

## Bureau of Labor and Industries

	2019-21 Actual	2021-23 Legislatively Adopted	2021-23 Legislatively Approved *	2023-25 Current Service Level	2023-25 Governor's Budget
General Fund	13,801,443	19,980,422	43,003,040	24,034,529	31,047,049
Lottery Funds	147,875	261,416	270,809	--	297,187
Other Funds	12,382,430	14,837,959	16,315,452	16,214,579	18,151,301
Other Funds (NL)	399,493	938,700	938,700	938,700	938,700
Federal Funds	1,305,792	1,827,980	1,903,363	2,042,922	2,039,271
<b>Total Funds</b>	<b>28,037,033</b>	<b>37,846,477</b>	<b>62,431,364</b>	<b>43,230,730</b>	<b>52,473,508</b>
Positions	110	130	150	138	153
FTE	106.96	127.50	138.92	135.25	149.29

\* Includes Emergency Board and administrative actions through December 2022.

### Program Description

The Bureau of Labor and Industries (BOLI) is responsible for the administration and enforcement of a broad range of state laws regarding employment, civil rights, public accommodation, wages, sick leave, and work schedules. In addition, the Bureau approves and registers skilled labor apprenticeship programs, collaborating with employers, higher education and community colleges, the employment department, and local workforce agencies. The agency maintains a Technical Assistance for Employers program that provides training opportunities, printed materials, and telephone inquiry responses to help educate employers on issues of compliance to workplace and employment laws. BOLI also adjudicates and offers - where applicable - alternative dispute resolution of contested wage and hour and civil rights cases.

### CSL Summary and Issues

The 2023-25 current service level (CSL) budget of \$43.2 million for BOLI decreases sharply from the 2021-23 legislatively approved budget. The \$19.2 million, or 30.7%, reduction is primarily due to a \$20.5 million reduction of one-time General Fund from the following legislation:

- One-time funding of \$2 million for the relocation of BOLI's Portland headquarters.
- One-time funding of \$509,117 and 4 positions (2.00 FTE) for work on agricultural worker overtime authorized by HB 4002 (2022).
- One-time funding of \$18.9 million and 9 positions (5.67 FTE) for work force development (aka Future Ready Oregon) authorized by SB 1545 (2022).

Additionally, one-time funding of \$270,809 Lottery Funds and one position (1.00 FTE) were phased out that was funding a limited duration veterans outreach position for apprenticeship programs. Similar to 2021-23, the agency is proposing to extend this position through 2023-25 as described in policy package 150.

Compared to 2021-23, the agency's CSL grew by \$10.4 million and 30 positions (28.75 FTE) with ongoing support due to legislation passed in the 2021-23 biennium. This is a 31.6% increase in terms of funding and a 27% increase in full time employees. A majority of this increase is due to the following ongoing General Fund investments made throughout the 2021-23 biennium.

- \$261,705 General Fund and one position (1.00 FTE) increase to make permanent a Human Resources Analyst position approved in April 2020 Emergency board (HB 5015 2021).
- \$556,656 General Fund increase and establish two positions (2.00 FTE) to make up for a Other Fund revenue shortfall in the Technical Assistance for Employers Program (HB 5015 2021).
- \$214,952 General Fund increase and establish one position (1.00 FTE) in the Administrative Prosecution Unit to address increased case volume (HB 5015 2021).
- \$1,353,174 General Fund increase and establish seven positions (7.00 FTE) in the Civil Rights Division to increase civil rights enforcement capacity (HB 5015 2021).
- \$2.3 million General Fund increase to establish eight positions (8.00 FTE) for BOLI's role in the Fair Housing Enforcement Statewide Investment collaborative partnership between the Fair Housing Council of Oregon, the Department of Justice and BOLI (HB 5006 2021).
- \$684,500 General Fund increase to establish two positions (2.00 FTE) for expanded capacity to address age discrimination in the workplace in the Civil Rights Division (HB 5202 2021).
- \$222,114 General Fund increase to establish one Diversity, Equity, and Inclusion position (1.00 FTE) in the Apprenticeship and Training Division to ensure greater participation and success for women and minorities in apprenticeship (HB 5202 2021).

## Policy Issues

### *Growth and Change Management*

As mentioned above, BOLI's 2023-25 current service level has grown substantially compared to the 2021-23 biennium due to ongoing investments in expanding the agency's capacity in administration, employer and apprenticeship technical assistance, civil rights, and fair housing. These investments represent a 30% budgetary growth in the agency as a whole, including thirty new positions. In addition, there has been a change in leadership with a new Commissioner elected in November 2022 as well as the transition to a new Portland headquarters. The amount of change the agency has experienced on the heels of the COVID-19 pandemic may be taxing on existing resources but also, with time, should show significant improvements in performance particularly in the areas mentioned. Showing the impact of these investments through, evidence based, quantifiable results is important to the agency's credibility and ability to effectively manage growth.

### *Future Ready Oregon (FRO)*

During the 2022 Legislative Session, Senate Bill 1545 passed, providing a \$200 million investment package to support the educational and training needs of Oregonians for family-wage careers. BOLI was appropriated, on a one-time basis for 2021-23, \$20 million total funds (\$18.9

million General Fund and \$1.1 million Other Funds expenditure limitation) and nine limited duration positions (5.67 FTE) to establish and administer a grant program for registered apprenticeship and pre-apprenticeship training programs in specific industry sectors. As of February 2023, six of the nine positions have been hired and approximately \$12.9 million has been expended or committed (representing 64.4% of the appropriation). As per the nature of the one-time funding provided for the 2021-23 biennium, BOLI phased-out all expenditures and positions associated with FRO in the 2023-25 budget. BOLI submitted a policy package (Pkg 153) with a request for FRO funding and positions to continue into the 2023-25 biennium. Without approval of the package, the activity related to the apprenticeship and pre-apprenticeship programs established by Senate Bill 1545 (2022) will cease to exist in 2023-25.

#### *Veterans Apprenticeship Support*

Established during the 2019 Legislative Session, the agency received Veterans Service Funding (Lottery Funds) on a one-time basis to fund a position to promote apprenticeship and training opportunities amongst members of the Oregon National Guard returning from deployment. The position coordinates with veteran community partners, businesses, local workforce, and training partners to connect veterans with career pathway opportunities that capitalize on their service to the nation which results in increased veteran engagement and participation in registered apprenticeship programs. Due to the nature of the one-time lottery funding, the agency has submitted a policy package (pkg 150) to continue the position through the 2023-25 biennium.

#### Governor's Budget Summary

The 2023-25 Governor's Budget is \$52.5 million total funds and 153 positions (149.29 FTE). The budget is \$9.2 million, or 21.4%, more than the current service level of \$43.2 million. The Governor's Budget includes a total funds expenditure limitation increase of \$9.5 million and 15 positions (14.04 FTE) from policy packages. These increases address needs in agency administration (\$521,768 and 2.00 FTE), civil rights case workload (\$985,314 and 6.00 FTE), and apprenticeship assistance (\$8 million and 7.00 FTE). Also included are a total of \$227,161 million in technical adjustment reductions for personal services, attorney general, and state government service charges.

#### Key Performance Measures

A copy of the BOLI Annual Performance Progress Report can be found on the LFO website:

[https://www.oregonlegislature.gov/lfo/APPR/APPR\\_BOLI\\_2020-07-24%20\(1\).pdf](https://www.oregonlegislature.gov/lfo/APPR/APPR_BOLI_2020-07-24%20(1).pdf)