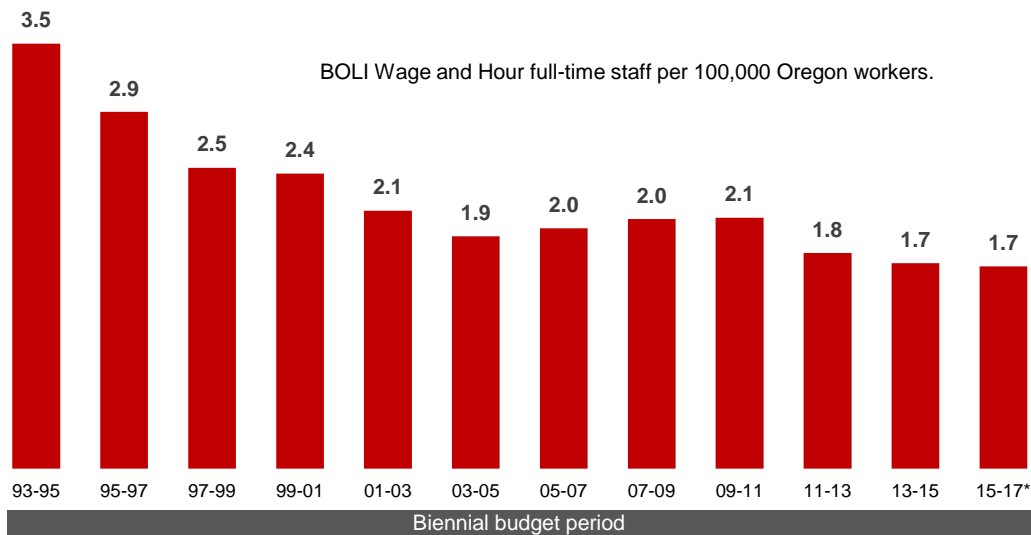


Memorandum

To: Senate Committee on Workforce and General Government
From: Janet Bauer, Policy Analyst
Re: Oregon’s Capacity to Fight Wage Theft
Date: February 2, 2016

Oregon’s capacity to protect workers from wage theft has been eroding for decades. Building adequate capacity would require a large investment of state resources.

The state has less than half the firepower to defend workers it had decades ago, as the following graph shows.



* Projected employment for fiscal year 2015-17.
OCPP analysis of Oregon Bureau of Labor and Industry, Oregon Office of Economic Analysis and U.S. Bureau of Labor Statistics data.

The earliest available data on BOLI staffing — for the 1993-95 biennium — is probably not the high water mark for state wage enforcement capacity. Budget cuts had already ended Wage and Hour Division activities in the Pendleton field office by that time.

Notably, the 1993-95 funding level was insufficient to the task. In 1981, a BOLI spokesperson affirmed to the Oregon Legislature that the BOLI commissioner “would love to have the resources to fully enforce all our laws.”¹

A shrinking field office presence makes in-person agency assistance harder to get. Over the last 25 years, BOLI Wage and Hour offices in Pendleton, Bend and Medford have

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closed. Today, only offices in Portland, Salem and Eugene remain to provide in-person help.

Building sufficient agency capacity to fight wage theft would require large a budget investment. To illustrate, the 2015-17 Wage and Hour Division budget is \$8.1 million. Restoring capacity to 1993-95 levels relative to the size of Oregon's workforce would require an estimated additional \$9 million.

¹ Testimony of Bruce Hugo, Senate Committee on Labor, 1981 Session of the Legislative Assembly, Tape 22B at 277-302, February 18, 1981.