

## **Bureau of Labor and Industries:** WHD and CRD Backlog Update

September 2024





# STATE OF September 2024

#### NW Labor Press

BOLI at the breaking point

Oregon's Bureau of Labor and Industries says it's time for lawmakers to put their money where their mouth is.

> "Every law passed to protect workers is only as strong as the agency that enforces it," said Oregon's independently elected labor commissioner Christina Stephenson in the statement. "Without adequate funding, the very laws designed to ensure fair treatment and safe working conditions for Oregon workers become hollow promises."

#### Ø OregonLive.com

#### Oregon Labor Bureau says it will dismiss hundreds of workers' claims without \$22M budget increase

The Oregon Labor Bureau has asked Gov. Tina Kotek and lawmakers to increase its budget by roughly \$22 million so it can tackle massive...

While Oregon is known for having robust policies designed to protect workerssuch as strong wage laws, civil rights protections, and access to apprenticeships -the reality is often impacted by the lack of resources and capacity within BOLI to effectively enforce these rights. This discrepancy leaves workers vulnerable and creates an unfair playing field for employers who are following the law.

#### PERCEPTION REALITY Nage Policie: Wage Policies BOLI is unable to process all wage claims: 5% of claims or 193 claims from workers in 2024 dismissed under historic

Stable & Secure Housing

Strong anti-discrimination la

ordable Childcare & Elderca

we for Reprement

ollect on 59% of wages due by 17%, or 466 or 466 claims from workers. In wage is 33% of the cost of living for a family of 4

Worker Protection Policies

· BOLI unable to process all civil rights, whistleblower, and and recaration claims BOL has dismissed 57 cases this Summer due to budget constraints, and expects to dismiss as many as 400 total by the Fail of 2024

Stable & Secure Housing · Lack of awareness in tenant community about existing protections

> **Right to Organize** Lack of protections for undocumented workers - enforced by similar apencies in other states

#### Affordable Childcare & Eldercare • No childcare subsidies outside of construction and

need for childcare subsidies in heavy highway Not able to process all sick leave complaints No money for paid leave enforcement

Access to Careers through App

Save for Retirement Unfunded enforcement mandate to ensure employer compliance

"The Bureau of Labor and Industries does not establish this threshold lightly. We recognize that many Oregonians may only be able to rely on the Bureau to help make them whole when their employer doesn't pay them what they're owed," Stephenson said in an emailed statement. "We simply don't have the resources to help everyone and must prioritize those who are paid the least."



**Oregon Labor Bureau will begin** dismissing wage claims from workers earning more than \$53K oregonlive.com

#### $Q \equiv$ **INVESTIGATEWEST**

Government InvestigateWest Investigations

**Oregon Report** Spotlights State's **Struggle To** Enforce Worker Protections

By Kaylee Tornay | September 18,

#### statesman journal Q $\equiv$

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#### OREGON

**Oregon BOLI to implement salary** threshold for investigations due to backlog of wage claims



Salem Statesman Journal

Published 12:46 p.m. PT Sept. 24, 2024 Updated 12:46 p.m. PT Sept. 24, 2024



"No worker should have to be told, 'Your rights don't fit within our budget," she said in an interview. "It feels like we are being forced to triage justice, and we're dismissing cases not because of the merits. We're just dismissing them because we don't have any resources."



## Wage and Hour Division Backlog

September 2024



## **Overview of Wage and Hour Laws**

- Minimum Wage and Overtime
- Manufacturing Overtime
- Oregon Sick Leave
- Predictive Scheduling Law
- Prevailing Wage Rates:
  - Coverage Determinations
  - Setting of Rates
  - Enforcement of Rates

- Child Labor
- Workplace Protections:
  - Rest/Meal Periods
  - Expression of Breast Milk
- Personnel Records/ Recordkeeping
- Oregon Contractor Registration Act
- NEW in 2025:
  - Warehouse Workers Employee Records Request
  - Hospital Staff Laws Rest and Meal Periods



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#### \*BOLI-only enforcement



## Rutgers University analysis: Oregonians lose millions each year

#### RUTGERS



Informing Strategic Enforcement Practices: Claims and Compliance with Oregon's Minimum Wage

Report by Jacob Harnes + Jenn Round + Janice Fine + Daniel J. Galvin

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An analysis by the Workplace Justice Lab at Rutgers University estimated that Oregonians lost \$283-\$405 MILLION in minimum wage violations alone.

"an average of **88,000 to 128,000 workers** a year are paid below the minimum wage in Oregon"



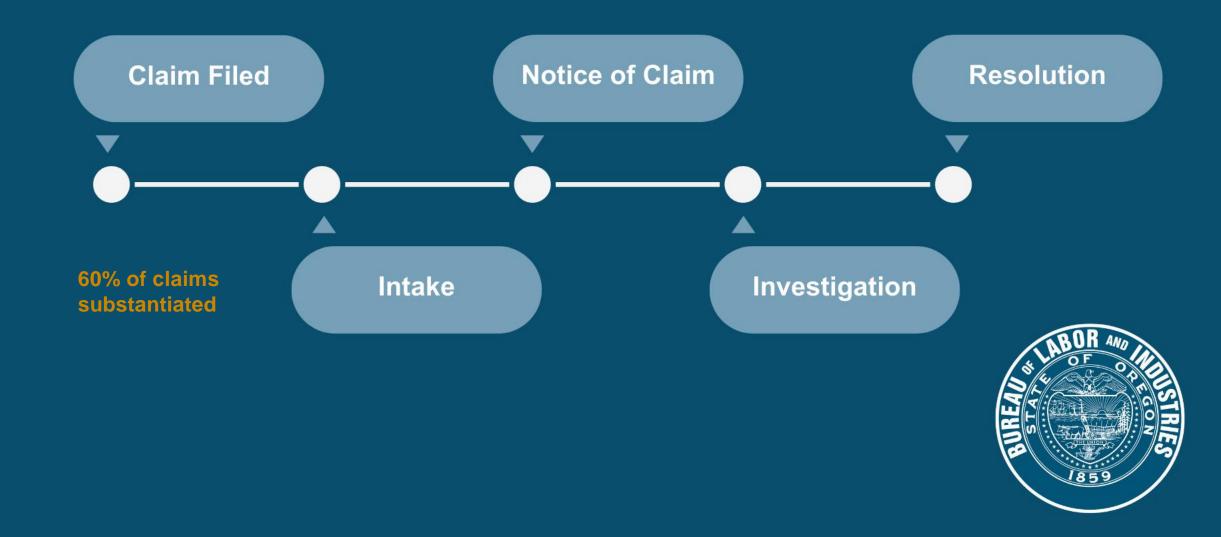
## **WAGE CLAIMS** BY FISCAL YEAR & QUARTER



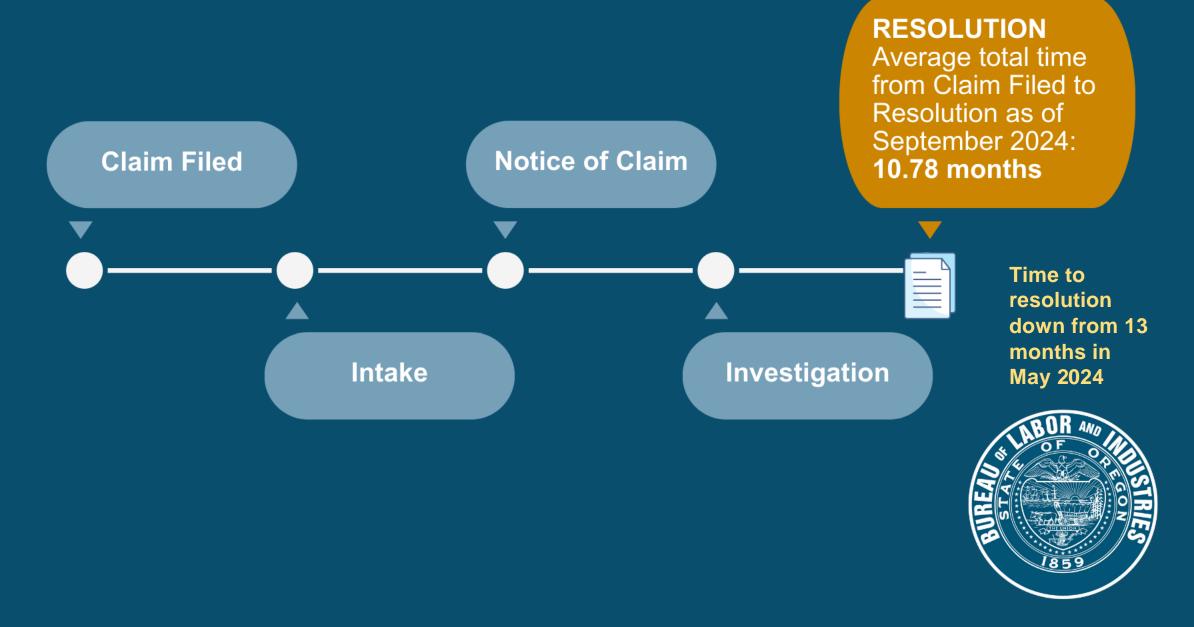




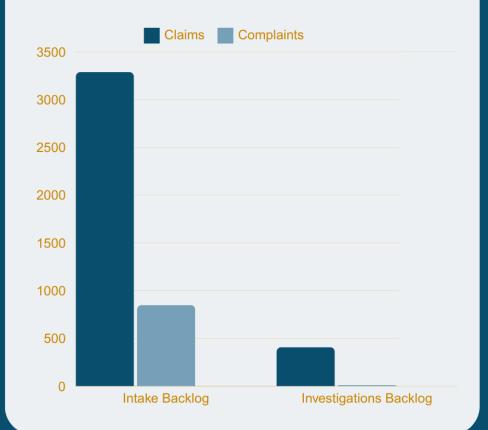
### Wage Claim Process



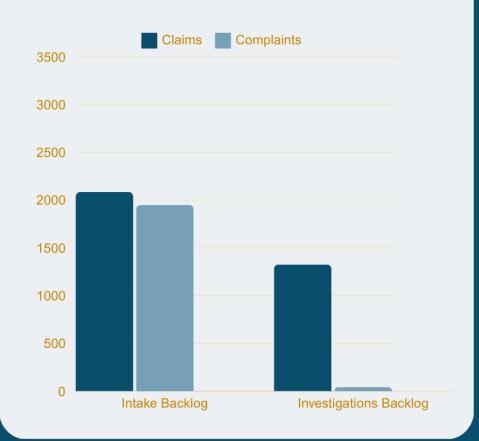
### Wage Claim Process



### May 2024 Backlogs



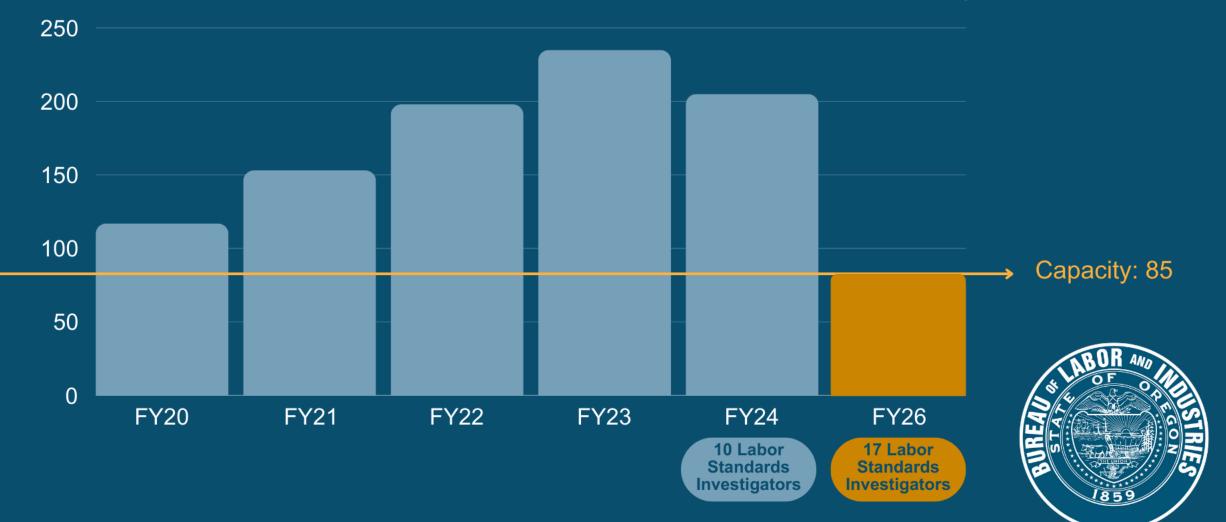
### **September 2024 Backlogs**



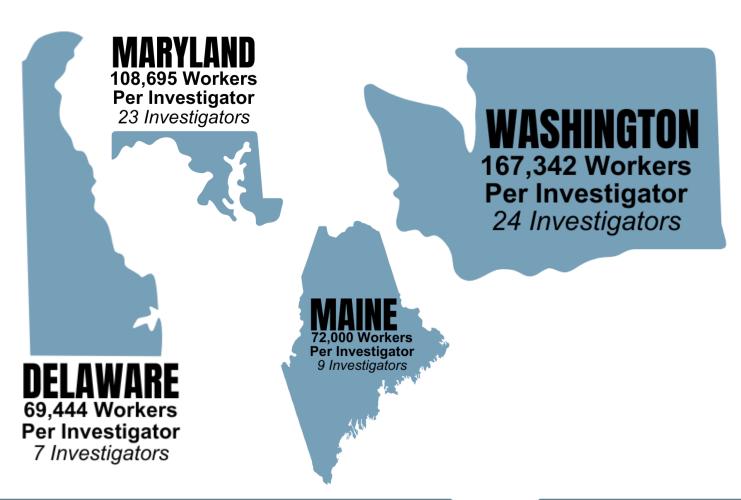


#### **Cumulative Cases per Investigator**

Currently: investigators pulled off cases to answer calls because no dedicated support to answer questions from Oregonians







### **Comparison to Other State Labor Agencies**



### **Inability to Collect Money Owed to Workers**

#### \$3.2 million in wages & penalties left unpaid in top 10 industries

Residential Building ConstructionMiscellaneous Business ServicesAgricultural Production - CropsMotion Picture Production & ServicesGeneral Building ContractorsGeneral Building ContractorsBusiness ServicesBusiness ServicesServices to BuildingsLegal ServicesFurniture and Fixtures\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.0000\$0.00000\$0.00000\$0.00000\$0.00000

\*Chart by Kaylee Tornay, InvestigateWest

"Of the nearly \$12 million that the agency ordered employers to pay in back wages and penalties over the last eight years, more than 40% — almost \$5 million was never recovered,

an InvestigateWest analysis found."

InvestigateWest; 12/4/23 (2015-2022 collections)



### **Enforcement Thresholds since ~1994**

- Maximum of \$10,000 (\$15,000) for the total amount owed, unless the claim involves minimum wage or overtime issues.
- We don't accept:
  - Commission-based wage claims, unless the claim involves minimum wage issues
  - Claims against close relatives or closely held companies
  - Expense-only claims, i.e. unpaid reimbursements
  - Penalty wages only claims
  - Benefit-only claims, i.e. unpaid vacation time cashouts
- Agency has historically stopped taking claims altogether when there was backlog, a practice since at least 2012.

5% of cases FY 2024



# What measures will the agency have to take without additional funding?

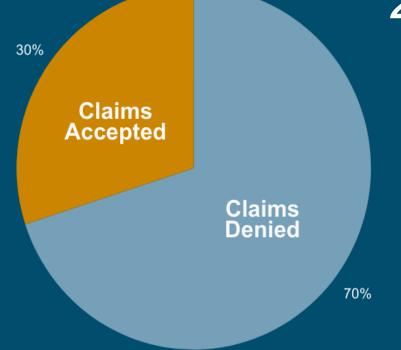
# 1. Establish an earnings threshold

- October 2024 will implement threshold of 250% of the federal poverty line. This means that workers who make more than this would not be eligible for their case to be processed by BOLI. That threshold would be \$25.34/hour or \$52,710 per year.
- If funding requests aren't met, will need to consider lower threshold beginning next biennium.





# What measures will the agency have to take without additional funding?



# 2. Reject approximately 70% of claims

 Reduce the types of claims we're accepting – overtime, meal and rest breaks, agreed rate, etc.



## **Civil Rights Division Backlog**

September 2024



## **Overview of Civil Rights Laws**

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- Employment Discrimination
- Discrimination in Public Spaces
- Housing Discrimination
- Harassment
- Pay Equity
- Whistleblower Protections

- Leave of absence to donate bone marrow
- Service as appointed member of state board or commission
- Employee social media account privacy
- Restriction on criminal conviction inquiries ("Ban the Box")
- Public accommodations discriminatory notices
- Refusing to accept currency/coins
- Public accommodations toilet facility access
- Public accommodations closed captioning requirement
- Discrimination because of employment status



## **Overview of Civil Rights Laws**

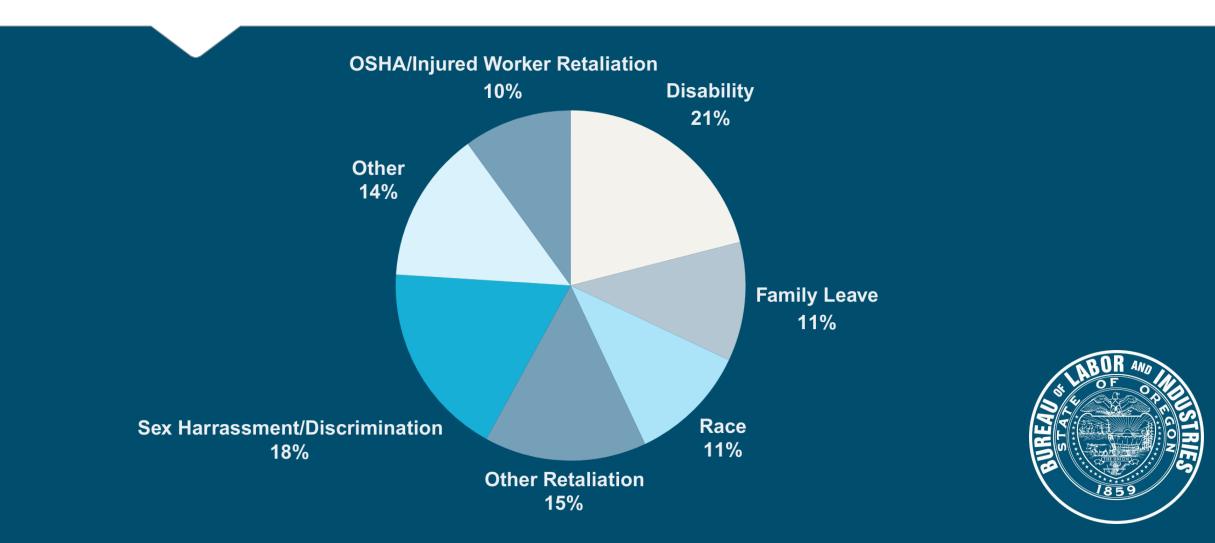
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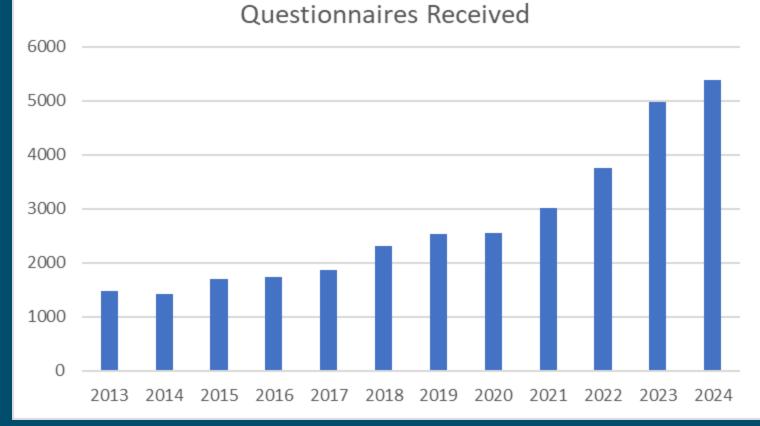


## Types of Cases Filed with CRD



### **Exponential Increase in Civil Rights Inquiries**

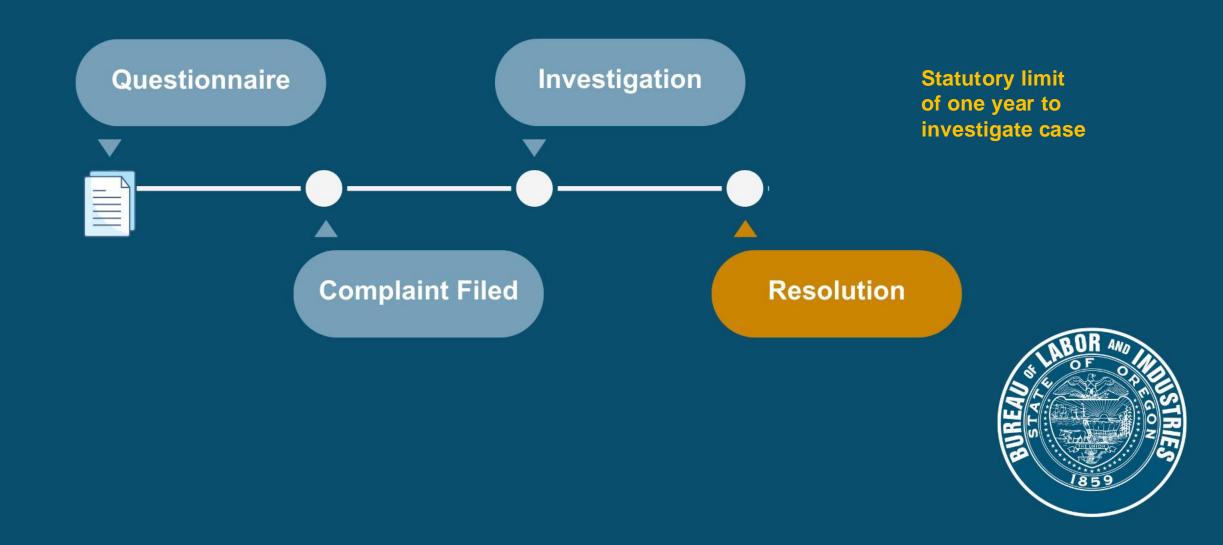
## 110% increase;278% increase



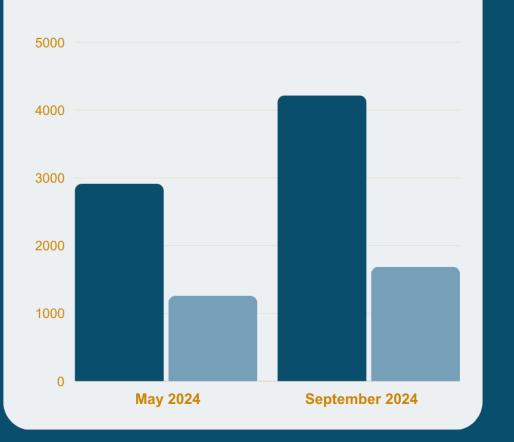
50,000 inquiries per year



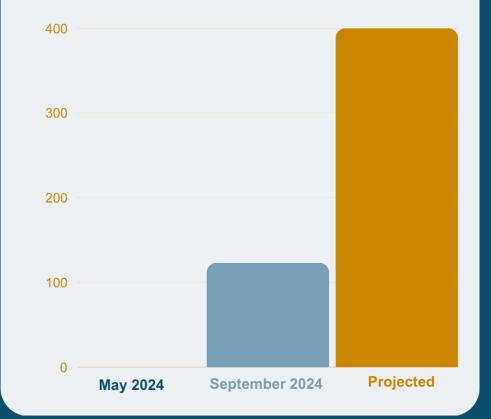
### **Civil Rights Investigations**



### **CRD Intake Backlog**



### **Resource Dismissals**





### **CRD Exigency Triage**

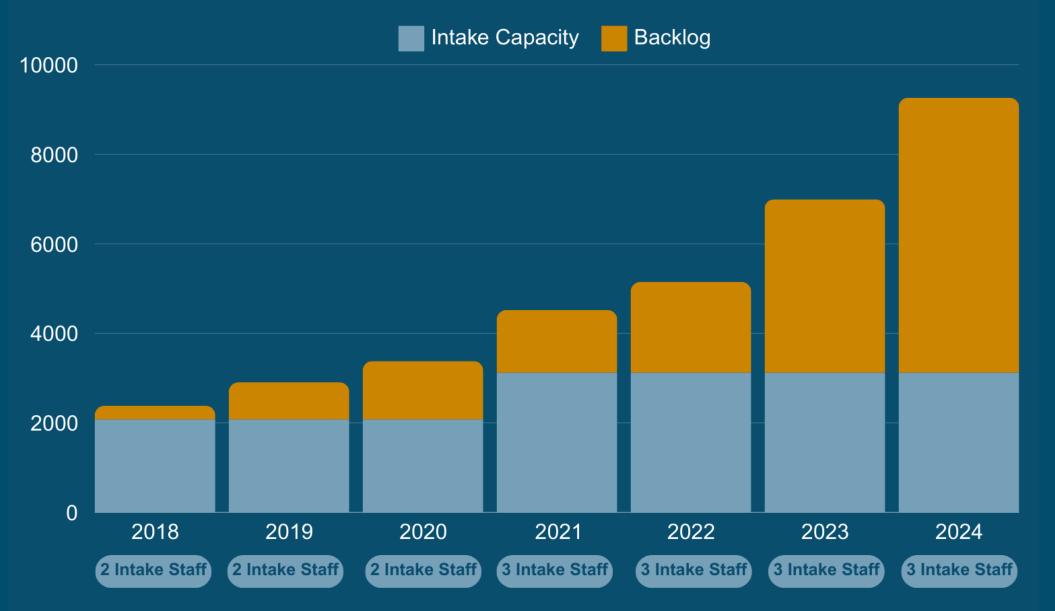
Prioritizing cases including:

- Where BOLI is the only enforcement authority
- Cases where the whistleblowing alleges violations within state government including fraud, gross waste of funds, or substantial and specific danger to public health or safety
- Domestic violence leave cases
- Injured worker/ OSHA/ wage claim retaliation
- EEOC cases
- Housing cases

Remaining cases are more likely to be dismissed due to resource constraints



### **Questionnaire Backlog**





# What measures will the agency have to take without additional funding?

# 1. Dismiss approximately 40% of cases without an investigation



### **2023 Strategies to Address Backlog**

- $\checkmark$  Improved and streamlined online intake forms, including information getting straight into database
- Began communicating timeline for claims to workers
- Focused on fiscal process and training of staff to successfully meet expectations of LFO, securing 9 positions in Wage and Hour during the 23-24 Legislative Sessions
- Opinion Letters can be requested by Employers, helping them comply and preventing claims.
- Since February 2023, engagement with Class and Comp to do restructuring of Division to address workflow, recruitment, and retention issues
- Attempted backlog processing starting with oldest and newest complaints to meet in middle
- Planning Intake Triage Process with national experts began
- Received two investigator positions (June 2023)
- Received two conciliator positions (June 2023)



### **2023 Barriers to Address Backlog**

- Case management system has numerous problems, which increases time to process claims
- Class and Comp process is lengthy, and only one part of the restructuring
- Too many new complaints incoming to meet in middle with backlog approach
- Re: triage plan, claim analysis needed to rely on external party lengthy and our data is difficult
- Hiring delays due to bureaucracy



## **2024 Strategies to Address Backlog**

- Launched new online combined complaint form
- Continued opinion letters
- Continued engagement with class and comp
- Overtime offered for backlog push
- ✓ June 2024 providing all parties with list of attorneys
- Changed backlog focus starting with oldest first, asking if complainants have been paid
- Hiring (6) CS1s 9 months early to focus on backlog
- Hired (3) Conciliator Positions (including repurposing a prosecutor position)
- Hired (2) Investigator Positions
- Staff Training on types of Evidence to speed processing
- Strategic enforcement to encourage future compliance

#### **Former Portal**

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**New Portal** 

- ✓ CRD Exigency Triage
- Intake Form Changes to Speed Processing
- ✓ CRD Investigators helping with Intake
- Developing "Layered" Intake and Initial Complaint Handling Procedures
- Developing Initial Review Process to Speed Intake Response



### **2024 Barriers to Address Backlog**

- Number of claims continues to rise exponentially
- Case management system causes delays and new system will not come online until 2027 at the earliest
   if funded by legislature
- □ Slow hiring and class/comp process
- Backlog push is with limited duration staff or taken off other assignments



### **Resource Guide**

#### **Developed Resource Guide with** Information on Financial Assistance, Food Aid, and Various Support Services

#### ACCESSING MY CASE FILE

#### Attention

It may be up to six months before you will receive contact from our office after submitting this form. For immediate assistance see our Immediate Needs Resource Guide and Attorney List at https://www.oregon.gov/boli/about/pages/contact-us.aspx.

Information submitted through this form, including contact information, will become subject to public records law. BOLI does not post the information publicly, however upon receipt of a request for public records, BOLI may be required to disclose.

Please visit https://www.oregon.gov/boli/about/Pages/public-records-request.aspx for additional information.



#### **RESOURCE GUIDE**

From the Bureau of Labor and Industries

In recognition of the challenges individuals may face while awaiting the resolution of their cases, this document serves as a resource guide, offering information on legal aid, financial assistance programs, food aid, and various support services.

#### LEGAL AID

EMPLOYMENT/FINANCIAL AID

#### FOOD AID

OK

Francis Center 503-755-6784



MENTAL HEALTH SUPPORT Crisis Response 9-8-8
 Suicide Hotline (24/7) 1-800-273-8255

> ۲ boli.oregon.gov () 971-245-3844 boli\_help@boli.oregon.gov

#### **GUÍA DE RECURSOS**

Del Departamento de Trabajo e

En reconocimiento de los desafios que las personas pueden enfrentar mientras esperan la resolución de sus casos, este documento sirve como una guía de recursos, ofreciendo información sobre asistencia legal, programas de asistencia financiera, ayuda alimentaria, y varios servicios de apoyo.

#### AYUDA LEGAL

- Los Servicios Legales de Oregon (Legal Aid Services of

#### EMPLEO/AYUDA FINANCIERA

Red de Acomodación en el Empleo (Job Accommodations Network) 800-526-7234



503-945-5661 • Departamento de Empleo de Oregon (Oregon

#### AYUDA ALIMENTARIA

- La División Sunshine (Sunshine Division) 503-823-2102
  Centro Francis (Francis Center) 503-755-6784

#### ASISTENCIA PARA EL ALQUILER/SERVICIOS PÚBLICOS/VIVIENDA

APOYO A LA SALUD MENTAL

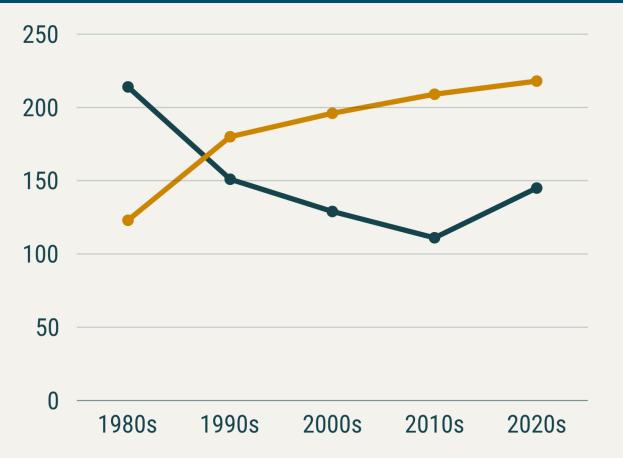


## **Investments in Agency Over Time**

### **BOLI STAFF** VERSUS WORKLOAD

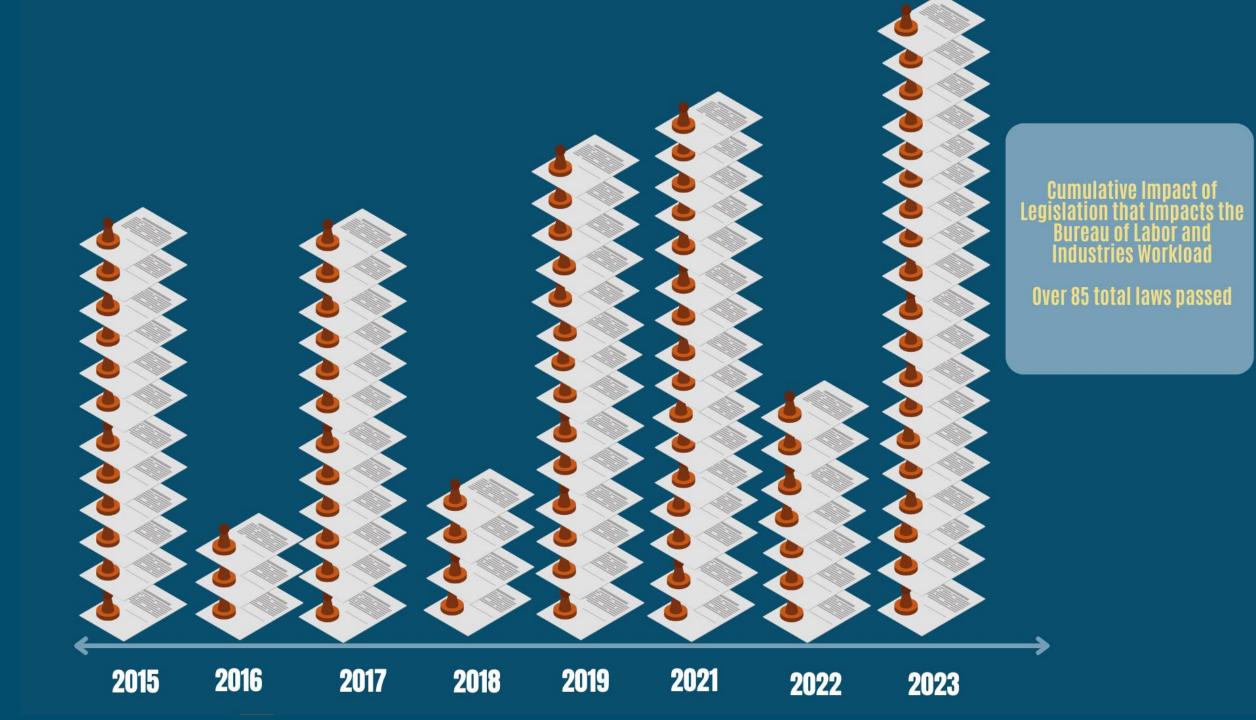
• **Oregon Workers** (in millions, divided by 10,000)

BOLI Employees









## **Unfunded Laws that the Bureau Enforces**





Senate Bill 1515 Report

Apportionment of Duties between Bureau of Labor and Industries and Oregon Employment Department for OFLA & Paid Leave Oregon September 2024



- BOLI is on track to receive 600 paid leave related claims this year.
- During just June of 2024, BOLI received over 1,200 calls and emails from Oregon workers asking about their rights under Paid Leave Oregon.
- From December 2022, through May 2024, Oregon employers contacted BOLI approximately 3,000 times with Paid Leave Oregon related questions.
- The Employer Assistance Unit at BOLI has forgone over \$230,000 in event registration fees to train employers on Paid Leave Oregon.



## **BOLI's Budget Proposal**

REQUEST	PURPOSE	STAFF INCREASE	GENERAL FUND COST	
Case Management Replacement	New system will help address backlog & improve efficiency.	5 New Positions	\$2,240,612	INVESTIGATOR PAY
<b>BOLI Modernization</b>	Investment in key positions to address recruitment, retention, and workflow challenges, to keep BOLI afloat.	31 New Positions	\$8,396,109	\$70,220 - \$116,792 per year \$66,708 - \$104,256 per year \$57,312 - \$67,928 per year
Civil Rights Division Sustainability	Additional intake staff, mediator, and investigators to keep up with the volume of complaints.	15 New Positions	\$3,284,024	BOLI Other Other Public Agencies Bodies
Wage & Hour Division Sustainability	Collections, intake, and customer service positions to allow investigators to focus on case resolution.	17 New Positions	\$2,644,340	TABOR AND
Operations Sustainability	Investment in key positions to grow HR and IT capacity, ADA compliance, and more.	5 New Positions	\$1,329,655	818 1859

## Thank you

