

Bureau of Labor and Industries

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	12,579,327	13,119,229	13,461,114	14,341,010	14,337,039
Other Funds	9,805,185	12,162,061	12,675,846	13,264,926	13,793,398
Other Funds (NL)	756,373	1,281,732	1,281,732	900,000	900,000
Federal Funds	1,421,260	1,258,596	1,297,545	1,354,891	1,341,375
Total Funds	24,562,145	27,821,618	28,716,237	29,860,827	30,371,812
Positions	106	107	107	106	106
FTE	103.02	104.88	105.38	104.38	104.38

* Includes Emergency Board and administrative actions through December, 2018.

Program Description

The Bureau of Labor and Industries is responsible for the administration and enforcement of a broad range of state laws regarding employment, civil rights, public accommodation, wages, sick leave, and work schedules. In addition, the Bureau approves and registers skilled labor apprenticeship programs, collaborating with employers, higher education and community colleges, the employment department, and local workforce agencies. The agency maintains a Technical Assistance for Employers program that provides training opportunities, printed materials, and telephone inquiry response to help educate employers on issues of compliance to workplace and employment laws. BOLI also adjudicates and offers - where applicable - alternative dispute resolution of contested wage and hour and civil rights cases.

CSL Summary and Issues

The Legislatively Adopted Budget eliminated three positions from the agency's 2017-19 Current Service level, but added five positions (one of which was limited duration), due to policy bills that passed in 2017-19. However, due to reductions applied in the budget reconciliation bill, the agency lacked the General Fund resources to hire two of the approved positions immediately. The agency has since achieved its targeted vacancy savings and is in the process of recruiting a number of positions to accommodate retirements and turnover. Vacant staff positions that report directly to the Labor Commissioner (such as Executive Assistant to the Labor Commissioner and Deputy) are being held vacant in anticipation of hiring decisions by the Commissioner-Elect, but are anticipated to be filled in very early 2019.

Seventy-two percent of the agency's current service budget is attributable to personal service expenditures, and 56% of personal services expenditures are supported by General Fund. Additional staffing reductions will be challenging to absorb; while still above targets, performance related to timely processing of civil rights complaints and timely processing of wage and hour complaints have fallen since reporting year 2015. That the agency has continued to exceed most of its key performance measure targets in its various divisions despite years of reductions to positions is a testament to agency professional staff who have innovated new procedures and business processes.

The current service level budget includes a Wage Security Fund totaling \$11.7 million at biennium's end. The total includes a statutory diversion of a fractional percentage (0.03%) of unemployment taxes paid by employers in one quarter of the biennium, amounting to \$5,265,083; interest and recoveries of wages of \$500,000; agency administrative expenses of \$3 million, and outgoing payments of \$900,000.

Policy Issues

BOLI requested the following policy option packages for 2019-21:

- Package 100 - Reclassification of six positions, per DAS Chief Human Resources Office review, in the Civil Rights and Wage and Hour divisions of the agency: \$36,728 GF; \$14,354 OF.
- Package 103 - Increase Other Funds expenditure limitation to allow for on-line purchase of materials and services provided by the Technical Assistance to Employers program: \$60,000
- Package 105 - Add two limited duration positions (1.5 FTE) in the Apprenticeship and Training Division to continue strategic planning and enhancements to the agency's efforts for apprenticeship expansion and diversification, in collaboration with the Employment Department and the Higher Education Coordinating Commission: \$43,759 GF; \$553,452 OF (supported by HECC).
- Package 106 - Add five permanent positions (5.00 FTE) in the Apprenticeship and Training Division in support of the Governor's Future Ready Oregon initiative, with the goal of "mainstreaming" apprenticeship into other, non-building trade fields to support employer needs for skilled labor and increase the skills and earnings potential of Oregon's workforce: \$993,543 GF.

The Governor's Budget made adjustments that assumed vacancy savings at levels similar to the current biennium. However, as noted above, BOLI is in the process of filling vacant positions, and assumptions of similar vacancy levels in the 2019-21 biennium may not be reliable. Standard adjustments related to DAS charges and Attorney General rates. The Governor's Budget includes policy option packages 100, 103 and 105 as requested by BOLI. The Governor's budget modified policy package 106, eliminating two of the 5 positions, with corresponding reductions to services and supplies. The remaining positions include an Operations and Policy Analyst 2, a Compliance Specialist 2, and a Training and Development Specialist 1.

Other Significant Issues and Background

The agency request budget was submitted by the outgoing Labor Commissioner. The new Labor Commissioner took office on January 7, just prior to the convening of the Legislative Session. The extent to which policy priorities will change remains unknown.