

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5024-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. D. Edwards
Carrier – Senate: Sen. Johnson**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 17 – 4 – 1

- House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Gilman, Jenson, Kotek, Nathanson, Shields
– Nays: Garrard, Richardson
– Exc: G. Smith
- Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Winters
– Nays: Girod, Whitsett
– Exc:

Prepared By: Satish Upadhyay, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Meeting Date: June 18, 2009

Agency

Bureau of Labor and Industries

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Biennium

2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 12,942,482	\$ 13,832,851	\$ 12,449,566	\$ -492,916	-3.8%
Other Funds	\$ 6,528,809	\$ 6,528,809	\$ 6,859,891	\$ 331,082	5.1%
Other Funds Nonlimited	\$ 2,338,473	\$ 2,403,950	\$ 2,403,950	\$ 65,477	2.8%
Federal Funds	\$ 1,546,856	\$ 1,654,391	\$ 1,465,254	\$ -81,602	-5.3%
Total	\$ 23,356,620	\$ 24,750,191	\$ 23,178,661	\$ -177,959	-0.8%

Position Summary

Authorized Positions	112	112	99	-13
Full-time Equivalent (FTE) positions	111.00	111.00	97.50	-13.50

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Bureau of Labor and Industries (BOLI) is funded primarily with General Fund. BOLI receives Other Funds from the following sources: revenues from technical assistance services to support the Technical Assistance for Employers unit, transfers from the Employment Department for the Wage Security Fund, prevailing wage rate contract fees, licensing fees for farm and forest labor contractors, Workers Benefit Fund, and contracts with local and state governments. BOLI receives Federal Funds through a contract with the Equal Employment Opportunity Commission for jointly filed civil rights complaint investigations, and receives Federal Funds from the U.S. Department of Housing and Urban Development.

Summary of Transportation and Economic Development Subcommittee Action

BOLI's mission is to ensure compliance with state laws relating to apprenticeship; wages and hours worked; terms and conditions of employment; and rights of workers and citizens to equal and nondiscriminatory treatment. The agency has four divisions: Commissioner's Office/Program Support Services; Civil Rights; Wage and Hour; and Apprenticeship and Training.

The Subcommittee approved a budget of \$23,178,661 total funds consisting of \$12,449,566 General Fund, \$6,859,891 Other Funds, \$1,465,254 Federal Funds, \$2,403,950 Other Funds Non-limited and 99 positions (97.50 FTE). The approved budget is 0.8 percent lower than the 2007-09 Legislatively Approved Budget and 6.3 percent lower than the 2009-11 essential budget level.

Commissioner's Office/ Program Support Services

The Commissioner's Office/ Program Support Services provides policy direction and overall management of the bureau's programs. The Subcommittee approved a budget of \$3,572,824 General Fund, \$2,240,186 Other Funds, \$211,303 Federal Funds and 23 positions (22.50 FTE).

The Subcommittee approved Package 070 – Revenue Reductions. This package decreases Other Funds expenditures by \$350,019 and Federal Funds expenditures by \$64,715, and eliminates three positions (3.50 FTE), due to a projected shortfall in revenues in the Technical Assistance to Employers Unit and the Hearings Unit.

The Subcommittee approved Package 102 – BOLI Oracle Migration Project. This package approves \$256,000 of Other Funds expenditures to upgrade the agency's Oracle software and transfer agency databases from a client-server to a web-based environment. This package is primarily a one-time expenditure, and all but \$3,300 of the package amount will be phased out in the development of the agency's 2011-13 biennium budget.

Package 103 – OAS Fiscal Compliance & Support was approved. This package includes \$94,911 Other Funds expenditures and establishes one permanent, full-time Accounting Technician 2 position (1.00 FTE) to focus on accounting functions relating to the operation of the Wage Security Fund. The position will ensure compliance with federal and state accounting requirements and support cash handling controls.

The Subcommittee approved Package 810 – Co-Chair Reductions. This package includes a \$435,808 General Fund reduction and elimination of two full-time positions (2.00 FTE) to help address the state's General Fund shortfall. The eliminated positions consist of one Administrative Law Judge 2 (position 839.0204) in the Hearings Unit and one Information Systems Specialist 5 (position 839.0212) in the Office of Administrative Services.

Civil Rights

The Civil Rights Division enforces laws that prohibit unlawful discrimination in employment, housing, public accommodation, and career schools. The Subcommittee approved a budget of \$2,732,644 General Fund, \$1,090,529 Other Funds, \$1,163,699 Federal Funds and 29 positions (28.00 FTE).

The Subcommittee approved Package 070 – Revenue Reductions. This package decreases Federal Funds expenditures by \$124,422 and eliminates one permanent, full-time Civil Rights Field Representative 2 position (1.00 FTE) in response to an expected shortfall in federal revenues from the Equal Employment Opportunity Commission.

The Subcommittee approved Package 810 – Co-Chair Reductions. This package includes a \$295,539 General Fund reduction and elimination of two positions (2.25 FTE) to help address the state's General Fund shortfall. The eliminated positions consist of one Civil Rights Field Representative 2 (position 839.0308) and one Office Specialist 2 (position 839.0313). Another Civil Rights Field Representative 2 (position 839.0360), currently funded at three-quarters time, is reduced to a half-time position.

Wage and Hour

The Wage and Hour Division protects individual rights in employment. It enforces state minimum wage and overtime requirements; wage collection, including payment of wages to employees from the Wage Security Fund; group health insurance termination notification; working conditions regulations; and regulations affecting public projects. The Subcommittee approved a budget of \$3,288,712 General Fund, \$3,416,584 Other Funds, \$2,403,950 Nonlimited Other Funds and 31 positions (31.00 FTE).

The Subcommittee approved Package 801 – LFO Technical Changes. This package includes the following three revenue adjustments based on information that has become available since the Governor’s recommended budget was submitted:

- Reduce the Nonlimited Other Funds beginning balance by \$3,000,000 to reflect the transfer of \$3,000,000 from the Wage Security Fund to the General Fund in Senate Bill 581 (2009).
- Increase the Other Funds beginning balance by \$427,771 to reflect additional monies in the Prevailing Wage Rate Fund received from collection of outstanding fees during the 2007-09 biennium that were not anticipated in the Governor’s budget.
- Increase Business License and Fees revenue by \$550,385 Other Funds to reflect updated projections for Prevailing Wage Rate fee revenues in the 2009-11 biennium.

The Subcommittee approved Package 810 – Co-Chair Reductions. This package includes a \$402,364 General Fund reduction and elimination of four positions (3.75 FTE) to help address the state’s General Fund shortfall. The eliminated positions consist of one Wage and Hour Compliance Specialist (position 839.0479), one 0.75 FTE Wage and Hour Compliance Specialist (position 839.0476), one Office Specialist 1 (position 839.0449), and one Public Service Representative 4 (position 839.0480).

The Subcommittee approved Package 811 – Prevailing Wage Rate Program Fees (SB 51). This package increases Business License and Fees revenue by \$138,090 Other Funds to reflect additional revenues as a result of passage of Senate Bill 51. This bill increases revenues from the Prevailing Wage Rate Program fees.

Apprenticeship and Training

The Apprenticeship and Training Division promotes the development of a highly skilled workforce through partnerships with government, labor, business, and education, and provides apprenticeship opportunities for individuals. The Subcommittee approved a budget of \$2,855,386 General Fund, \$112,592 Other Funds, \$90,252 Federal Funds and 16 positions (16.00 FTE).

The Subcommittee approved Package 810 – Co-Chair Reductions. This package includes a \$249,574 General Fund reduction and elimination of two positions (2.00 FTE) to help address the state’s General Fund shortfall. The eliminated positions consist of one Apprenticeship Representative (position 839.0514) and one Office Specialist 2 (position 839.0573).

Summary of Performance Measure Action

See attached Legislatively Adopted 2009-11 Key Performance Measures form.