

HB 5016 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Monroe

Joint Committee On Ways and Means

Action Date: 05/26/17

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 10 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Thomsen, Winters

Nays: 1 - Girod

Exc: 1 - Steiner Hayward

House Vote

Yeas: 6 - Gomberg, Holvey, Nathanson, Rayfield, Smith Warner, Williamson

Nays: 3 - Huffman, Stark, Whisnant

Exc: 2 - McLane, Smith G

Prepared By: Michelle Lisper, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Bureau of Labor and Industries

2017-19

Budget Summary*

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 12,908,494	\$ 13,660,976	\$ 13,247,138	\$ 338,644	2.6%
Other Funds Limited	\$ 11,628,973	\$ 12,885,753	\$ 12,284,530	\$ 655,557	5.6%
Other Funds Nonlimited	\$ 1,236,000	\$ 1,281,732	\$ 1,281,732	\$ 45,732	3.7%
Federal Funds Limited	\$ 1,541,210	\$ 1,259,556	\$ 1,259,556	\$ (281,654)	(18.3%)
Total	\$ 27,314,677	\$ 29,088,017	\$ 28,072,956	\$ 758,279	2.8%

Position Summary

Authorized Positions	107	105	102	(5)
Full-time Equivalent (FTE) positions	103.31	103.88	100.88	(2.43)

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

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 and 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 % fee on public works construction contracts utilized for education and enforcement of prevailing wage laws;
- A transfer of 0.03 % 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 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.

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 \$28,072,956 total funds, comprised of the following: \$13,247,138 General Fund, \$12,284,530 Other Funds expenditure limitation, \$1,259,556 Federal Funds expenditure limitation, \$1,281,732 Other Funds Nonlimited expenditures, and 102 positions (100.88 FTE). This represents a 2.8 % increase over the 2015-17 Legislatively Approved Budget as of December 2016 and a 3.5 % decrease 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 includes budget and fiscal control, employee services, information systems management, adjudication and alternative dispute resolution of contested wage and hour and civil rights violations, and legislative and community services. The Subcommittee approved a budget of \$4,167,732 General Fund, \$3,494,105 Other Funds expenditure limitation, \$269,260 Federal Funds expenditure limitation and 26 positions (25.38 FTE).

Civil Rights

The Civil Rights Division investigates complaints and enforces state and federal laws prohibiting unlawful discrimination by investigating allegations of civil rights violations in workplaces, career schools, housing and public accommodations. The Subcommittee approved a budget of \$3,250,935 General Fund, \$1,461,564 Other Funds expenditure limitation, \$972,105 Federal Funds expenditure limitation and 29 positions (28.50 FTE).

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

- Package 801, LFO Analyst Adjustment. This package eliminates an existing Civil Rights Field Representative 1 position, reflected in the agency's reduction option plans, as submitted to the Legislature. To achieve the savings identified in this package, the agency is directed to shift funding for this position from Federal Funds to General Fund and eliminate the position. A corresponding fund shift will be made for an existing Civil Rights Field Representative 2 position, from General Fund to Federal Funds to ensure that remaining revenue is balanced and to achieve the identified savings.

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 budget of \$2,882,466 General Fund, \$5,228,861 Other Funds expenditure limitation, \$1,281,732 Other Funds Nonlimited expenditures and 31 positions (31.50 FTE).

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

- Package 070, Revenue Shortfalls. This package aligns expenditure limitation with anticipated revenue from Workers Compensation Insurance revenue, reducing Other Funds expenditures by \$87.
- Package 801, LFO Analyst Adjustment. This package eliminates two positions (2.00 FTE) for a total savings of \$274,057 General Fund. Specifically, this package eliminates a Public Service Representative 3 position associated with the live entertainment telephone line established by House Bill 3059 (Oregon Laws 2015, Chapter 735) and intake information for the division. The telephone line currently receives approximately one phone call per month. The second position to be eliminated is a Compliance Specialist II position.

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 program completion, and promotes apprenticeship opportunities. The Subcommittee approved a budget of \$2,946,005 General Fund, \$2,100,000 Other Funds expenditure limitation, \$18,191 Federal Funds expenditure limitation and 16 positions (15.50 FTE).

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

- Package 070, Revenue Shortfalls. Other Funds expenditure limitation is reduced by \$601,136 to align program revenue and expenses. The reduction represents removal of inflation from the expenditure limitation associated with the \$2.1 million contract with the Oregon Department of Transportation (ODOT) for the Heavy Highway Supportive Services program. The contract with ODOT is for a fixed amount that does not allow for standard rates of inflation.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Bureau of Labor and Industries
Michelle Lisper -- 971-283-6360

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ 12,908,494	\$ -	\$ 11,628,973	\$ 1,236,000	\$ 1,541,210	\$ -	\$ 27,314,677	107	103.31
2017-19 Current Service Level (CSL)*	\$ 13,660,976	\$ -	\$ 12,885,753	\$ 1,281,732	\$ 1,259,556	\$ -	\$ 29,088,017	105	103.88
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR- 030 - Civil Rights									
Package 801: LFO Analyst Adjustment									
Personal Services	\$ (139,781)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (139,781)	(1)	(1.00)
SCR- 040- Wage and Hour									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (87)	\$ -	\$ -	\$ -	\$ (87)	0	0.00
Package 801: LFO Analyst Adjustment									
Personal Services	\$ (274,057)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (274,057)	(2)	(2.00)
SCR 050 - Apprenticeship and Training									
Package 070: Revenue Shortfalls									
Services and Supplies (Professional Services)	\$ -	\$ -	\$ (601,136)	\$ -	\$ -	\$ -	\$ (601,136)	0	0.00
TOTAL ADJUSTMENTS	\$ (413,838)	\$ -	\$ (601,223)	\$ -	\$ -	\$ -	\$ (1,015,061)	(3)	(3.00)
SUBCOMMITTEE RECOMMENDATION *	\$ 13,247,138	\$ -	\$ 12,284,530	\$ 1,281,732	\$ 1,259,556	\$ -	\$ 28,072,956	102	100.88
% Change from 2015-17 Leg Approved Budget	2.6%	0.0%	5.6%	3.7%	(18.3%)	0.0%	2.8%	(4.7%)	(2.4%)
% Change from 2017-19 Current Service Level	(3.0%)	0.0%	(4.7%)	0.0%	0.0%	0.0%	(3.5%)	(2.9%)	(2.9%)

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Labor and Industries, Bureau of

Mission Statement:

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 Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
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.	a) Overall	Approved	91	100	100
	b) Accuracy		95	100	100
	c) Availability of Information		89	100	100
	d) Expertise		94	100	100
	e) Helpfulness		90	100	100
	f) Timeliness		94	100	100
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	85%	72%	72%
3. Timely Processing of Wage and Hour Complaints - Percentage of target met for timely: intake and jurisdiction determination; demand letter, investigation: Composite measure.		Approved	83.20%	80%	80%
4. WHD - Percentage of WSF claims processed within fewer than 30 days.		Approved	87	80	80
5. WHD - Percentage of PWR investigations completed within 90 days.		Approved	54	65	65
6. ATD - Number of apprentices receiving journey level certificates.		Approved	973	1,200	1,375
7. ATD - Number of newly registered apprentices.		Approved	2,997	2,200	2,200
8. Apprenticeship Participation - Percentage of new apprenticeship participants who are minorities.		Approved	20.72%	15%	18.50%
9. Administrative Prosecution Unit (APU) - Percentage of cases scheduled for hearing within 30 days of assignment to APU.		Approved	98	75	88
10. TA - Percentage of employer technical assistance calls or emails returned no later than the next business day.		Approved	99%	95%	95%
11. Prevailing Wage Rate Pre-determinations - Response time for requests by public agencies concerning potential coverage of projects under state Prevailing Wage laws.		Approved	97.10	92	92

LFO Recommendation:

The Legislative Fiscal Office recommends Key Performance Measures and targets as presented above. The Legislative Fiscal Office notes that while the agency has exceeded targets in recent reporting years for timeliness related to Wage and Hour Division and Civil Rights Division complaints, these targets are not recommended for upward adjustment at this time because recommended staff reductions in these divisions will make existing targets more difficult to achieve.

The following targets have been adjusted:

KPM #8, from 15% to 18.75% based on data from recent reporting years and recommendations from the State Apprenticeship Council; and

KPM #9, from 75% to 88%, based on data from recent reporting years.

SubCommittee Action:

Approve Key Performance Measures as recommended by the Legislative Fiscal Office.