

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4087 - 5

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Directs portion of remainder of moneys collected from employers as civil penalties for violations of certain employment laws to be credited to Bureau of Labor and Industries Account to provide technical assistance to employers.

Government Unit(s) Affected:

Department of State Lands (DSL), Department of Human Services (DHS), Bureau of Labor and Industries (BOLI), Oregon Judicial Department (OJD)

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

The measure changes the distribution of some civil penalties that the Bureau of Labor and Industries (BOLI) collects from employers and, under current law, transfers to the Common School Fund. For those civil penalties currently directed to the Common School Fund, after subtracting BOLI’s expenses, 75 percent of the remaining funds shall be credited to the Bureau of Labor and Industries Account for the purpose of providing technical assistance to employers and 25 percent shall be credited to the Wage Security Fund. Under current law, the Wage Security Fund is utilized to pay wage claimants the amount of wages due pursuant to a judgment or final order when BOLI has determined that the employer against whom the claim was filed has ceased doing business and is without sufficient assets to pay the wage claim and the claim cannot be otherwise fully or promptly paid. The measure provides for certain other wage claims to also be paid from the Wage Security Fund.

The total amounts paid and credited to these accounts shall not exceed \$290,000 per year; any amount over \$290,000 shall be paid to the Department of State Lands for the benefit of the Common School Fund. The measure requires the BOLI Commissioner to submit a report to the interim legislative committees on business and labor that describes how moneys credited to the BOLI Account were spent on providing technical assistance to employers.

Bureau of Labor and Industries

The measure would have a minimal fiscal impact on BOLI, but has the effect of increasing Other Funds resources available to BOLI’s Technical Assistance for Employers program; expenditure limitation would need to be granted to enable BOLI to utilize these additional resources. However, because the measure changes the distribution of civil penalties, it warrants a subsequent referral to the Joint Committee on Ways and Means.

Department of State Lands

The Department of State Lands anticipates that implementing the measure would increase the agency’s workload, but that any increase could be absorbed with existing staff and budgetary resources. The measure would thus have only a minimal fiscal impact on the Department of State Lands.

Over the last seven years, BOLI has transferred \$605,783 in Civil Penalties to the Common School Fund. Given that the measure requires that only those amounts over \$290,000 annually are to be transferred to the Common

School Fund, it would seem unlikely that, barring a significant increase in civil penalties, subsequent transfers to the Common School Fund would be anticipated.

Department of Human Services

The measure amends a statute that dedicates the remainder of civil penalties to the Department of Human Services for the benefit of the Breastfeeding Mother Friendly Employer Project. The measure would not otherwise impact the Department of Human Services.

Oregon Judicial Department

The measure would have no fiscal impact on the Oregon Judicial Department.