits for minor construction work online.
- Developed a Web-based system to allow owners, dealers and financiers to process manufactured home licenses and registrations electronically, implementing SB 468, which transferred licensing and registration responsibility from ODOT to BCD.

## *Worked toward consistent statewide application of the building code*

- Adopted International Building Code, International Residential Code, the International Mechanical Code, the Plumbing Code, the Electrical Code, the Elevator Code, and the Boiler Code.
- Retained improvements in the state's Energy Code.
- Established regional code forums to train contractors and inspectors on statewide interpretations, provide code clarifications, and promote partnerships with local contractors and building departments.
- Published code interpretations and expanded use of the Web.

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- Developed accountability measures for building inspectors.

## *Reengineered the enforcement program to promote consistent statewide compliance.*

- Worked with an advisory committee to create consistency in state and local enforcement actions.
- Developed a system to prioritize caseloads.
- Coordinated enforcement actions between Construction Contractors' Board and BCD to halt work by non-compliant businesses and individuals.
- Created the "ticket book" concept making it simpler and quicker to cite violators.

## *Developed public/private partnerships.*

- Worked with stakeholders and government partners to develop and implement the award-winning "Permits Protect" campaign.
- Developed industry and local government partnerships to enhance state and local compliance efforts.
- Established the Construction Industry Policy Advisory Committee to address building code policy and legislative issues.

## **Anticipated results, 2005-2007**

### *Streamline regulations and regulatory processes*

- Focus regulatory practices on life-safety issues and assisting customers in meeting Oregon's building requirements.
- Implement a regional e-pay permitting system that will allow contractors in the Portland Tri-County area to apply and pay for all permits online.
- Continue to develop alternatives for contractor and homeowner permitting.
- Continue to focus on fewer changes to construction codes.
- Increase permits transferable from one jurisdiction to another.
- Continue simplifying and consolidating permit fees.

### *Improve services*

- Expand e-pay in state and local jurisdictions.
- Collect more customer feedback and modify programs accordingly.
- Make the most of resources through expanded coordination with stakeholders.
- Fully implement the interactive licensing system.
- Offer web-based continuing education training.

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## *Enhance statewide consistency*

- Expand training and education outreach for inspectors and contractors.
- Develop statewide standards for local government operations.
- Continue to study the implementation of a statewide e-pay permitting system.
- Fully implement statewide code interpretation process and develop accountability mechanisms to ensure that all inspectors follow interpretations.

## **Key performance measures and related outcomes**

Oregon's building code is intended to safeguard the public's health and safety within buildings and other structures. Natural and human-caused catastrophes provide stark evidence that construction codes save lives. During hurricanes and earthquakes, most structures built to appropriate codes continue to provide safety and shelter to their inhabitants. Contrast this with scenes from the tragic earthquake and tsunami in South Asia where building codes do not exist. Even in the September 11 disaster, the World Trade towers withstood enormous impact and continued standing for an hour allowing many people to escape.

Code adoption, while important, is only the first step. Consistent code administration and enforcement are vital components of an effective building code system. The National Conference of States on Building Codes and Standards (NCSBCS) cites the devastation wrought by Hurricane Andrew in 1992 as an example of the risk posed by a lack of uniformity and effective enforcement of codes. At that time, Florida had a patchwork of codes with very poor enforcement. The insurance industry estimated that between 30 percent and 40 percent of the \$15.5 billion in insured losses could have been avoided had those properties been built to code (NCSBC 2004).

Oregon is seen as a leader because of its uniform statewide building code. Contractors, engineers, and architects rely on predictable and uniform standards thereby keeping construction costs down and avoiding delays in the construction process. The division continues to identify ways to streamline processes and to ensure code consistency statewide. Furthermore, recent legislation has provided additional avenues to assist business resolve disputes and expedite the permitting and plan review process for large, complex projects. The Building Codes Division is proud of its efforts to lower the cost of doing business in Oregon without sacrificing safety standards.

### **Links to Oregon Benchmarks**

#### **Primary Links to Oregon Benchmarks**

#### **Economy # 9**

Oregon's national rank in the cost of doing business:

- Labor costs
- Energy costs
- Tax costs

BCD oversees a coordinated group of licensing and inspection fees related to the building trades and construction within the state. The division continues to monitor fees to ensure stable funding while minimizing costs of regulation. BCD will continue to look for ways to creatively assist business while maintaining safe structures.

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Key performance measures tracked by the division include:

- *Percent of building permits building contractors can use in multi-jurisdictions for minor construction.* Purpose: Provide contractors with a quicker, cheaper, and simpler process for permit applications on minor construction activity that is consistent statewide. Target: 2 percent. Status: 2.17 percent. (The department has requested that this measure be modified to target the percentage change in the number of multi-jurisdictional permits for minor construction work, due to the inability to collect accurate and reliable data for the measure as originally developed. DAS has recommended that the request be approved.)
- *Number of Oregon-specific building code modifications to the national codes.* Purpose: Promote national and regional consistency by reducing the number of Oregon specific changes to the codes. Reduced costs and save time for contractors doing business in Oregon. Target: 1191. Status: 1001.
- *Percent of cases closed through use of alternative dispute resolution rather than proceeding to hearing.* Purpose: More timely compliance enhances safe construction. Target: 100 percent. Status: 98 percent.
- *Percentage of permanent rules developed with advisory committee input.* Purpose: To ensure involvement of stakeholders in rule process. Target: 85 percent. Status: 100 percent.

# BUILDING CODES DIVISION

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## Revenues

Building Codes Division activities are financed by revenues it collects and manages in these categories:

- Permit, surcharge, inspection and license fees
- U.S. Department of Housing and Urban Development cooperative agreement for administration of federal regulations covering production of manufactured homes
- Ownership document fees and trip permits for manufactured structures (SB468-2003)
- Fines
- Investment income

The following fee action was taken by Building Codes Division during the 2003-2005 biennium: The division replaced the former complex method of calculating plumbing permit fees, which counted rooms, fixtures, feet of pipe, services hookups, etc., with a simplified fee schedule consisting of a base fee plus additional amounts for larger projects. As a result, the Division reduced from 26 to 8 fees. Reducing the number of plumbing fees makes it easier for our customers to calculate the cost of required permits. The new fee schedule was designed to be revenue neutral. The Department of Consumer and Business Services has included this fee change in House Bill 5015.

## Policy Package No. 070: Revenue Shortfalls

*Governor's Recommended Budget –(856,953) (7) positions/FTE*

**Purpose:** This package reduces expenditures in order to adjust the budgeted level to forecasted available revenues and workload needs. The economic recession slowed the growth of the permit, license, and surcharge revenues, which fund the division's operations, to the point where budgeted expenditures could not be supported. The division was forced to abolish five positions. In addition, Lane County assumed the electrical inspection program in July of 2004, allowing BCD to abolish two inspector positions.

**How Achieved:** The division has proposed the reduction of 6.30 FTE and services and supplies in order to bring the budget in line with forecasted available revenues and workload needs.

# BUILDING CODES DIVISION

## Governor's Recommended Budget

	Request	FTE
<b>2003-05 Legislatively Adopted Budget</b>	\$ 25,323,910	150.74
<b>Base Budget Adjustments</b>		
Net Cost of 2003-05 Position Actions:		
Administrative, Biennialized E-Board, Phase-outs	\$ 25,909	(0.69)
Estimated Cost of 2005-07 Merit Increase	\$ 181,558	-
<b>Subtotal: 2003-053 Base Budget</b>	<b>\$ 25,531,377</b>	<b>150.05</b>
<b>Essential Package 010—Non-PICS Adjustments</b>		
Vacancy factor adjustment.	\$ 25,983	-
Non-PICS adjustments for unemployment, overtime, temporaries, and mass transit taxes calculated as .006 of base salaries and wages.	\$ 822,146	-
<b>Essential Package 021/022—Phase in/out</b>	\$ (177,832)	-
<b>Essential Package 030—Cost Adjustment for Inflation and Price List</b>		
Cost of Goods & Services Increase/(Decrease)	\$ 122,950	-
Increase/shift in State Government Service Charges.	\$ (519,531)	-
<b>Subtotal: 2005-07 Essential Budget Level</b>	<b>\$ 25,805,093</b>	<b>150.05</b>
<b>Policy Packages</b>		
<b>Package 070 Revenue Shortfalls</b>	\$ (856,953)	(6.30)
<b>Package 090 Analyst Adjustment</b>	\$ (480,451)	-
<b>Total: 2005-07 Governor's Recommended Budget</b>	<b>\$ 24,467,689</b>	<b>143.75</b>

# BUILDING CODES DIVISION

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## Revenues and Disbursements

<b>2005-07 Beginning Balance</b>		<b>\$ 3,916,783</b>
Revenues		
Business Licenses & Fees	\$ 30,281,884	
Federal Revenues	\$ 182,057	
Fines & Forfeitures	\$ 647,767	
Charges for Services	\$ 14,087	
Interest Income	\$ 244,435	
Other Revenues	\$ 233,402	
Subtotal Revenues		\$ 31,603,632
Transfers		
Transfer In - Intrafund	\$ 7,841,767	
Transfer Out - General Fund	\$ (40,000)	
Transfer Out - Intrafund	\$ (12,685,756)	
Transfer Out - Counties	\$ (622,209)	
Subtotal Transfers		\$ (5,506,198)
Available Funds		\$ 30,014,217
Budget		\$ 24,467,689
<b>2005-07 Ending Balance</b>		<b>\$ 5,546,528</b>