



# Oregon

Kate Brown, Governor

## Department of Public Safety Standards and Training

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**DATE:** February 18, 2021

**TO:** Honorable Members of the House Committee on Judiciary

**FROM:** Linsay Hale, Professional Standards/Interim Training Division Director

**SUBJECT:** DPSST Testimony: HB 2527

**Summary:** HB 2527 requires the Department of Public Safety Standards and Training (DPSST) to license business entities that employ or contract with individuals who provide or manage the providers of private security services. This bill as introduced requires the DPSST to collect information relating to the entity's insurance, personal and property taxes, claims of unpaid wages, all addresses where private security providers are providing services, and proof of the entity's ability to pay employees prior to the issuance of an entity license.

The bill further requires private security entities furnish certain employment-related information to their employees, and requires the DPSST to ensure entities provide Bureau of Labor and Industry (BOLI)-approved training on sexual assault and harassment in the workplace, preventing discrimination in the workplace and promoting cultural competency, and protections afforded to employees who report violations of laws, rules or regulations.

Finally, the bill requires the DPSST to develop and proctor an examination to individual operators of entities that tests their ability, knowledge and proficiency to manage a private security entity, and test knowledge of the entity's responsibility to prevent sexual assault, sexual harassment and discrimination in the workplace.

**Background:** The DPSST, in consultation with the Board on Public Safety Standards and Training (BPSST), currently regulates just over 20,000 providers of private security services through the issuance and removal of licensure as dictated by Oregon Revised Statute Chapter 181A, and Oregon Administrative Rule Division 259, Chapter 060. The statutory purpose of the DPSST private security regulation is to "... promote consistent standards for private security services by improving the competence of private security providers ..." [ORS 181A.870] This is done through the establishment of minimum physical, emotional, intellectual, moral fitness and training standards that are required to be met and maintained by all providers of private security services.<sup>1</sup>

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<sup>1</sup> ORS 181A.840(8) "Private security services" means the performance of at least one of the following activities:

- (a) Observing and reporting unlawful activity.
- (b) Preventing or detecting theft or misappropriation of goods, money or other items of value.
- (c) Protecting individuals or property, including but not limited to proprietary information, from harm or misappropriation.
- (d) Controlling access to premises being protected or, with respect to a licensee of the Oregon Liquor Control Commission, controlling access to premises at an entry to the premises or any portion of the premises where minors are prohibited.
- (e) Securely moving prisoners.
- (f) Taking enforcement action by detaining persons or placing persons under arrest under ORS 133.225.
- (g) Providing canine services for guarding premises or for detecting unlawful devices or substances.

**Impact of HB 2527 on DPSST:** This bill as introduced would significantly impact the DPSST by drastically altering its mission. The DPSST is the executive branch agency generally charged with promoting public safety through regulation. HB 2527 would increase the DPSST regulatory mission to include protecting the rights of individuals employed to provide private security services (a regulatory role traditionally filled through regulations imposed by the Oregon BOLI).

Currently there are approximately 1,633 private security entities<sup>2</sup> who employ roughly 20,265 employees. To fully implement the requirements of HB 2527, the DPSST could reasonably expect to require funding for additional administrative staff to process applications and proctor testing, an additional Training and Curriculum Specialist position to create and maintain the testing elements required by the bill, and the addition of two Compliance Specialists to monitor compliance, investigate non-compliance, and to coordinate the denial, suspension, revocations or imposition of civil penalties administrative processes when appropriate. The DPSST would also expect a fairly significant increase in Department of Justice legal representation costs associated with any administrative hearings resulting from this increased regulatory responsibility.

**Estimated Costs (per biennium):**

Salary/Operating Payroll Expenses (OPE):	
Compliance Specialist 3	\$207,265
Training and Development Specialist 2	\$192,346
Office Specialist 2	\$130,630
Administrative Costs:	
Department of Justice/OAH	\$ 80,000
Rent, Office Equipment, etc.	\$ 57,763
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	<b>\$668,004</b>

Because the Private Security Licensing Program is a fee-based program, relying completely on the fees associated with certification/licensure application and renewal, these costs would be passed directly on to private security providers and newly regulated entities.

NOTE: SB 114, introduced on behalf of the BPSST, also seeks to license private security entities. The intent behind the introduction of this legislation is to further promote public safety by ensuring private security entities maintain public liability, personal injury and property damage insurance, create and maintain policies on use of force and citizen's arrest authority, maintain records on employee training, and ensure that armed providers complete the DPSST-required firearm training using the weapon they will be carrying or have access to while on duty.

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<sup>2</sup> The DPSST does not currently require reporting by private security entities.

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