

BUREAU OF LABOR AND INDUSTRIES (BOLI)

The Bureau of Labor and Industries is organized into four divisions with responsibilities in three broad program areas: **Civil Rights** for the enforcement of laws that prohibit unlawful discrimination in employment, housing, public accommodation, and career schools; **Wage and Hour** for the enforcement of laws relating to wages and hours of worked and terms and conditions of employment, investigation of claims and complaints from workers involving wages and working conditions including the minimum wage and overtime; protection of children in the work place; enforcement of regulations pertaining to private employment agencies; calculations of prevailing wage rates for public works projects; and licensing and regulation of farm and forest labor contractors; and **Apprenticeship and Training** to regulate apprenticeship programs that promote the development of a highly skilled workforce.

BUREAU OF LABOR AND INDUSTRIES	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
General Fund	11,832,787	11,145,065	12,068,837	11,827,236	0	8.3%
Other Funds	6,970,066	8,992,406	9,626,487	9,919,453	0	7.1%
Other Funds Nonlimited	1,376,114	2,200,000	1,200,000	1,200,000	0	-45.5%
Federal Funds	1,065,281	1,396,750	1,506,794	1,498,766	0	7.9%
TOTAL FUNDS	\$21,244,248	\$23,734,221	\$24,402,118	\$24,445,455	\$0	2.8%
Positions	109	102	99	100	0	-2.9%
FTE	106.38	101.00	98.00	98.50	0.00	-3.0%

Major Revenues	Budget Environment	Comparison by Fund Type																				
<ul style="list-style-type: none"> BOLI is primarily supported by General Fund at approximately 49.5% of the total current service level (CSL) budget. Other Funds supports 44.4% of the total CSL budget and includes: <ul style="list-style-type: none"> Wage Security Funds (0.03% of taxable wages) forecast to be \$4.34 million for 2013-15 biennium; Prevailing Wage Rate (assessment on public works construction contracts) is forecast to receive \$3.2 million; Technical Assistance Fees will generate \$1.2 million; Transfer from the Department of 	<ul style="list-style-type: none"> Workload is primarily driven by the number of complaints received in the programs the Bureau administers. These include: <ul style="list-style-type: none"> Claims relating to wages and hours worked, terms and conditions of employment, and civil rights and fair housing law violations; Issues related to the Prevailing Wage Rate law, which sets minimum wage rates for public works contracts, have been a major source of workload growth, particularly in the area of public-private partnership projects. Prevailing wage rate investigations and Wage Security Fund claims fluctuate with changes in Oregon's 	<p>BUREAU OF LABOR AND INDUSTRIES</p> <table border="1"> <caption>Revenue by Fund Type (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$11.8</td> <td>\$8.3</td> <td>\$1.1</td> </tr> <tr> <td>2011-13</td> <td>\$11.1</td> <td>\$11.2</td> <td>\$1.4</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$12.1</td> <td>\$10.8</td> <td>\$1.5</td> </tr> <tr> <td>2013-15 GB</td> <td>\$12</td> <td>\$11.1</td> <td>\$1.5</td> </tr> </tbody> </table>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$11.8	\$8.3	\$1.1	2011-13	\$11.1	\$11.2	\$1.4	2013-15 CSL	\$12.1	\$10.8	\$1.5	2013-15 GB	\$12	\$11.1	\$1.5
Year	General Fund/Lottery	Other Funds	Federal Funds																			
2009-11	\$11.8	\$8.3	\$1.1																			
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Major Revenues	Budget Environment	Comparison by Fund Type
<p>Consumer and Business Services, \$995,437;</p> <ul style="list-style-type: none"> • Farm Labor Fees is forecast to generate \$142,000. • Federal Funds supports 6.2% of the total CSL budget through contracts with the Equal Employment Opportunity Commission, Department of Housing and Urban Development, and Veterans' Administration and is forecast to be \$1.8 million. 	<p>economy.</p> <ul style="list-style-type: none"> • Apprenticeship registration generally reflects trends in the labor market. • More recently, program activities have remained relatively stable over the course of the past recession. The agency continues to investigate approximately 2,000 civil rights cases per year and responds to over 35,000 inquiries regarding discrimination. • Wage and Hour Division wage claim investigations have declined slightly from 2,600 claims annually to approximately 2,200 claims. <p>Apprenticeship program activity, on the other hand, does vary with the economy. During recessions businesses offer fewer apprenticeships. The number of new apprentices registered declined to 1,477 in the first year of the current biennium, down from 1,979 two years earlier.</p>	

MAJOR CHALLENGES AND DECISION POINTS

1. The Governor’s budget (GB) requests spending authority for a total budget of \$24.4 million of which \$11.8 million is General Funds, \$11.1 million is Other Funds, and \$1.5 million is Federal Funds. The total GRB is a 4.4% increase over the 2011-13 legislatively approved budget of \$23.4 million total funds. Current staffing is 101 positions (101.0 FTE). Staffing levels have been reduced 4.5% over the past 10 years (106.24 FTE in 2003-05) and 36.5% over the past 20 years (159.02 FTE in 1995-97) to the 2011-13 legislatively adopted staffing level of 101.00 FTE. The overall workload has remained approximately the same despite this decrease in staff. The Bureau has handled this workload in part by closing offices, seeking efficiencies in operations, and reducing services. The reduced service levels have left the Bureau struggling to meet some of its performance targets.
2. The GB includes reductions for statewide administrative savings, PERS Taxation Policy and Other PERS adjustments totaling \$383,666 of which \$136,917 is General Fund.
3. The GB provides \$152,856 Other Funds for one position (1.0 FTE) to restore and make permanent a Limited Duration Training and Development Specialist 2 position funded by fees paid for seminars and publications produced by the Technical Assistance Unit.
4. The GB funds \$72,752 of the \$181,881 cost for BOLI to contract with the Department of Consumer and Business Services to provide human resource services for BOLI. The funded portion comes from Other Funds. General Funds were requested to pay for the unfunded portion of \$109,129. The agency estimates a 20% cost savings by contracting this service from DCBS.
5. The GB funds \$10,372 total funds to reclassify two current Administrative Specialist 2 intake officer positions as Civil Rights Field Representatives 1 so they can perform preliminary investigations and assist the division in meeting federal contract obligations. The increase in cost is funded by Other Funds and Federal Funds.

6. The GB funds \$6,402 unbudgeted lead salary differential for the division’s head housing investigator. The increase in cost is funded with Federal Funds through BOLI’s contract with HUD.
7. The GB funds bilingual salary differentials in the Civil Rights Division at a cost of \$19,911 Other Funds, and \$14,624 Federal Funds. A small amount of General Funds was requested (\$8,566) but not funded in GB.
8. BOLI proposes to increase Farm Labor Contractor license fees to fully fund the Farm Labor Contractor licensing program (**HB 2113**).

<u>Farm and Forest Fee:</u>	# of Licenses	Current Fees	Proposed Fees
Farm (only) labor contractor licenses	72	\$100	\$150
Farm labor contractor license with camp indorsements	7	\$150	\$200
Farm/Forest labor contractor licenses	208	\$250	\$350
Farm/Forest labor contractor licenses with camp indorsements	2	\$300	\$400
Farm (only) labor contractor employee indorsement licenses	14	\$100	\$150
"Exempt" farm/forest labor contractor licenses	7	\$250	\$350
Forest labor contractor employee indorsement licenses	27	\$250	\$350

- Program expenditures are projected to be \$180,000 while current fee revenue is projected to generate \$141,500. BOLI proposes an increase in fees to generate an additional amount of \$58,100 revenue to fully fund the program in 2013-15 and projected inflation costs through 2017-19. The GB adds Other Funds to accommodate an increase in Farm Labor Contractor fees.
9. The GB provides \$25,000 General Fund for ongoing maintenance of BOLI’s Oracle database, but does not provide \$101,253 General Fund to replace BOLI’s main server and backup server, and contract services to maintain BOLI’s database applications.
 10. The GB did not provide an additional \$684,378 General Fund to fund 4.50 FTE requested by BOLI to restore reductions in Civil Rights, Wage and Hour, and Apprenticeship and Training programs.