

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2669 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Matt Stayner
Reviewed by: Daron Hill, Steve Bender, Paul Siebert, Susie Jordan
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Measure Description:

Extends certain employee protections to unpaid interns performing work for training purposes.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Judicial Department, Statewide

Summary of Expenditure Impact:

Please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure extends and creates an “employment relationship” with an employer for an intern if that person is performing unpaid work for training purposes. The employment relationship created under the measure provides certain protections from prohibited actions on the part of the employer, allowing an individual who alleges a violation of the provisions to either file a civil action against the employer or to make a formal complaint to the Bureau of Labor and Industry as detailed in statute, depending on the particular section violated.

The measure primarily affects the Oregon Judicial Department (OJD), and the Bureau of Labor and Industry (BOLI). The fiscal impact to each are discussed below.

Oregon Judicial Department (OJD)

The fiscal impact to OJD is divided between Circuit Court operations and Appellate Court operations. The measure covers 15 separate sections of prohibited employer actions. Ten of those sections provide a person aggrieved by the unlawful practice to initiate a civil action in circuit court. The average cost to OJD for a civil case in circuit court is \$357. OJD anticipates that between five and ten cases would be filed each year under the provisions of the measure.

The remaining five sections that the bill extends protections for are addressed by BOLI through an administrative process and through a contested case process. The contested case proceedings are administrative law proceedings with judicial review in the Court of Appeals. OJD assumes the cost for judicial review to be approximately three times the average circuit court per-case cost, or \$1,071 per-case, but projects only two to four such cases each biennium. The fiscal impact is uncertain, but the maximum costs under these assumptions would be \$11,424 per biennium.

Bureau of Labor and Industry (BOLI)

As noted in the section above detailing the fiscal impact to the Oregon Judicial Department, five sections for which the bill extends protections to employees are addressed by BOLI through an administrative process and through a contested case process. The administrative process includes acceptance of a complaint from a person or the initiating of a complaint by the department. BOLI is authorized to investigate the complaint, take steps to settle the matter, prepare formal charges if the matter cannot be settled otherwise, and conduct a contested case hearing. The costs of these actions vary greatly on a

case-by-case basis. BOLI believes that the number of these cases would be infrequent, but is unknown and therefore the fiscal impact to BOLI is indeterminate.