

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Transportation and Economic Development Subcommittee
From: Michelle Deister, Legislative Fiscal Office
Date: April 24, 2017
Subject: HB 5016 – Bureau of Labor and Industries
Work Session Recommendations

Bureau of Labor and Industries – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	11,279,003	12,908,494	13,660,976	13,247,138
Other Funds	9,331,143	11,628,973	12,885,753	12,284,530
Other Funds NL	975,996	1,236,000	1,281,732	1,281,732
Federal Funds	1,462,377	1,541,210	1,259,556	1,259,556
Total Funds	\$23,048,519	\$27,314,677	\$29,088,017	\$28,072,956
Positions	99	107	105	102
FTE	97.30	103.31	103.88	100.88

The Legislative Fiscal Office recommends a budget of \$28,072,956 total funds and 102 positions (100.88 FTE) for the 2017-19 biennium. The recommendation eliminates two positions in the Wage and Hour Division, and one position in the Civil Rights division, as necessary to achieve a balanced budget, and consistent with the 2017-19 Co-Chairs' Target Reduction Lists. These positions include an existing Civil Rights Field Representative 1 position, with accompanying instruction to swap funding sources between this position (currently funded with Federal Funds) and another position in the division funded with General Fund to achieve the expected General Fund savings; a Field Representative position associated with the Wage and Hour Division's live entertainment telephone line; and a Wage and Hour Division Compliance Specialist II position.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to HOUSE BILL 5016. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HOUSE BILL 5016, with modifications. (VOTE)

Performance Measures

See attached "Legislatively Proposed 2017-19 Key Performance Measures."

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$13,247,138 General Fund, \$12,284,530 Other Funds, \$1,281,732 Other Funds Non-Limited, \$1,259,556 Federal Funds and 102 positions (100.88 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to HOUSE BILL 5016. (VOTE)

Final Subcommittee Action

LFO recommends that BILL #, as amended by the -X amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HOUSE BILL 5016, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	12,563,620	-	10,831,529	1,476,462	1,236,000	-	26,107,611	104	101.42
2015-17 Ebds, SS & Admin Act	344,874	-	797,444	64,748	-	-	1,207,066	3	1.89
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	12,908,494	-	11,628,973	1,541,210	1,236,000	-	27,314,677	107	103.31
2015-17 Leg Approved Budget (Base)	12,892,771	-	11,622,212	1,539,652	1,236,000	-	27,290,635	107	103.31
Summary of Base Adjustments	467,281	-	536,801	5,309	45,732	-	1,055,123	(2)	0.57
2017-19 Base Budget	13,360,052	-	12,159,013	1,544,961	1,281,732	-	28,345,758	105	103.88
010: Non-PICS Pers Svc/Vacancy Factor	46,527	-	49,422	5,831	-	-	101,780	-	-
020: Phase In / Out Pgm & One-time Cost	(8,740)	-	33,806	-	-	-	25,066	-	-
030: Inflation & Price List Adjustments	263,137	-	328,829	23,447	-	-	615,413	-	-
050: Fundshifts and Revenue Reductions	-	-	314,683	(314,683)	-	-	-	-	-
2017-19 Current Service Level	13,660,976	-	12,885,753	1,259,556	1,281,732	-	29,088,017	105	103.88
070: Revenue Reductions/Shortfall	-	-	(601,223)	-	-	-	(601,223)	-	-
Adjusted 2017-19 Current Service Level	13,660,976	-	12,284,530	1,259,556	1,281,732	-	28,486,794	105	103.88
Total LFO Recommended Packages	(413,838)	-	-	-	-	-	(413,838)	(3)	(3.00)
2017-19 Legislative Actions	13,247,138	-	12,284,530	1,259,556	1,281,732	-	28,072,956	102	100.88
Net change from 2015-17 Leg Approved Budget	338,644	-	655,557	(281,654)	45,732	-	758,279	(5)	(2.43)
Percent change from 2015-17 Leg Approved Budget	2.6%	0.0%	5.6%	(18.3%)	3.7%	0.0%	2.8%	(4.7%)	(2.4%)
Net change from 2017-19 Adj Current Service Level	(413,838)	-	-	-	-	-	(413,838)	(3)	(3.00)
Percent change from 2017-19 Adj Current Service Level	(3.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	(1.5%)	(2.9%)	(2.9%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	4,079,820	-	3,038,585	231,017	-	-	7,349,422	27	25.92
2015-17 Ebds, SS & Admin Act	17,719	-	282,618	14,626	-	-	314,963	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	4,097,539	-	3,321,203	245,643	-	-	7,664,385	27	25.92
2015-17 Leg Approved Budget (Base)	4,093,609	-	3,319,512	245,643	-	-	7,658,764	27	25.92
Summary of Base Adjustments	15,927	-	123,646	20,557	-	-	160,130	(1)	(0.54)
2017-19 Base Budget	4,109,536	-	3,443,158	266,200	-	-	7,818,894	26	25.38
010: Non-PICS Pers Svc/Vacancy Factor	4,712	-	9,177	1,877	-	-	15,766	-	-
020: Phase In / Out Pgm & One-time Cost	(23,143)	-	-	-	-	-	(23,143)	-	-
030: Inflation & Price List Adjustments	76,627	-	41,770	1,183	-	-	119,580	-	-
2017-19 Current Service Level	4,167,732	-	3,494,105	269,260	-	-	7,931,097	26	25.38
Adjusted 2017-19 Current Service Level	4,167,732	-	3,494,105	269,260	-	-	7,931,097	26	25.38
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	4,167,732	-	3,494,105	269,260	-	-	7,931,097	26	25.38
Net change from 2015-17 Leg Approved Budget	70,193	-	172,902	23,617	-	-	266,712	(1)	(0.54)
Percent change from 2015-17 Leg Approved Budget	1.7%	0.0%	5.2%	9.6%	0.0%	0.0%	3.5%	(3.7%)	(2.1%)
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	2,973,909	-	1,074,963	1,157,304	-	-	5,206,176	30	29.25
2015-17 Ebds, SS & Admin Act	102,319	-	42,842	43,265	-	-	188,426	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	3,076,228	-	1,117,805	1,200,569	-	-	5,394,602	30	29.25
2015-17 Leg Approved Budget (Base)	3,073,298	-	1,116,115	1,199,011	-	-	5,388,424	30	29.25
Summary of Base Adjustments	235,301	-	19,810	59,744	-	-	314,855	-	0.25
2017-19 Base Budget	3,308,599	-	1,135,925	1,258,755	-	-	5,703,279	30	29.50
010: Non-PICS Pers Svc/Vacancy Factor	17,947	-	4,802	6,461	-	-	29,210	-	-
020: Phase In / Out Pgm & One-time Cost	6,164	-	-	-	-	-	6,164	-	-
030: Inflation & Price List Adjustments	58,006	-	6,154	21,572	-	-	85,732	-	-
050: Fundshifts and Revenue Reductions	-	-	314,683	(314,683)	-	-	-	-	-
2017-19 Current Service Level	3,390,716	-	1,461,564	972,105	-	-	5,824,385	30	29.50
Adjusted 2017-19 Current Service Level	3,390,716	-	1,461,564	972,105	-	-	5,824,385	30	29.50
Total LFO Recommended Packages	(139,781)	-	-	-	-	-	(139,781)	(1)	(1.00)
2017-19 Legislative Actions	3,250,935	-	1,461,564	972,105	-	-	5,684,604	29	28.50
Net change from 2015-17 Leg Approved Budget	174,707	-	343,759	(228,464)	-	-	290,002	(1)	(0.75)
Percent change from 2015-17 Leg Approved Budget	5.7%	0.0%	30.8%	(19.0%)	0.0%	0.0%	5.4%	(3.3%)	(2.6%)
Net change from 2017-19 Adj Current Service Level	(139,781)	-	-	-	-	-	(139,781)	(1)	(1.00)
Percent change from 2017-19 Adj Current Service Level	(4.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	(2.4%)	(3.3%)	(3.4%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package makes specified reductions to the Budget for the Bureau of Labor and Industries to achieve savings necessary to produce a balanced state budget, pursuant to the Existing Resources Budget Framework released by the Co-Chairs of Ways and Means.

This reduction eliminates an existing Civil Rights Field Representative 1 position, reflected in the Bureau's reductions options as submitted to the Legislature.

LFO Recommendation The Legislative Fiscal Office recommends approval. To achieve the savings identified in this package, the Bureau of Labor and Industries is directed to shift funding for this position from Federal Funds to General Fund, and then eliminate the position, and to shift funding for an existing Civil Rights Field Representative 2 from General Fund to Federal Funds.

LFO Analyst Notes In the Position Information Control System (PICS), the classification of the position slated for elimination in this SCR is currently funded with Federal Funds, rather the General Fund. To achieve the reduction in the most strategically effective way for the agency, LFO is directing BOLI to shift fund types between two positions, so the General Fund savings will actually be achieved for the position identified for elimination.

LFO Recommended	(139,781)	-	-	-	-	-	(139,781)	(1)	(1.00)
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Wage and Hour

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	2,727,247	-	4,154,522	-	1,236,000	-	8,117,769	31	30.25
2015-17 Ebds, SS & Admin Act	135,292	-	460,423	-	-	-	595,715	3	1.89
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	2,862,539	-	4,614,945	-	1,236,000	-	8,713,484	34	32.14
2015-17 Leg Approved Budget (Base)	2,859,609	-	4,611,565	-	1,236,000	-	8,707,174	34	32.14
Summary of Base Adjustments	198,457	-	372,311	-	45,732	-	616,500	(1)	1.36
2017-19 Base Budget	3,058,066	-	4,983,876	-	1,281,732	-	9,323,674	33	33.50
010: Non-PICS Pers Svc/Vacancy Factor	18,230	-	34,057	-	-	-	52,287	-	-
020: Phase In / Out Pgm & One-time Cost	8,239	-	33,806	-	-	-	42,045	-	-
030: Inflation & Price List Adjustments	71,988	-	177,209	-	-	-	249,197	-	-
2017-19 Current Service Level	3,156,523	-	5,228,948	-	1,281,732	-	9,667,203	33	33.50
070: Revenue Reductions/Shortfall	-	-	(87)	-	-	-	(87)	-	-
Adjusted 2017-19 Current Service Level	3,156,523	-	5,228,861	-	1,281,732	-	9,667,116	33	33.50
Total LFO Recommended Packages	(274,057)	-	-	-	-	-	(274,057)	(2)	(2.00)
2017-19 Legislative Actions	2,882,466	-	5,228,861	-	1,281,732	-	9,393,059	31	31.50
Net change from 2015-17 Leg Approved Budget	19,927	-	613,916	-	45,732	-	679,575	(3)	(0.64)
Percent change from 2015-17 Leg Approved Budget	0.7%	0.0%	13.3%	0.0%	3.7%	0.0%	7.8%	(8.8%)	(2.0%)
Net change from 2017-19 Adj Current Service Level	(274,057)	-	-	-	-	-	(274,057)	(2)	(2.00)
Percent change from 2017-19 Adj Current Service Level	(8.7%)	0.0%	0.0%	0.0%	0.0%	0.0%	(2.8%)	(6.1%)	(6.0%)

Wage and Hour

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package aligns expenditures from Worker's Compensation Insurance revenue with anticipated revenue, reducing Other Funds expenditures by \$87.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(87)	-	-	-	(87)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package makes reductions to the budget for the Bureau of Labor and Industries to achieve savings necessary to produce a balanced state budget, pursuant to the Existing Resources Budget Framework released by the Co-Chairs of Ways and Means.

This reduction eliminates a Public Service Representative 3 position associated with the Live Entertainment Hotline and wage and hour intake services for a savings of \$112,165 General Fund. The live entertainment hotline established by HB 3059 (Oregon Laws 2015, Chapter 735) currently receives about one phone call per month. This recommendation also eliminates a 1.00 FTE Compliance Specialist II position in the Wage and Hour Division for a savings of \$161,892 General Fund. These positions are reflected in the agency's reduction options as submitted to the Legislature.

LFO Recommendation Approve.

LFO Recommended	(274,057)	-	-	-	-	-	(274,057)	(2)	(2.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	2,782,644	-	2,563,459	88,141	-	-	5,434,244	16	16.00
2015-17 Ebds, SS & Admin Act	89,544	-	11,561	6,857	-	-	107,962	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	2,872,188	-	2,575,020	94,998	-	-	5,542,206	16	16.00
2015-17 Leg Approved Budget (Base)	2,866,255	-	2,575,020	94,998	-	-	5,536,273	16	16.00
Summary of Base Adjustments	17,596	-	21,034	(74,992)	-	-	(36,362)	-	(0.50)
2017-19 Base Budget	2,883,851	-	2,596,054	20,006	-	-	5,499,911	16	15.50
010: Non-PICS Pers Svc/Vacancy Factor	5,638	-	1,386	(2,507)	-	-	4,517	-	-
030: Inflation & Price List Adjustments	56,516	-	103,696	692	-	-	160,904	-	-
2017-19 Current Service Level	2,946,005	-	2,701,136	18,191	-	-	5,665,332	16	15.50
070: Revenue Reductions/Shortfall	-	-	(601,136)	-	-	-	(601,136)	-	-
Adjusted 2017-19 Current Service Level	2,946,005	-	2,100,000	18,191	-	-	5,064,196	16	15.50
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	2,946,005	-	2,100,000	18,191	-	-	5,064,196	16	15.50
Net change from 2015-17 Leg Approved Budget	73,817	-	(475,020)	(76,807)	-	-	(478,010)	-	(0.50)
Percent change from 2015-17 Leg Approved Budget	2.6%	0.0%	(18.5%)	(80.9%)	0.0%	0.0%	(8.6%)	0.0%	(3.1%)
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description The division is reducing Other Funds by \$601,136 to align their program revenue and expenses. The reduction represents removal of inflation from the expenditure limitation associated with the \$2.1 million interagency contract with the Oregon Department of Transportation (ODOT) for the Heavy Highway Supportive Services program. The interagency contract with ODOT is for a fixed amount that does not allow for standard rates of inflation.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(601,136)	-	-	-	(601,136)	-	-
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