

Bureau of Labor and Industries

	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 CSL LFO	2015-17 Governor's
General Fund	11,007,503	11,846,552	12,045,974	12,309,578
Other Funds	8,151,754	10,550,519	10,843,736	10,905,889
Other Funds Non-Limited	1,191,801	1,200,000	1,236,000	1,236,000
Federal Funds	1,253,026	1,683,613	1,483,701	1,481,005
Total Funds	21,604,084	25,280,684	25,609,411	25,932,472
Positions	102	101	98	102
FTE	100.52	98.38	96.67	100.67

*includes Emergency Board and administrative actions through December 2014

Program Description

The Bureau of Labor and Industries is organized into four divisions with responsibilities in the following program areas:

- Commissioner's Office, which includes agency administration and policy direction; Technical Assistance to Employers, which advises employers on compliance with labor laws; and Administrative Prosecution, which adjudicates contested wage and hour and civil rights cases.
- Civil Rights Division, which investigates complaints and enforces laws prohibiting unlawful discrimination in employment, housing, public accommodation and career schools. These protections are provided for on the basis of: race, color, national origin, sex, religion, age, marital status, sexual orientation, disability, and injured worker status. Protection is also provided against retaliation for filing complaints and reporting illegal activity or violations.
- Wage and Hour Division, which is responsible for administration of state laws related to minimum wage, overtime, child labor, wage collection, farm/forest labor contractors, and prevailing wage rates on public works contracts. The division investigates complaints in the above areas, calculates prevailing wages and provides advisory information and opinions on whether a proposed project is subject to prevailing wage, and licenses farm and forest labor contractors. Further, the division administers the Wage Security Fund, which provides for wages owed to workers in the event that an employer ceases operations and defaults on final pay.
- Apprenticeship and Training, which regulates apprenticeship education programs that promote development of a skilled workforce in technical and vocational trades.

BOLI is a member of the Interagency Compliance Network, established in ORS 670.700 - .705. The network is tasked with education and enforcement related to the appropriate classification of employees vs. independent contractors, and investigating allegations of improper payment of wages, fraud, and noncompliance with tax and employment laws. Other agencies in the Interagency

Compliance Network include Department of Justice, Department of Revenue, Employment Department, Department of Consumer and Business Services, Construction Contractors Board and the Landscape Contractors Board. The agencies have an interagency agreement to share information related to the above issues, in an effort to improve compliance with tax and employment laws.

CSL Summary and Issues

There are no material differences in Current Service Level estimates between the Executive Branch and the Legislative Fiscal Office.

BOLI receives revenue from the following sources:

- General Fund, spread amongst all divisions of the agency (\$12 million)
- Other Funds, including:
 - Fees for service, including publications, seminars and workshops associated with the Technical Assistance for Employers Program; (\$1.2 million)
 - A contract with the Department of Consumer and business services to investigate claims; (\$250,000)
 - The Worker's Benefit Fund, for investigation of discrimination complaints related to injured workers; (\$764,941)
 - Farm/Forest Labor Contracting and licensing fees, used for compliance of laws related to farm and forest labor contractors; (\$199,600)
 - Prevailing Wage Fees, derived from a fee on public works construction contracts (paid by public agencies) and dedicated to education and enforcement of prevailing wage laws and contested case proceedings relating to prevailing wage (\$3.1 million);
 - Wage Security Fund, which is funded by a transfer of Unemployment Insurance Tax receipts and directed toward payment of wages due when an employer goes out of business and has no assets. Along with associated recoveries from employers, total funds are expected to be \$4.8 million.
 - Payments to workers from the Wage Security Fund for final wages are classified as Non-Limited expenditures.
 - ODOT funds from the Federal Highway Administration to encourage diversity and provide training opportunities in the highway construction workforce.
- Federal Funds, including:
 - Equal Employment Opportunity Commission Funds, for contract investigations and contested case proceedings related to alleged civil rights violations of workers; (\$965,000);
 - Housing and Urban Development funding for fair housing investigations and enforcement proceedings (\$480,000).
 - Apprenticeship and Training dollars for qualified veterans from the Veterans' Administration (\$120,000).

Policy Issues

BOLI is requesting three additional positions – all funded with General Fund -- for its Technical Assistance to Employers program within the Commissioner’s Office. The request brings the total number of employees from 6 to 9, and more than doubles the General Fund support for personal services. The Governor’s budget approved two of the positions as General Fund and proposed that the third be funded with fees that employers pay associated with the technical assistance provided.

A second policy option package would make permanent an administrative support position for the Highway Diversity Program. The package would be supported with Federal Funds and totals \$102,780.

Numerous policy bills have been introduced. Included are proposals for minimum wage increases; authority for the Commissioner to issue cease and desist orders; employee leave; changing the definition of public works for purposes of prevailing wage; expanding the use of the Wage Security Fund; and warrant issuance authority.

Other Significant Issues and Background

Multiple bills have been introduced relating to employment law, pay, leave and rights. Bills have also been introduced to strengthen the Commissioner’s enforcement authority (through temporary cease and desist orders and requiring bonds in specified circumstances, for example). A bill has also been introduced to enable use of the Wage Security Fund to administer wage and hour laws.

Co-Chairs’ Budget Framework Discussion

The Co-Chairs’ budget framework maintains existing BOLI programs at the Current Service Level. Expanding technical assistance for Employers is an issue awaiting resolution.