

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3279 - 5

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

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

Prepared by: Meg Bushman-Reinhold
Reviewed by: Michelle Deister
Date: 4/13/2017

Measure Description:

Modifies definition of "labor contractor" to include property services contractor.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Department of Consumer and Business Services (DCBS)

Summary of Expenditure Impact: See Analysis.

Analysis:

This bill expands the definition of labor contractor to include property services contractors. Property services contractors are defined as contractors who, for an agreed remuneration, recruit, solicit, employ or supply workers to perform janitorial services. Property services contractors must obtain a labor contractor license from the Bureau of Labor and Industries (BOLI) and must provide BOLI with the following information: the number of employees who perform janitorial services, the address of the work location(s) for each employee, and demographic data voluntarily provided by the employees. Property services contractors must provide employees, managers and supervisors with training on sexual harassment, discrimination and legal protections for employees who report violations of state and federal law. BOLI must provide the training or approve it.

Bureau of Labor and Industries

According to the Oregon Employment Department, there are 532 employers that provide janitorial services in Oregon. BOLI states they would need an additional staff person (Administrative Services 1) to issue licenses and prepare and submit reports and agreements and a Compliance Specialist 2 to ensure that property service contractors obtain licenses and comply with licensing requirements would be needed for BOLI to comply with the requirements of this measure. LFO estimates that compliance activities could be accomplished with a half-time Compliance Specialist. The estimated cost for 1.5 FTE, plus services and supplies, is \$156,267 in the 2017-2019 biennium and about \$212,385 in the 2019-2021 biennium. Statutes covering labor contractors allow BOLI to collect license fees to cover any costs.

BOLI believes that its existing technology infrastructure is incapable of supporting a significant increase in licensees and estimates a cost of \$60,000 to upgrade its database. However, LFO notes that inadequate existing information technology does not constitute a direct fiscal impact of this legislation.

This bill also requires BOLI to approve or provide specific training to managers, supervisors and employees. If BOLI were to provide training for all contractors, the agency reports the need for an additional Training and Development Specialist 2 to develop the materials and provide the training at a cost of \$170,245 for 2017-2019 and \$226,993 for 2019-2021, including related services and supplies. The Legislative Fiscal Office notes that the bill does not require BOLI to provide the training, and that there are numerous relevant training programs and providers currently available, including the federal Equal Employment Opportunity Commission. The measure appears to allow for BOLI to contract for appropriate trainings, and as BOLI has authority to set licensing fees, those costs could be incorporated into the license fee for property service contractors.

Department of Consumer and Business Services

There is no fiscal impact to the Department of Consumer and Business Services.