

**BUDGET REPORT AND MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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**Action:**

**Action Date:**

**Vote:**

**Prepared By:** Michelle Lisper, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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Agency: Bureau of Labor and Industries

Biennium: 2015-17

**Budget Summary\***

	2013-15 Legislatively Approved Budget <sup>(1)</sup>	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 11,846,552	\$ 12,045,974	\$ 12,045,974	\$ 199,422	1.7%
Other Funds Limited	\$ 10,550,519	\$ 10,843,736	\$ 11,112,760	\$ 562,241	5.3%
Other Funds Nonlimited	\$ 1,200,000	\$ 1,236,000	\$ 1,236,000	\$ 36,000	3.0%
Federal Funds Limited	\$ 1,683,613	\$ 1,483,701	\$ 1,483,701	\$ (199,912)	-11.9%
<b>Total</b>	<b>\$ 25,280,684</b>	<b>\$ 25,609,411</b>	<b>\$ 25,878,435</b>	<b>\$ 597,751</b>	<b>2.4%</b>

**Position Summary**

Authorized Positions	101	98	100	-1
Full-time Equivalent (FTE) positions	98.38	96.67	98.67	0.29

<sup>(1)</sup> Includes adjustments through December 2014

\* Excludes Capital Construction expenditures

**Revenue Summary**

The Bureau of Labor and Industries (BOLI) includes revenue from multiple sources. General Fund is appropriated to the agency for a portion of operating expenditures. The agency receives Other Funds from a variety of sources including the following:

- Sales of publications, fees for training services and seminars;
- Contracts with the Oregon Occupation Safety and Health Division for investigations into discrimination or retaliation;
- Licensing fees from labor contractors;
- A 0.1 percent fee on public works construction contracts utilized for education and enforcement of prevailing wage laws;
- A transfer of 0.03 percent of unemployment insurance taxes collected by the Employment Department to be used for the wage security fund and related work; and
- A transfer of revenue from the Oregon Department of Transportation to support apprenticeship and training efforts that boost diversity in heavy highway construction projects.

Federal Funds come from the US Department of Housing and Urban Development under contract for investigation and enforcement of fair housing claims. Federal Funds also support the work of the Equal Employment Opportunity Commission and Civil Rights Division in contested case hearing proceedings related to violations of the Civil Rights Act, Americans with Disabilities Act and the Age Discrimination in Employment Act. The Apprenticeship and Training Division receives contract funds from the federal Veterans Administration to provide on-the-job training support to qualified veterans.

## **Summary of Transportation and Economic Development Subcommittee Action**

BOLI 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 Transportation and Economic Development Subcommittee approved a budget for BOLI of \$12,045,974 General Fund, \$11,112,760 Other Funds, \$1,483,701 Federal Funds, \$1,236,000 Other Funds Nonlimited, and 100 positions (98.67 FTE). This represents a 2.4 percent increase over the 2013-15 Legislatively Approved Budget as of December 2014, and a 1.1 percent increase over the current service level.

### **Commissioner's Office/Program Support Services**

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 \$7,307,683 and 26 positions (25.17 FTE).

The Subcommittee approved the following adjustment to BOLI's current service level budget:

- Package 103: Technical Assistance for Employers. This package increases the Other Funds expenditure limitation by \$166,244. The funding supports one permanent full-time position (1.00 FTE), a Training and Development Specialist 2 position. The position will enable BOLI to add seminars and training opportunities in less populated and rural communities, while enhancing educational and informational services to employers that will allow them to comply with employment law and avoid employee complaints and claims. The position will be supported by fees from trainings and sales of materials.

### **Civil Rights**

The Civil Rights Division investigates complaints and 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 \$5,105,879 and 29 positions (28.50 FTE).

### **Wage and Hour**

The Wage and Hour Division investigates complaints, and enforces state laws relating to minimum wage, overtime, terms and conditions of employment and prevailing wage rates on public works projects. The Subcommittee approved a total funds budget of \$8,018,804, and 29 positions (29.00 FTE).

### **Apprenticeship and Training**

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 division registers and monitors apprenticeship programs, helps to develop and approve occupational standards, registers apprentices and monitors their program completion, and promotes apprenticeship opportunities. The Subcommittee approved a total funds budget of \$5,446,069, and 16 positions (16.00 FTE).

The Subcommittee approved the following adjustment to BOLI's current service level budget:

- Package 105: Support Service Program- Highway Diversity. This package increases Other Funds expenditure limitation by \$102,780. The funding supports one permanent Office Specialist 2 position (1.00 FTE), specifically assigned to assist in the coordination of the BOLI-ODOT Heavy Highway Supportive Services Program.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5517-A**

**Bureau of Labor and Industries  
Michelle Lisper -- 503-378-3195**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 11,846,552	\$ -	\$ 10,550,519	\$ 1,200,000	\$ 1,683,613	\$ -	\$ 25,280,684	101	98.38
2015-17 Current Service Level (CSL)*	\$ 12,045,974	\$ -	\$ 10,843,736	\$ 1,236,000	\$ 1,483,701	\$ -	\$ 25,609,411	98	96.67
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 010- Commissioner's Office/Supp Svcs</b>									
Package 103: Technical Assistance for Employers									
Personal Services	\$ -	\$ -	\$ 153,913	\$ -	\$ -	\$ -	\$ 153,913	1	1.00
Services and Supply	\$ -	\$ -	\$ 12,331	\$ -	\$ -	\$ -	\$ 12,331		
<b>SCR 050 - Apprenticeship and Training</b>									
Package 105: Support Services Program-Highway Diversity									
Personal Services	\$ -	\$ -	\$ 102,780	\$ -	\$ -	\$ -	\$ 102,780	1	1.00
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 269,024	\$ -	\$ -	\$ -	\$ 269,024	2	2.00
SUBCOMMITTEE RECOMMENDATION *	\$ 12,045,974	\$ -	\$ 11,112,760	\$ 1,236,000	\$ 1,483,701	\$ -	\$ 25,878,435	100	98.67
% Change from 2013-15 Leg Approved Budget	1.7%	0.0%	5.3%	3.0%	-11.9%	0.0%	2.4%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	1.1%		

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2015-2017 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 2016	Target 2017
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	95.00	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	72.50	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	87.00	80.00	80.00
4 - WHD: Percentage of WSF claims processed within fewer than 30 days.		Approved KPM	86.70	80.00	80.00
5 - WHD: Percentage of PWR investigations completed within 90 days.		Approved KPM	57.50	65.00	65.00
6 - ATD: Number of apprentices receiving journey level certificates.		Approved KPM	860.00	1,200.00	1,200.00
7 - ATD: Number of newly registered apprentices.		Approved KPM	2,851.00	2,200.00	2,200.00
8 - Apprenticeship Participation: Percentage of new apprenticeship participants who are minorities.		Approved KPM	16.01	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

**LFO Recommendation:**

KPM 4: The target for 2013-15 was set at 75%. BOLI has consistently exceeded this target since 2012. LFO recommends increasing this target to 80%, consistent with the 2013 LFO recommendation to revisit this target based on actual experience. KPM 6: The target for 2013-15 was set to reflect actual experience over the previous three years, which equated to a target of 1,280. This target didn't take into account the effect of the recession on the availability of hours necessary to complete the on-the-job training portion of apprenticeship programs. Revising the target to 1200 would at least partially reflect the impact of the larger economy on opportunities to complete training, and appears to be an attainable goal based on the history of actual completions. KPM 7: The recommended target for 2015-17 is consistent with the previous biennium. However, should the workforce system continue to emphasize apprenticeship as a means of addressing workforce needs, this target may need to be revised upwards in 2017 to reflect this policy choice, and the expected additional registrations that could be expected. KPM 9: Adoption of a new KPM for the Administrative Prosecution Unit(APU) is recommended. The proposed KPM would address the timeliness of hearings that are referred to the APU. It is the goal of the unit to schedule adjudications of contested wage and hour claims, working conditions violations, civil rights complaints, prevailing wage law violations, farm and forest labor contractor violations and licensing issues, and child labor violations within 30 days of referral to the APU. A recommended target of 75% is proposed.

**Sub-Committee Action:**

Approve the Legislative Fiscal Office Recommendation.