

Bureau of Labor and Industries

	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 Governor's Recommended Budget
General Fund	11,279,003	12,908,494	13,660,976	12,983,137
Other Funds	9,331,143	11,628,973	12,885,753	12,149,078
Other Funds (NL)	975,996	1,236,000	1,281,732	1,281,732
Federal Funds	1,462,377	1,541,210	1,259,556	1,254,435
Total Funds	\$23,048,519	\$27,314,677	\$29,088,017	\$ 27,668,382
Positions	99	107	105	102
FTE	97.30	103.31	103.88	100.98

*Includes Emergency Board and administrative actions through December 2016.

Program Description

The Bureau of Labor and Industries (BOLI) has responsibilities in three broad program areas as follows:

- Civil Rights - BOLI enforces laws that prohibit unlawful discrimination in employment, housing, public accommodation and career schools, and protects workers and others from retaliation for filing civil rights complaints or reporting illegal activity or violations of leave protections.
- Wage and Hour - BOLI investigates claims and complaints related to violations of laws concerning wages, working conditions, leave, hours worked, and prevailing wage laws;
- Apprenticeship and Training - BOLI registers and and monitors the operation of apprenticeship programs for skilled workers, including training and educational requirements, and certifies journey workers who successfully complete their programs.

In addition, the agency holds administrative hearings to make determinations related to investigations, and provides compliance assistance to employers by phone, print, and through seminars and trainings.

CSL Summary and Issues

Revenue from multiple sources support BOLI's budget. General Fund is appropriated to the agency for a portion of operating expenditures. The agency receives Other Funds from a variety of sources including the following:

- Sales of publications, fees for training services, and seminars;
- Contracts with the Oregon Occupation Safety and Health Division for investigations into discrimination and retaliation;
- Licensing fees from labor contractors;

- A 0.1% fee on public works construction contracts which supports enforcement and education regarding Oregon’s prevailing wage laws;
- The Wage Security Fund (discussed below); and
- A transfer of revenue from the Oregon Department of Transportation to support and apprenticeship and training efforts that foster diversity in heavy highway construction projects.

The agency’s 2015-17 ending fund balance for the Wage Security Fund is anticipated to be \$8.35 million. The 2017-19 transfer from the Employment Department of an estimated \$4,580,000. The revenue which supports this fund comes from a diversion of a fractional percentage (0.03%) of unemployment insurance taxes paid by employers in one quarter of the biennium. Expenditures from this source in 2017-19 are anticipated to total \$2.8 million for administration and \$1.3 million in special payments to employees for wages owed on behalf of defaulting employers.

Federal Funds partially support the work of the Equal Employment Opportunity Commission and the Civil Rights Division in conducting investigations and contested case proceedings related to violations of the Civil Rights Act, Americans with Disabilities Act, and the Age Discrimination in Employment Act. Two former sources of federal revenue that are not anticipated to be available in 2017-19 are as follows:

- Federal Funding from the U.S. Department of Veterans Affairs (VA) in the amount of \$120,000 to the Apprenticeship and Training Division was not renewed, as the VA opted to consolidate on-the-job training support for qualified veterans within the Higher Education Coordinating Commission (HECC).
- A federal contract with U.S. Housing and Urban Development in the amount of approximately \$480,000 was rescinded because of the passage of SB 380 in 2015. That bill granted the Labor Commissioner discretion over the issuance of formal charges and pursuit of litigation when a violation of fair housing laws is found. This law resulted in Oregon no longer being substantially equivalent to the federal Fair Housing Act. As a result, housing complaints filed with BOLI are no longer dually filed with HUD which contributed funds toward investigation of the complaint (but not subsequent litigation if the complainant or respondent chose to remove the case from BOLI and pursue it in court).

Policy Issues

Several positions within the Technical Assistance for Employers program are funded through fees for service charged for publications and training seminars. It’s employer telephone inquiry line provides a proactive means of helping employers comply with new and existing laws (such as employee leave, minimum wage, and civil rights). BOLI strives to balance the availability of information generally and training opportunities to employers in rural Oregon with the costs associated with providing its compliance assistance services.

Legislation concerning changes to wages, sick leave and work scheduling laws, could have a significant impact on BOLI, particularly as new laws become effective and employers seek information regarding implementation.

Utilization of available ending balance in the Wage Security Fund to mitigate potential reductions or fund service enhancements must be weighed against several factors, including: unemployment insurance taxes paid by employers; the amount of the diversion transferred to BOLI; payments to workers from the fund; and BOLI's costs of administering the program.

Other Significant Issues and Current Discussions

Due to General Fund constraints, none of BOLI's policy option package requests were funded in the Governor's Recommended Budget, which also reduced 2.90 FTE from Current Service Level, as follows:

- 0.9 FTE from the Commissioner's Office; and
- A Public Service Representative (associated with the live entertainer hotline), an Office Specialist position, and associated services and supplies expenses from the Wage and Hour Division.

The Co-Chairs' Existing Resources Budget Framework identifies reductions in the amount of 2.8% from the current service level for agencies with General Fund and Lottery Funds in the Consumer and Businesses Services Program Area.