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# MEMORANDUM

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**To:** *Transportation and Economic Development Subcommittee  
Members*

**From:** *Susie Jordan, Legislative Fiscal Office  
(503) 986-1835*

**Date:** May 15, 2013

**Subject:** *House Bill 5020 - Bureau of Labor and Industries  
Work Session Recommendations*

## ***Bureau of Labor and Industries (BOLI) - Agency Totals***

	<b>2009-11 Actual</b>	<b>2011-13 Leg. Approved</b>	<b>2013-15 Current Service Level</b>	<b>2013-15 LFO Recommendation</b>
<b>General Fund</b>	11,832,787	11,145,065	12,068,837	11,827,236
<b>Other Funds</b>	6,970,066	8,992,406	9,626,487	9,919,453
<b>Federal Funds</b>	1,065,281	1,355,627	1,506,794	1,498,766
<b>Nonlimited Other</b>	1,376,114	2,200,000	1,200,000	1,200,000
<b>TOTAL FUNDS</b>	<b>21,244,248</b>	<b>23,693,098</b>	<b>24,402,118</b>	<b>24,445,455</b>
<b>Positions</b>	109	102	99	100
<b>FTE</b>	106.32	101.00	97.50	98.50

Attached are the recommendations from the Legislative Fiscal Office for the ***Bureau of Labor and Industries***. It contains the following:

- Standard adjustments for inflation; State Government Service Charges; and reductions for statewide administrative savings and savings anticipated from PERS reforms;
- Other Fund resources to contract with the Department of Consumer and Business Services for the provision of Human Resource Services, and bilingual salary differentials for employees requiring BOLI to self-fund the General Fund portion of the contract and bilingual salaries;
- Resources to make permanent a limited duration position in the Technical Assistance to Employers program;
- Resources to fund reclassification of Civil Rights positions and lead salary differential for the Civil Rights Division lead housing investigator; and
- Provides expenditure limitation increase to fully fund the Farm-Labor Contractor licensing program dependent on passage of HB 2113.

## **Adjustments to Current Service Level:**

See attached "Work Session Presentation Report" dated 5/15/2013

**Accept LFO Recommendation**

***Move the LFO recommendation to House Bill 5020.***

**Performance Measures**

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

**Accept LFO Recommendation**

***Move the LFO recommendation on Key Performance Measures***

**Recommended Changes to Appropriation Bill:**

The Legislative Fiscal Office recommends a budget of \$11,827,236 *General Fund*, \$9,919,453, *Other Funds*, \$1,200,000 *NonLimited Other Funds*, \$1,498,766 *Federal Funds*, and 100 positions (98.50 FTE) and that *House/Senate Bill 5020* be modified accordingly.

**House Bill 5020 Final Subcommittee Action:**

***Final Motion:***

***Move House Bill 5020 to the full committee with a "do pass" recommendation,***

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	<b>11,282,811</b>	-	<b>8,782,406</b>	<b>1,355,627</b>	<b>2,200,000</b>	-	<b>23,620,844</b>	<b>102</b>	<b>101.00</b>
2011-13 Ebds, SS & Admin Act	(137,746)	-	210,000	41,123	-	-	113,377	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	<b>11,145,065</b>	-	<b>8,992,406</b>	<b>1,396,750</b>	<b>2,200,000</b>	-	<b>23,734,221</b>	<b>102</b>	<b>101.00</b>
<b>2011-13 Leg Approved Budget (Base)</b>	<b>11,068,996</b>	-	<b>8,782,406</b>	<b>1,355,627</b>	<b>2,200,000</b>	-	<b>23,407,029</b>	<b>102</b>	<b>101.00</b>
Summary of Base Adjustments	1,246,399	-	365,143	142,302	(1,000,000)	-	753,844	(1)	(1.00)
<b>2013-15 Base Budget</b>	<b>12,315,395</b>	-	<b>9,147,549</b>	<b>1,497,929</b>	<b>1,200,000</b>	-	<b>24,160,873</b>	<b>101</b>	<b>100.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	59,286	-	64,814	13,183	-	-	137,283	-	-
020: Phase In / Out Pgm & One-time Cost	(336,308)	-	346,144	-	-	-	9,836	(2)	(2.00)
030: Inflation & Price List Adjustments	30,464	-	67,980	(4,318)	-	-	94,126	-	-
<b>2013-15 Current Service Level</b>	<b>12,068,837</b>	-	<b>9,626,487</b>	<b>1,506,794</b>	<b>1,200,000</b>	-	<b>24,402,118</b>	<b>99</b>	<b>98.00</b>
070: Revenue Reductions/Shortfall	-	-	(136,640)	-	-	-	(136,640)	-	(0.50)
080: E-Boards	(104,684)	-	314,684	-	-	-	210,000	-	-
<b>Adjusted 2013-15 Current Service Level</b>	<b>11,964,153</b>	-	<b>9,804,531</b>	<b>1,506,794</b>	<b>1,200,000</b>	-	<b>24,475,478</b>	<b>99</b>	<b>97.50</b>
<b>Total LFO Recommended Packages</b>	<b>(136,917)</b>	-	<b>114,922</b>	<b>(8,028)</b>	-	-	<b>(30,023)</b>	<b>1</b>	<b>1.00</b>
<b>2013-15 Legislative Actions</b>	<b>11,827,236</b>	-	<b>9,919,453</b>	<b>1,498,766</b>	<b>1,200,000</b>	-	<b>24,445,455</b>	<b>100</b>	<b>98.50</b>
Net change from 2011-13 Leg Approved Budget	682,171	-	927,047	102,016	(1,000,000)	-	711,234	(2)	(2.50)
Percent change from 2011-13 Leg Approved Budget	6.1%	0.0%	10.3%	7.3%	(45.5%)	0.0%	3.0%	(2.0%)	(2.5%)
Net change from 2013-15 Current Service Level	(136,917)	-	114,922	(8,028)	-	-	(30,023)	1	1.00
Percent change from 2013-15 Current Service Level	(1.1%)	0.0%	1.2%	(0.5%)	0.0%	0.0%	(0.1%)	1.0%	1.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	<b>3,263,676</b>	-	<b>2,596,664</b>	<b>157,543</b>	-	-	<b>6,017,883</b>	<b>25</b>	<b>24.50</b>
2011-13 Ebds, SS & Admin Act	(121,046)	-	121,046	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	<b>3,142,630</b>	-	<b>2,717,710</b>	<b>157,543</b>	-	-	<b>6,017,883</b>	<b>25</b>	<b>24.50</b>
<b>2011-13 Leg Approved Budget (Base)</b>	<b>3,263,676</b>	-	<b>2,596,664</b>	<b>157,543</b>	-	-	<b>6,017,883</b>	<b>25</b>	<b>24.50</b>
Summary of Base Adjustments	320,211	-	1,128	64,693	-	-	386,032	(1)	(1.00)
<b>2013-15 Base Budget</b>	<b>3,583,887</b>	-	<b>2,597,792</b>	<b>222,236</b>	-	-	<b>6,403,915</b>	<b>24</b>	<b>23.50</b>
010: Non-PICS Pers Svc/Vacancy Factor	2,642	-	22,557	4,165	-	-	29,364	-	-
020: Phase In / Out Pgm & One-time Cost	(10,181)	-	(90,000)	-	-	-	(100,181)	-	-
030: Inflation & Price List Adjustments	24,319	-	304	(157)	-	-	24,466	-	-
060: Technical Adjustments	162,789	-	58,526	-	-	-	221,315	-	-
<b>2013-15 Current Service Level</b>	<b>3,763,456</b>	-	<b>2,589,179</b>	<b>226,244</b>	-	-	<b>6,578,879</b>	<b>24</b>	<b>23.50</b>
080: E-Boards	(158,944)	-	158,944	-	-	-	-	-	-
<b>Adjusted 2013-15 Current Service Level</b>	<b>3,604,512</b>	-	<b>2,748,123</b>	<b>226,244</b>	-	-	<b>6,578,879</b>	<b>24</b>	<b>23.50</b>
<b>Total LFO Recommended Packages</b>	<b>(90,767)</b>	-	<b>103,095</b>	<b>(8,913)</b>	-	-	<b>3,415</b>	<b>1</b>	<b>1.00</b>
<b>2013-15 Legislative Actions</b>	<b>3,513,745</b>	-	<b>2,851,218</b>	<b>217,331</b>	-	-	<b>6,582,294</b>	<b>25</b>	<b>24.50</b>
Net change from 2011-13 Leg Approved Budget	371,115	-	133,508	59,788	-	-	564,411	-	-
Percent change from 2011-13 Leg Approved Budget	11.8%	0.0%	4.9%	38.0%	0.0%	0.0%	9.4%	0.0%	0.0%
Net change from 2013-15 Current Service Level	(90,767)	-	103,095	(8,913)	-	-	3,415	1	1.00
Percent change from 2013-15 Current Service Level	(2.5%)	0.0%	3.8%	(3.9%)	0.0%	0.0%	0.1%	4.2%	4.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 081 May 2012 E-Board**

Package Description This package reflects Emergency Board action during the biennium implementing statewide General Fund reductions enacted in the 2012 legislative session to restructure state government business operations and management of agency programs and services. A proposal to permanently offset some of the General Fund reductions by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved.

LFO Recommendation Approve.

LFO Recommended	(158,944)	-	158,944	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 091 Statewide Administrative Savings**

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. They will continue to work on details of these reductions and report back during the 2014 session.

LFO Recommendation Approve

LFO Analyst Notes BOLI may need to adjust internally where reductions are made since administration crosses program areas.

LFO Recommended	(68,712)	-	(49,919)	(4,068)	-	-	(122,699)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve

LFO Recommended	(2,453)	-	(8,857)	(539)	-	-	(11,849)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve

LFO Recommended	(19,602)	-	(70,775)	(4,306)	-	-	(94,683)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 100 Professional Service Contracts**

Package Description Provide Resources to continue contracting with DCBS to provide HR services for the agency, estimated savings of 20% in HR/administrative costs. GRB removes \$24,471 GF in this program; The agency will need to absorb the GF costs within the budget; total GF across all programs is \$109,129.

LFO Recommendation Approve

LFO Recommended	-	-	72,752	-	-	-	72,752	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 Restore LD Training & Development Specialist 2**

Package Description Restore LD Training & Development Specialist 2 to permanent full-time in the Technical Assistance program to provide employers with information necessary to comply with employment law to avoid employee complaints and claims.

LFO Recommendation Approve

LFO Recommended	-	-	152,856	-	-	-	152,856	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 160 Fund bilingual differentials**

Package Description Provides funding to pay for unbudgeted bilingual salary differentials for staff in the Technical Assistance for Employers program enabling the agency to provide agency services to both employees and employers who do not speak English or who speak limited English. The Governor's Budget denied the General Fund component of this package (\$8,566) due to General Fund constraints. The agency will need to absorb the \$8,566 General Fund costs within the budget to implement the package.

LFO Recommendation Approve

LFO Recommended	-	-	7,038	-	-	-	7,038	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	<b>2,747,999</b>	-	<b>1,055,632</b>	<b>1,109,488</b>	-	-	<b>4,913,119</b>	<b>30</b>	<b>29.50</b>
2011-13 Ebds, SS & Admin Act	(1,908)	-	-	41,123	-	-	39,215	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	<b>2,746,091</b>	-	<b>1,055,632</b>	<b>1,150,611</b>	-	-	<b>4,952,334</b>	<b>30</b>	<b>29.50</b>
<b>2011-13 Leg Approved Budget (Base)</b>	<b>2,747,999</b>	-	<b>1,055,632</b>	<b>1,109,488</b>	-	-	<b>4,913,119</b>	<b>30</b>	<b>29.50</b>
Summary of Base Adjustments	300,113	-	94,610	85,205	-	-	479,928	-	-
<b>2013-15 Base Budget</b>	<b>3,048,112</b>	-	<b>1,150,242</b>	<b>1,194,693</b>	-	-	<b>5,393,047</b>	<b>30</b>	<b>29.50</b>
010: Non-PICS Pers Svc/Vacancy Factor	18,140	-	10,118	8,985	-	-	37,243	-	-
020: Phase In / Out Pgm & One-time Cost	(1,500)	-	-	-	-	-	(1,500)	-	-
030: Inflation & Price List Adjustments	(366)	-	(2,670)	(4,412)	-	-	(7,448)	-	-
060: Technical Adjustments	(44,892)	-	(12,800)	-	-	-	(57,692)	-	-
<b>2013-15 Current Service Level</b>	<b>3,019,494</b>	-	<b>1,144,890</b>	<b>1,199,266</b>	-	-	<b>5,363,650</b>	<b>30</b>	<b>29.50</b>
080: E-Boards	(1,908)	-	-	-	-	-	(1,908)	-	-
<b>Adjusted 2013-15 Current Service Level</b>	<b>3,017,586</b>	-	<b>1,144,890</b>	<b>1,199,266</b>	-	-	<b>5,361,742</b>	<b>30</b>	<b>29.50</b>
<b>Total LFO Recommended Packages</b>	<b>(48,052)</b>	-	<b>2,923</b>	<b>2,264</b>	-	-	<b>(42,865)</b>	-	-
<b>2013-15 Legislative Actions</b>	<b>2,969,534</b>	-	<b>1,147,813</b>	<b>1,201,530</b>	-	-	<b>5,318,877</b>	<b>30</b>	<b>29.50</b>
Net change from 2011-13 Leg Approved Budget	223,443	-	92,181	50,919	-	-	366,543	-	-
Percent change from 2011-13 Leg Approved Budget	8.1%	0.0%	8.7%	4.4%	0.0%	0.0%	7.4%	0.0%	0.0%
Net change from 2013-15 Current Service Level	(48,052)	-	2,923	2,264	-	-	(42,865)	-	-
Percent change from 2013-15 Current Service Level	(1.6%)	0.0%	0.3%	0.2%	0.0%	0.0%	(0.8%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 081 May 2012 E-Board**

Package Description This package reflects Emergency Board action during the biennium implementing statewide General Fund reductions enacted in the 2012 legislative session to restructure state government business operations and management of agency programs and services. A proposal to permanently offset some of the General Fund reductions by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved.

LFO Recommendation Approve

LFO Recommended	(1,908)	-	-	-	-	-	(1,908)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve

LFO Recommended	(5,345)	-	(2,519)	(2,611)	-	-	(10,475)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve

LFO Recommended	(42,707)	-	(20,127)	(20,865)	-	-	(83,699)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 131 Civil Rights Intake Officers**

Package Description Reclassifies two current AS2 (Intake Officers) positions as Civil Rights Field Representatives 1 to perform preliminar investigations and assist the division in meeting its contract obligations in 2013-15.

LFO Recommendation Approve

LFO Recommended	-	-	5,658	4,714	-	-	10,372	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 132 HUD differential compensation**

Package Description Provides resources to fund unbudgeted lead salary differential for the division's head housing investigator.

LFO Recommendation Approve

LFO Recommended	-	-	-	6,402	-	-	6,402	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 160 Fund bilingual differentials**

Package Description Provides resources to pay for unbudgeted bilingual salary differentials enabling the agency to provide agency services to both employees and employers who do not speak English or who speak limited English.

LFO Recommendation Approve

LFO Recommended	-	-	19,911	14,624	-	-	34,535	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	<b>2,472,855</b>	-	<b>3,492,274</b>	-	<b>2,200,000</b>	-	<b>8,165,129</b>	<b>29</b>	<b>29.00</b>
2011-13 Ebds, SS & Admin Act	(12,885)	-	88,954	-	-	-	76,069	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	<b>2,459,970</b>	-	<b>3,581,228</b>	-	<b>2,200,000</b>	-	<b>8,241,198</b>	<b>29</b>	<b>29.00</b>
<b>2011-13 Leg Approved Budget (Base)</b>	<b>2,472,855</b>	-	<b>3,492,274</b>	-	<b>2,200,000</b>	-	<b>8,165,129</b>	<b>29</b>	<b>29.00</b>
Summary of Base Adjustments	305,265	-	218,490	-	(1,000,000)	-	(476,245)	-	-
<b>2013-15 Base Budget</b>	<b>2,778,120</b>	-	<b>3,710,764</b>	-	<b>1,200,000</b>	-	<b>7,688,884</b>	<b>29</b>	<b>29.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	15,387	-	23,840	-	-	-	39,227	-	-
020: Phase In / Out Pgm & One-time Cost	(5,000)	-	-	-	-	-	(5,000)	-	-
030: Inflation & Price List Adjustments	11,822	-	71,322	-	-	-	83,144	-	-
060: Technical Adjustments	(75,714)	-	(32,926)	-	-	-	(108,640)	-	-
<b>2013-15 Current Service Level</b>	<b>2,724,615</b>	-	<b>3,773,000</b>	-	<b>1,200,000</b>	-	<b>7,697,615</b>	<b>29</b>	<b>29.00</b>
080: E-Boards	(155,740)	-	155,740	-	-	-	-	-	-
<b>Adjusted 2013-15 Current Service Level</b>	<b>2,568,875</b>	-	<b>3,928,740</b>	-	<b>1,200,000</b>	-	<b>7,697,615</b>	<b>29</b>	<b>29.00</b>
<b>Total LFO Recommended Packages</b>	<b>(23,219)</b>	-	<b>13,309</b>	-	-	-	<b>(9,910)</b>	-	-
<b>2013-15 Legislative Actions</b>	<b>2,545,656</b>	-	<b>3,942,049</b>	-	<b>1,200,000</b>	-	<b>7,687,705</b>	<b>29</b>	<b>29.00</b>
Net change from 2011-13 Leg Approved Budget	85,686	-	360,821	-	(1,000,000)	-	(553,493)	-	-
Percent change from 2011-13 Leg Approved Budget	3.5%	0.0%	10.1%	0.0%	(45.5%)	0.0%	(6.7%)	0.0%	0.0%
Net change from 2013-15 Current Service Level	(23,219)	-	13,309	-	-	-	(9,910)	-	-
Percent change from 2013-15 Current Service Level	(0.9%)	0.0%	0.3%	0.0%	0.0%	0.0%	(0.1%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 081 May 2012 E-Board**

Package Description This package reflects Emergency Board action during the biennium implementing statewide General Fund reductions enacted in the 2012 legislative session to restructure state government business operations and management of agency programs and services. A proposal to permanently offset some of the General Fund reductions by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved.

LFO Recommendation Approve

LFO Recommended	(155,740)	-	155,740	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve

LFO Recommended	(2,583)	-	(6,271)	-	-	-	(8,854)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve

LFO Recommended	(20,636)	-	(50,108)	-	-	-	(70,744)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 100 Professional Service Contracts**

Package Description Provide Resources to continue contracting with DCBS to provide HR services for the agency, estimated savings of 20% in HR/administrative costs. The package transfers \$36,376 Other Funds internally. GRB removes \$21,826 GF in this program; The agency will need to absorb the GF costs within the budget; total GF across all programs is \$109,129.

LFO Recommendation Approve

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 141 Increase Farm Labor Contractor fees**

Package Description Increase Farm Labor Contractor Fees. Fee increase required to fully fund the contractor licensing program. Current fees are projected to generate \$140,000, the program needs an estimated \$50,000 in increased revenue to sustain its costs.

LFO Recommendation Recommend approval and request the Department of Administrative Services to unschedule the funds until HB 2113 is fully approved by the legislature and signed by the governor.

LFO Recommended	-	-	58,100	-	-	-	58,100	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 160 Fund bilingual differentials**

Package Description Provides resources to pay for unbudgeted bilingual salary differentials enabling the agency to provide agency services to both employees and employers who do not speak English or who speak limited English.

LFO Recommendation Approve

LFO Recommended	-	-	11,588	-	-	-	11,588	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	<b>2,798,281</b>	-	<b>1,637,836</b>	<b>88,596</b>	-	-	<b>4,524,713</b>	<b>18</b>	<b>18.00</b>
2011-13 Ebds, SS & Admin Act	(1,907)	-	-	-	-	-	(1,907)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	<b>2,796,374</b>	-	<b>1,637,836</b>	<b>88,596</b>	-	-	<b>4,522,806</b>	<b>18</b>	<b>18.00</b>
<b>2011-13 Leg Approved Budget (Base)</b>	<b>2,584,466</b>	-	<b>1,637,836</b>	<b>88,596</b>	-	-	<b>4,310,898</b>	<b>18</b>	<b>18.00</b>
Summary of Base Adjustments	320,810	-	50,915	(7,596)	-	-	364,129	-	-
<b>2013-15 Base Budget</b>	<b>2,905,276</b>	-	<b>1,688,751</b>	<b>81,000</b>	-	-	<b>4,675,027</b>	<b>18</b>	<b>18.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	23,117	-	8,299	33	-	-	31,449	-	-
020: Phase In / Out Pgm & One-time Cost	(319,627)	-	436,144	-	-	-	116,517	(2)	(2.00)
030: Inflation & Price List Adjustments	(5,311)	-	(976)	251	-	-	(6,036)	-	-
060: Technical Adjustments	(42,183)	-	(12,800)	-	-	-	(54,983)	-	-
<b>2013-15 Current Service Level</b>	<b>2,561,272</b>	-	<b>2,119,418</b>	<b>81,284</b>	-	-	<b>4,761,974</b>	<b>16</b>	<b>16.00</b>
070: Revenue Reductions/Shortfall	-	-	(136,640)	-	-	-	(136,640)	-	(0.50)
080: E-Boards	211,908	-	-	-	-	-	211,908	-	-
<b>Adjusted 2013-15 Current Service Level</b>	<b>2,773,180</b>	-	<b>1,982,778</b>	<b>81,284</b>	-	-	<b>4,837,242</b>	<b>16</b>	<b>15.50</b>
<b>Total LFO Recommended Packages</b>	<b>25,121</b>	-	<b>(4,405)</b>	<b>(1,379)</b>	-	-	<b>19,337</b>	-	-
<b>2013-15 Legislative Actions</b>	<b>2,798,301</b>	-	<b>1,978,373</b>	<b>79,905</b>	-	-	<b>4,856,579</b>	<b>16</b>	<b>15.50</b>
Net change from 2011-13 Leg Approved Budget	1,927	-	340,537	(8,691)	-	-	333,773	(2)	(2.50)
Percent change from 2011-13 Leg Approved Budget	0.1%	0.0%	20.8%	(9.8%)	0.0%	0.0%	7.4%	(11.1%)	(13.9%)
Net change from 2013-15 Current Service Level	25,121	-	(4,405)	(1,379)	-	-	19,337	-	-
Percent change from 2013-15 Current Service Level	0.9%	0.0%	(0.2%)	(1.7%)	0.0%	0.0%	0.4%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 070 Revenue Shortfalls**

Package Description This package reflects reductions in Other Funds provided byu the Office of Community Colelges and Workforce Development Department, predominantly from Workforce Investment Act funds.

LFO Recommendation Approve

LFO Recommended	-	-	(136,640)	-	-	-	(136,640)	-	(0.50)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 081 May 2012 E-Board**

Package Description This package reflects Emergency Board action during the biennium implementing statewide General Fund reductions enacted in the 2012 legislative session to restructure state government business operations and management of agency programs and services. A proposal to permanently offset some of the General Fund reductions by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved.

LFO Recommendation Approve

LFO Recommended	211,908	-	-	-	-	-	211,908	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve

LFO Recommended	2,794	-	(490)	(153)	-	-	2,151	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve

LFO Recommended	22,327	-	(3,915)	(1,226)	-	-	17,186	-	-
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## Legislatively Proposed 2013-2015 Key Performance Measures

**Agency: LABOR and INDUSTRIES, BUREAU of**

Mission: The mission of the Bureau of Labor and Industries is to protect employment rights, advance employment opportunities, and protect access to housing and public accommodations free from discrimination.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.		Approved KPM	100.00	100.00	100.00
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM		100.00	100.00
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM		100.00	100.00
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM		100.00	100.00
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM		100.00	100.00
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM		100.00	100.00
1 - CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM		100.00	100.00

**Agency: LABOR and INDUSTRIES, BUREAU of**

Mission: The mission of the Bureau of Labor and Industries is to protect employment rights, advance employment opportunities, and protect access to housing and public accommodations free from discrimination.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
2 - Timely Processing of Civil Rights Complaints: Percentage of target met for timely: intake, completion of perfected charge, initial interview and investigation (composite measure).		Approved KPM	70.66	72.00	72.00
3 - Timely Processing of Wage and Hour Complaints: Percentage of target met for timely: intake and jurisdiction determination; demand letter, investigation: Composite measure.		Approved KPM	83.80	80.00	80.00
4 - WHD: Percentage of WSF claims processed within fewer than 30 days.		Approved KPM	92.60	75.00	75.00
5 - WHD: Percentage of PWR investigations completed within 90 days.		Approved KPM	64.10	64.00	64.00
6 - ATD: Number of apprentices receiving journey level certificates.		Approved KPM	1,272.00	1,280.00	1,280.00
7 - ATD: Number of newly registered apprentices.		Approved KPM	2,022.00	2,200.00	2,200.00
8 - Apprenticeship Participation: Percentage of new apprenticeship participants who are minorities.		Approved KPM	16.41	15.00	15.00
9 - HU: Percentage of final orders upheld on appeal to the Oregon Court of Appeals.		Approved KPM	0.00	100.00	100.00
10 - TA: Percentage of employer technical assistance calls or emails returned no later than the next business day.		Approved KPM	98.00	95.00	95.00
11 - TA: Percentage of public seminars conducted by TA with an average satisfaction rating of 4 or higher on a 5 point scale on the evaluations.		Approved KPM	100.00	98.00	98.00
12 - Prevailing Wage Rate Pre-determinations - Response time for requests by public agencies concerning potential coverage of projects under state Prevailing Wage laws.		Approved KPM	100.00	92.00	92.00

**LFO Recommendation:**



LFO Recommends agency performance measures be adopted with the following modifications:

KPM #2: Recommend target be established at 72 with a careful review of target level for 2015-17 biennium.

KPM #3: With staffing levels restored, the agency will resume accepting claims previously dismissed. Recommend target be set higher than the previous 50% level but lower than the actual experiences of 2011-2012. Target should be revisited in 2015 to determine whether the agency should strive for a higher target.

KPM #4: Actual experience in 2012 is higher than established target due to change in the way claims are prioritized and processed. Recommend target remain at the same level based on actual history before 2012, however, targets should be revisited in 2015. If BOLI continues to exceed the target of 75%, then the target should be increased in the 2015 biennium to reflect new work processes. It may be more appropriate to establish a 95% target given the newly established prioritization process.

KPM #5: Recommend target be established at average actual experience of past three years.

KPM #6 Recommend target be increased to reflect actual experience over past 3 years.

KPM #7 Except for 2007 and 2008, the actual number of newly registered apprentices had been under 2000, recommend target be decreased to reflect actual experience over past 7 years (including the two years over 3,000) to 2200.

KPM #8 Target is established to reflect a proportional correspondence to the state's minority workforce population. No change recommended.

KPM #9 Recommend deleting this measure and directing BOLI to develop a measure that reflects agency's work around settling cases or other more meaningful performance measure .

KPM #10 Recommended target is average of actual experience over last seven years. If actual continues at 98% then consider increasing target to 100%.KPM #11 Recommend deleting this KPM and direct agency to maintain data for management information.

**Sub-Committee Action:**