

# Contractor Licensing Department

## Department Purpose:

The Contractor Licensing Department (CLD) performs the operational functions for the Pinellas County Construction Licensing Board (PCCLB). The PCCLB regulates the construction and home improvement industry through uniform contractor competency licensing, code amendments and code interpretations in Pinellas County. The department is responsible for day-to-day administration, records maintenance, and licensing of contractors, as well as investigating complaints against licensed and unlicensed contractors in Pinellas County. The department supports PCCLB, a Dependent Special District as defined in F.S. 75-489. The department is primarily funded through licensing fees, fines, and citations.

## Performance Summary:

- Much of the data collected by the department is a manual process. As the department implements newer technologies such as Accela, information should become easier to capture, measure, and analyze.
- The work plan initiatives continue to move the department toward improving and refining processes, gaining efficiencies, and improving the customer experience and connection with the department.
- Further, the work plan reaches beyond the issues notated in the 2017 Inspector General Report, "Audit of the Pinellas County Construction Licensing Board." The Audit Report inspired a re-engineering of the department, including management, administration and operations, licensing, compliance and enforcement. Today the Department is dedicated to being a leader in process improvement, performance excellence and protecting and serving the public.
- The department has progressed with identifying key performance measures (KPM). Monthly meetings with their Assistant County Administrator and quarterly meetings with County Administration were scheduled to review performance data in May, but the meetings have been delayed due to COVID-19.

## COVID-19 Performance Impacts:

- Transaction volume (the number of payments for registrations, license renewals, fines and citations) processed per week is down in comparison to the average per week in the 6 weeks pre-COVID-19. Contractors are unable to come in to the office to conduct business as they normally do. During this time, more transactions are being processed by mail and online. Revenues to April 30, 2020 were still up 8% over the same period last year.
- The department has processed more complaints against licensed and unlicensed contractors per week since March 15, 2020, when COVID-19 restrictions began. In FY20, the department started identifying complaints as Type 1 (complaints of unlicensed contracting) or Type 2 (formal complaints against licensed contractors). During COVID-19 restrictions, the Investigative Team has spent less time in the field investigating Type 1 complaints.
- During the first eight weeks of restricted services, the number of citations issued to licensed and unlicensed contractors declined 10% in 2020 compared to the same period in 2019. This is reflective of the nature of the complaints the Investigative Team is managing (Type 2 complaints against Licensed Contractors) and the restricted field investigation and patrol time. Type 2 complaints require more investigative time than Type 1 complaints and may not generate the same citation activity due to the nature of the complaints. Additional data is being collected.

## Opportunities for future efficiencies:

- The department is participating in the Palm Harbor Pilot Project to determine efficiencies that can be identified and implemented.
- The department is proposing changing the license renewal schedule to more evenly distribute the transaction load over the year. Currently, all contractors must renew annually between June 1 and September 30.
- Improving the insurance verification process means timely management of suspensions due to expired insurance, thus reducing risk to the public. Building departments will not issue permits to suspended

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contractors.

- The department is working with the Office of Technology and Innovation (OTI) to expand the types of fees and services that are available to be paid online.
- The Accela software implementation is planned to begin in late FY20, with go-live in mid-FY21. It is expected to positively impact operational efficiency; however, the preparation work required in advance will likely reduce productivity. The department is working to mitigate any negative impact on resources.

### **Decision Package:**

- Request for an additional temporary staff member.
  - Position will become part of the department's Compliance and Enforcement Team.
  - Position will be responsible for monitoring advertising violations and the collections effort.
  - This position will be a revenue generating position.
    - Estimated additional revenue generated is approximately \$170,000
  - Estimated cost for position is \$58,800 (includes computer and other supplies needed).

### **Potential threats to the fund/department:**

- Multiple bills circulated in the State Legislature this year but did not move forward. These bills, or new versions of similar bills, could potentially be introduced in the future.
  - Risk - Preemption of Local Occupational Licensing.
    - This preempts licensing of occupations to the State, which would prohibit local governments from imposing or modifying certain licensing requirements. It also specifies that certain local licensing may not be enforced or required and that certain specialty contractors are not required to register with Construction Industry Licensing Board.
    - This may or may not exclude Special Districts or those licensing prior to a given date.
  - Depending on the version adopted, certain bills could have a minor or significant impact on revenue, operations, staffing and compliance/enforcement efforts. The department has started to explore possible mitigation strategies.

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### Budget Summary:

### Pinellas County Fund Revenue & Expenditures Summary

	<b>FY17 Actual</b>	<b>FY18 Actual</b>	<b>FY19 Actual</b>	<b>FY20 Budget</b>	<b>FY20 Estimate</b>	<b>FY21 Request</b>	<b>FY21 Adjusted</b>
<b>RESOURCES</b>							
Beginning Fund Balance	697,671	326,972	141,718	630,840	598,968	870,220	870,220
<b>REVENUE</b>							
Taxes	638,062	863,377	0	0	0	0	0
License and Permits	0	0	904,456	814,400	900,000	900,000	855,000
Fines and Forfeitures	329,878	296,654	1,130,580	910,210	1,189,990	1,190,000	1,130,490
Interest Earnings	4,196	5,931	13,691	18,210	19,500	19,500	18,520
Other Misc. Revenue	963	904	(17)	950	500	0	0
<b>TOTAL REVENUE</b>	<b>973,099</b>	<b>1,166,866</b>	<b>2,048,709</b>	<b>1,743,770</b>	<b>2,109,990</b>	<b>2,109,500</b>	<b>2,004,010</b>
<b>TOTAL RESOURCES</b>	<b>1,670,770</b>	<b>1,493,837</b>	<b>2,190,427</b>	<b>2,374,610</b>	<b>2,708,958</b>	<b>2,979,720</b>	<b>2,874,230</b>
<b>REQUIREMENTS</b>							
<b>EXPENDITURES</b>							
Personal Services	770,461	611,971	1,015,943	1,095,610	1,087,403	1,140,458	1,140,490
Operating Expenses	573,338	740,149	565,044	686,740	743,450	791,424	791,430
Capital Outlay	0	0	10,472	1,350	7,880	780	780
<b>TOTAL EXPENDITURES</b>	<b>1,343,799</b>	<b>1,352,120</b>	<b>1,591,459</b>	<b>1,783,700</b>	<b>1,838,733</b>	<b>1,932,662</b>	<b>1,932,700</b>
Reserves	0	0	0	590,910	0	941,530	941,530
<b>TOTAL REQUIREMENTS</b>	<b>1,343,799</b>	<b>1,352,120</b>	<b>1,591,459</b>	<b>2,374,610</b>	<b>1,838,733</b>	<b>2,874,192</b>	<b>2,874,230</b>
<b>REVENUES MINUS EXPENDITURES</b>	<b>(370,700)</b>	<b>(185,254)</b>	<b>457,250</b>	<b>(39,930)</b>	<b>271,257</b>	<b>176,838</b>	<b>71,310</b>
<b>RESOURCES MINUS REQUIREMENTS</b>	<b>326,972</b>	<b>141,717</b>	<b>598,968</b>	<b>0</b>	<b>870,225</b>	<b>105,528</b>	<b>0</b>

### Staffing Summary:

	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
Construction Licensing	11.0	11.0	12.0	12.0	12.0
<b>Total FTE</b>	<b>11.0</b>	<b>11.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>

FY19: Administrative Supervisor position was added (+1.0 FTE)

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## ▪ Revenues

- Licensing Revenues
  - FY21 Licensing revenue increases by \$40,600, or 5.0%.
  - Licensing revenue will remain consistent as long as the construction industry remains strong.
    - No revenue impacts have been realized due to COVID-19.
  - Improvements in the insurance verification process may yield increased revenues from penalties.
    - The goal is compliance, not increased fees.
- Citations
  - FY21 Citation revenue increases by \$180,270, or 30.3%.
    - Additional revenue of approximately \$170,000 will be added if the Decision Package is approved.
    - No adjustments have been made to the FY20 Estimate or FY21 Proposed Budget relating to COVID-19.
  - Citation revenue is recorded when citations are paid, not issued.
  - Citation revenue is directly proportionate to the resources allocated to investigations.
- Administrative Fines
  - FY21 Administrative Fines revenue increases by \$40,010, or 12.7%.
  - Administrative Fines revenue is recorded in the month that it is received, not issued.
- Collections
  - The department is focused on improving its collections process which will reduce the number of backlogged items and contribute to increased revenue.

## ▪ Expenditures

- FY21 Total expenditures for the Contractor Licensing Department increased by \$149,000, or 8.4%.
  - FY21 Personnel services costs increased \$44,880, or 4.1%
  - FY21 Operating Costs increased \$104,690, or 15.2%
    - This is the result of an increased need for Pinellas County Sheriff deputies to be present at Special Magistrate meetings and in the Contractor Licensing Department lobby during license renewal season.
    - An increased volume of mail and postage costs due to increased department transactions (renewals, citations, and fines).
    - General Cost Allocation Plan increased \$105,880, or 55.9%
      - This is the result of increases in costs from Communications based on hours spent producing materials for the department, the number of meetings covered by Board Records, and file storage and imaging provided by Records Management.
  - Outstanding Liabilities
    - Per the FY19 CAFR, \$295,290 is owed to other funds.
    - The department will continue to work with the Office of Management and Budget to determine the timing of the repayments based on the stability of the department's fund.

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- **User Fees**

- There are no proposed changes to the user fee schedule for the Contractor Licensing Department.