

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5020

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Read
Carrier – Senate: Sen. Hansell**

Action: Do Pass

Vote: 22 – 1 – 3

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Richardson, Tomei, Williamson

Nays:

Exc: Read, Smith

Senate

Yeas: Devlin, Edwards, Hansell, Monroe, Rosenbaum, Steiner Hayward, Thomsen, Whitsett, Winters

Nays: Girod

Exc: Bates

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Susie Jordan, Legislative Fiscal Office

Meeting Date: May 24, 2013

Agency

Bureau of Labor and Industries

Biennium

2013-15

Budget Summary*

| | 2011-13 Legislatively Approved Budget ⁽¹⁾ | 2013-15 Current Service Level | 2013-15 Committee Recommendation | Committee Change from 2011-13 Leg. Approved | |
|------------------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$\$ Change | % Change |
| General Fund | \$ 11,145,065 | \$ 12,068,837 | \$ 11,827,236 | \$ 682,171 | 6.1% |
| Other Funds | \$ 8,992,406 | \$ 9,626,487 | \$ 9,919,453 | \$ 927,047 | 10.3% |
| Other Funds Nonlimited | \$ 2,200,000 | \$ 1,200,000 | \$ 1,200,000 | \$(1,000,000) | -45.5% |
| Federal Funds | \$ 1,396,750 | \$ 1,506,794 | \$ 1,498,766 | \$ 102,016 | 7.3% |
| Total | \$ 23,734,221 | \$ 24,402,118 | \$ 24,445,455 | \$ 711,234 | 3.0% |

Position Summary

| | | | | |
|--------------------------------------|--------|-------|-------|-------|
| Authorized Positions | 102 | 99 | 100 | -2 |
| Full-time Equivalent (FTE) positions | 101.00 | 98.00 | 98.50 | -2.50 |

(1) Includes adjustments through December 2012.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Bureau of Labor and Industries (BOLI) is funded with General Fund, Other Funds from fees, employer taxes assessments on contracts and projects, and federal grant funds. The Subcommittee approved in a separate bill, HB 2113, an increase to the Farm Labor Contractor License Fee, which will generate a total of \$58,100 in additional revenue to cover program costs in the 2013-15 biennium.

Summary of Transportation and Economic Development Subcommittee Action

The Bureau of Labor and Industries enforces state laws relating to wages; promotes the development of a skilled workforce; enforces state and federal laws relating to unlawful discrimination; and provides educational services to employers. The Subcommittee approved a budget for BOLI of \$24,437,455 total funds and 98.50 full-time equivalents (FTE). The Subcommittee’s approved budget for total funds is a 3.0 percent increase over the 2011-13 Legislatively Approved Budget.

Commissioner’s Office/Support Services - 010

The Commissioner’s Office provides policy direction and overall management of BOLI’s programs. Support Services include budget and fiscal control, employee services, information systems management, and legislative and community services. The Subcommittee approved a total funds budget of \$6,582,294 and 24.50 full-time equivalents (FTE).

The Subcommittee approved the following:

- Package 081, May 2012 E-Board, which reflects the 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 reduction by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved. In particular this package replaces \$158,944 General Fund appropriation with \$158,944 Other Fund expenditure limitation increase.
- Package 091, Statewide Administrative Savings, eliminates \$68,712 General Fund, \$49,919 Other Funds expenditure limitation and \$4,068 Federal Funds expenditure limitation. 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. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.
- Package 092, PERS Tax Policy, eliminates \$2,453 General Fund, \$8,857 Other Funds expenditure limitation and \$539 Federal Funds expenditure limitation. 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 percent.
- Package 093, Other PERS Adjustments, eliminates \$19,602 General Fund, \$70,775 Other Funds and \$4,306 Federal Funds. 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 percent.

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 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 100, Professional Service Contracts, provides \$72,752 Other Funds in the Commissioner's Office to continue contracting with the Department of Consumer and Business Services (DCBS) to provide Human Resource (HR) services for the agency. The contract results in an estimated savings of 20% in HR/administrative costs. The agency will need to absorb the General Fund costs within its budget. The total General Fund across all programs is \$109,129.
- Package 101, Restore LD Training & Development Specialist 2, restores a Limited Duration (LD) Training & Development Specialist 2 to a permanent full-time (1.00 FTE) in the Technical Assistance program (\$152,856 Other Funds expenditure limitation) to provide employers with information necessary to comply with employment law to avoid employee complaints and claims.

- Package 160, Fund bilingual differentials, provides \$7,038 Other Funds expenditure limitation to provide resources to the agency to pay for unbudgeted bilingual salary differentials enabling the agency to provide services to both employees and employers who do not speak English or who speak limited English. The agency will need to absorb the General Fund costs associated with this package within its budget.

Civil Rights - 030

The Civil Rights Division enforces state and federal laws that prohibit unlawful discrimination by investigating allegations of civil rights violations in workplaces, career schools, housing and public accommodations. The Subcommittee approved a total funds budget of \$5,318,877 and 29.50 full-time equivalents (FTE).

The Subcommittee approved the following:

- Package 081, May 2012 E-Board, which reflects the 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 reduction by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved. In particular this package eliminates \$1,908 General Fund.
- Package 092, PERS Tax Policy, eliminates \$5,345 General Fund, \$2,519 Other Funds expenditure limitation and \$2,611 Federal Funds expenditure limitation. 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 percent.
- Package 093, Other PERS Adjustments, eliminates \$42,707 General Fund, \$20,127 Other Funds expenditure limitation and \$20,865 Federal Funds expenditure limitation. 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 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 131, Civil Rights Intake Officers, provides \$5,658 Other Funds and \$4,714 Federal Funds necessary to reclassify two current Administrative Specialist 2 positions to Civil Rights Field Representatives. The reclassification will enable the agency to perform preliminary investigations and assists the Civil Rights Division in meeting its contract obligations in 2013-15.
- Package 132, HUD differential compensation, provides \$6,402 Federal Funds expenditure limitation for the unbudgeted lead salary differential for the divisions head housing investigator.

- Package 160, Fund bilingual differentials, provides \$34,535 Total Funds expenditure limitation (\$19,911 Other Funds and \$14,624 Federal Funds) to provide resources to the agency to pay for unbudgeted bilingual salary differentials enabling the agency to provide services to both employees and employers who do not speak English or who speak limited English.

Wage and Hour - 040

The Wage and Hour Division enforces state laws relating to minimum wage, overtime, terms and conditions of employment and prevailing wage rates on public works projects by investigating wage claims and allegations of workplace violations of those laws. The Subcommittee approved a total funds budget of \$7,687,705 and 29.00 full-time equivalents (FTE).

The Subcommittee approved the following:

- Package 081, May 2012 E-Board, which reflects the 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 reduction by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved. In particular this package replaces a \$155,740 General Fund appropriation with a \$155,740 Other Fund expenditure limitation increase.
- Package 092, PERS Tax Policy, eliminates \$2,583 General Fund and \$6,271 Other Funds expenditure limitation. 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 percent.
- Package 093, Other PERS Adjustments, eliminates \$20,636 General Fund and \$50,108 Other Funds expenditure limitation. 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 percent.

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 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 141, Increase Farm Labor Contractor Fees, provides \$58,100 Other Funds expenditure limitation to cover the costs associated with the Farm Labor Contractor program. The Subcommittee approved a fee increase associated with this package in HB 2113.

- Package 160, Fund bilingual differentials, provides \$11,588 Other Funds expenditure limitation to provide resources to the agency to pay for unbudgeted bilingual salary differentials enabling the agency to provide services to both employees and employers who do not speak English or who speak limited English.

Apprenticeship and Training – 050

The Apprenticeship and Training Division promotes the development of a highly skilled, competitive workforce in Oregon through apprenticeship programs and through partnerships with government, labor, business and educational institutions. The Subcommittee approved a total funds budget of \$4,856,579 and 15.50 full-time equivalents (FTE).

The Subcommittee approved the following:

- Package 070, Revenue Shortfalls, reduces Other Funds expenditure limitation by \$136,640 and .50 full-time equivalent position (FTE) to reflect reductions in resources, provided to the agency, from the Community Colleges and Workforce Development Department for apprenticeship and training programs. The funding came primarily from Workforce Investment Act funds.
- Package 081, May 2012 E-Board, which reflects the 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 reduction by using Other Funds resources from the Prevailing Wage Education and Enforcement Account and from the Wage Security Fund was also approved. In particular this package provides a \$211,908 General Fund appropriation.
- Package 092, PERS Tax Policy, provides \$2,151 Total Funds expenditure limitation (+\$2,794 General fund, (-\$490) Other Funds, and (-\$153) Federal Funds) to the agency. 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 percent. The increase in this particular package is due to the agency phasing out more PERS funding than was necessary related to two positions.
- Package 093, Other PERS Adjustments, provides \$17,186 Total Funds expenditure limitation (+\$22,327 General Funds, (-\$3,915 Other funds, and (-\$1,225) Federal Funds). 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 percent.

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 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The increase in this particular package is due to the agency phasing out more PERS funding than was necessary related to two positions.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5020

**Bureau of Labor and Industries
Tamara Brickman - 503 378-4709**

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|---------------|---------------|--------------|--------------|---------------|------------|-----------------|-----|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2011-13 Legislatively Approved Budget at Dec 2012 * | \$ 11,145,065 | \$ - | \$ 8,992,406 | \$ 2,200,000 | \$ 1,396,750 | \$ - | \$ 23,734,221 | 102 | 101.00 |
| 2013-15 ORBITS printed Current Service Level (CSL)* | \$ 12,068,837 | \$ - | \$ 9,626,487 | \$ 1,200,000 | \$ 1,506,794 | \$ - | \$ 24,402,118 | 99 | 98.00 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 010 - Commissioner's Office/Support Services | | | | | | | | | |
| Package 081: May 2012 E-Board | | | | | | | | | |
| Personal Services | \$ (79,043) | \$ - | \$ 79,043 | \$ - | \$ - | \$ - | \$ - | 0 | 0.00 |
| Services and Supplies | \$ (79,901) | \$ - | \$ 79,901 | \$ - | \$ - | \$ - | \$ - | | |
| Package 091: Statewide Administrative Savings | | | | | | | | | |
| Personal Services | \$ (53,077) | \$ - | \$ (32,684) | \$ - | \$ (3,710) | \$ - | \$ (89,471) | 0 | 0.00 |
| Services and Supplies | \$ (15,029) | \$ - | \$ (17,148) | \$ - | \$ (358) | \$ - | \$ (32,535) | | |
| Capital Outlay | \$ (606) | \$ - | \$ (87) | \$ - | \$ - | \$ - | \$ (693) | | |
| Package 092: PERS Taxation Policy | | | | | | | | | |
| Personal Services | \$ (2,453) | \$ - | \$ (8,857) | 0 | \$ (539) | \$ - | \$ (11,849) | 0 | 0.00 |
| Package 093: Other PERS Adjustments | | | | | | | | | |
| Personal Services | \$ (19,602) | \$ - | \$ (70,775) | \$ - | \$ (4,306) | \$ - | \$ (94,683) | 0 | 0.00 |
| Package 100: Professional Service Contracts | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ 72,752 | \$ - | \$ - | \$ - | \$ 72,752 | | |
| Package 101: Restore LD Training and Development | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ 152,856 | \$ - | \$ - | \$ - | \$ 152,856 | 1 | 1.00 |
| Package 160: Fund bilingual differentials | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 7,038 | \$ - | \$ - | \$ - | \$ 7,038 | 0 | 0.00 |
| SCR 030 - Civil Rights | | | | | | | | | |
| Package 081: May 2012 E-Board | | | | | | | | | |
| Services and Supplies | \$ (1,908) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,908) | | |
| Package 092: PERS Taxation Policy | | | | | | | | | |
| Personal Services | \$ (5,345) | \$ - | \$ (2,519) | \$ - | \$ (2,611) | \$ - | \$ (10,475) | 0 | 0.00 |
| Package 093: Other PERS Adjustments | | | | | | | | | |
| Personal Services | \$ (42,707) | \$ - | \$ (20,127) | \$ - | \$ (20,865) | \$ - | \$ (83,699) | 0 | 0.00 |
| Package 131: Civil Rights Intake Officers | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 5,658 | \$ - | \$ 4,714 | \$ - | \$ 10,372 | 0 | 0.00 |
| Package 131: HUD differential compensation | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ - | \$ - | \$ 6,402 | \$ - | \$ 6,402 | 0 | 0.00 |
| Package 160: Fund bilingual differentials | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 19,911 | \$ - | \$ 14,624 | \$ - | \$ 34,535 | 0 | 0.00 |

| Bureau of Labor and Industries | | | | | | | | | |
|--|----------------------|---------------|---------------------|---------------------|---------------------|-------------|----------------------|------------|--------------|
| Tamara Brickman - 503 378-4709 | | | | | | | | | |
| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 040 - Wage and Hour | | | | | | | | | |
| Package 081: May 2012 E-Board | | | | | | | | | |
| Personal Services | \$ (131,513) | \$ - | \$ 131,513 | \$ - | \$ - | \$ - | \$ - | 0 | 0.00 |
| Services and Supplies | \$ (24,227) | \$ - | \$ 24,227 | \$ - | \$ - | \$ - | \$ - | | |
| Package 092: PERS Taxation Policy | | | | | | | | | |
| Personal Services | \$ (2,583) | \$ - | \$ (6,271) | \$ - | \$ - | \$ - | \$ (8,854) | 0 | 0.00 |
| Package 093: Other PERS Adjustments | | | | | | | | | |
| Personal Services | \$ (20,636) | \$ - | \$ (50,108) | \$ - | \$ - | \$ - | \$ (70,744) | 0 | 0.00 |
| Package 141: Increase Farm Labor Contractor Fees | | | | | | | | | |
| Services and Supplies | \$ - | \$ - | \$ 58,100 | \$ - | \$ - | \$ - | \$ 58,100 | | |
| Package 160: Fund bilingual differentials | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 11,588 | \$ - | \$ - | \$ - | \$ 11,588 | 0 | 0.00 |
| SCR 050 - Apprenticeship and Training | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (94,953) | \$ - | \$ - | \$ - | \$ (94,953) | 0 | -0.50 |
| Services and Supplies | \$ - | \$ - | \$ (20,553) | \$ - | \$ - | \$ - | \$ (20,553) | | |
| Special Payments | \$ - | \$ - | \$ (21,134) | \$ - | \$ - | \$ - | \$ (21,134) | | |
| Package 081: May 2012 E-Board | | | | | | | | | |
| Personal Services | \$ 213,815 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 213,815 | 0 | 0.00 |
| Services and Supplies | \$ (1,907) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,907) | | |
| Package 092: PERS Taxation Policy | | | | | | | | | |
| Personal Services | \$ 2,794 | \$ - | \$ (490) | \$ - | \$ (153) | \$ - | \$ 2,151 | 0 | 0.00 |
| Package 093: Other PERS Adjustments | | | | | | | | | |
| Personal Services | \$ 22,327 | \$ - | \$ (3,915) | \$ - | \$ (1,226) | \$ - | \$ 17,186 | 0 | 0.00 |
| TOTAL ADJUSTMENTS | \$ (241,601) | \$ - | \$ 292,966 | \$ - | \$ (8,028) | \$ - | \$ 43,337 | 1 | 0.50 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 11,827,236 | \$ - | \$ 9,919,453 | \$ 1,200,000 | \$ 1,498,766 | \$ - | \$ 24,445,455 | 100 | 98.50 |
| % Change from 2011-13 Leg Approved Budget | 6.1% | 0.0% | 10.3% | -45.5% | 7.3% | 0.0% | 3.0% | -2.0% | -2.5% |
| % Change from 2013-15 Current Service Level | -2.0% | 0.0% | 3.0% | 0.0% | -0.5% | 0.0% | 0.2% | 1.0% | 0.5% |

Legislatively Approved 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. | Overall | Approved KPM | 100.00 | 100.00 | 100.00 |
| 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 |
| 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 |
| 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 |
| 9 - HU: Percentage of final orders upheld on appeal to the Oregon Court of Appeals. | | Legislative Delete | 0.00 | 0.00 | 0.00 |

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 |
|--|---------------------------|--------------------|---------------------|-------------|-------------|
| 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. | | Legislative Delete | 100.00 | 98.00 | 98.00 |

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 #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 experience 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:

The Transportation and Economic Development Subcommittee approved the LFO Recommendations.