



November 18, 2025

Via Email

Steve Bergmann, Director
Secretary of State, Audits Division
255 Capitol St. NE, Suite 180
Salem, OR 97310
Email: steve.bergmann@sos.oregon.gov

Re: BOLI's response to Audits Division's final draft audit report

Dear Mr. Bergmann,

This letter provides a written response to the Audits Division's final draft audit report titled *For Years, BOLI's Leadership Failed to Implement Key Management Principles to the Detriment of Oregon Workers*.

BOLI appreciates the in-depth work the Secretary of State's Audit Division has performed to date on this audit.

As you know, the Bureau requested this audit in 2023, engaging with the Secretary of State starting in January 2023. When this administration entered office in January of 2023, it was immediately clear that the agency was facing numerous challenges. Indeed, in March of 2023 the Bureau reported to the legislature that record levels of filings were leading to significant case backlogs. Over the course of the next two years, the administration looked to every tool available to communicate the dire situation related to enforcement of Oregon's workplace laws. In addition to consulting with national experts, other states, business and labor leaders, this administration sought this audit to ensure that no stone was unturned when it came to identifying holistically and completely the challenges facing the Bureau so we can address them.

Today we are gratified that the Secretary of State's review aligns with our own assessment and gives voice to the operational foundations that are necessary for any state agency but are so easily deprioritized when agency leaders have to make difficult choices between service delivery and durable operations. As you will see in more detail below, the recommendations identify areas that we have been working on diligently for nearly three years but have not been able to fully complete because we lack the necessary resources.

The report rightly identifies areas where more attention and resources would benefit the Bureau. Unfortunately, many of the deficits identified are a direct reflection of the fact that the leaders of this agency have been laboring in an



environment of extreme scarcity. While Oregonians absolutely deserve the Bureau to be able to meet the entirety of the need in an efficient, accurate manner, this cannot happen without the requisite staff and tools to carry out that work.

With scarce time and resources, each choice has an opportunity cost. For example, while this administration took three years to draft a formal written strategic plan, in that same period it successfully executed an internal plan that resulted in the agency receiving the largest addition of staff to the agency ever.

Thanks to the support of business, labor, legislators, and the Governor, the Bureau will have a fighting chance to address some of the significant backlogs affecting Oregon workers and businesses. This funding represents a critical step forward in expanding capacity but is currently only temporary and doesn't represent the full amount necessary to deliver the service Oregonians deserve. In order to maintain improvements and avoid future setbacks, the Bureau will continue to work closely with the legislature to identify and secure sustainable, long-term funding solutions that support ongoing service delivery and organizational stability.

Exposing the areas where the Bureau is falling behind, including through inviting this audit, is a vulnerable process but we believe strongly that being committed to continuous progress means having humility and being willing to ask for help. Indeed, an audit that identified no room for improvement would not be useful in our work to make the Bureau better than we found it.

Below is our detailed response to each recommendation in the audit.

RECOMMENDATION 1		
Evaluate each program's processes by:		
<ul style="list-style-type: none"> a. Mapping out each program's process(es) with input from key staff and managers; b. Identifying and addressing any source of bottlenecks or confusion; c. Creating an action plan with due dates to implement changes in practice, policy or procedure; and d. Assuring written policies and procedures align with established process(es). 		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	End of 2026	Alex Pichel



		(503) 807-4760
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Narrative for Recommendation 1

The Bureau is constantly and actively engaging in ongoing cross-divisional discussions to identify and resolve process-related issues. While there are formal process maps of some Division and unit operations, without dedicated staff to spend the time necessary to capture all of these processes, only the absolutely essential mapping has taken place. July 1, 2025 marks the first time that the Bureau has had a legislatively-allocated position that was dedicated solely to Bureau Operations; the majority of operational functions have been either neglected or shoehorned into already overburdened positions. With staff allocated by the legislature in July 2025 related to the Bureau’s new case management technology, the Bureau will be able to develop process maps relevant to ensuring that the new system will streamline connected workflows and allow BOLI to provide better service to Oregonians. Similarly, it is only due to the July 1, 2025 allocation by the legislature that the Bureau will have a Project Manager that can document and operationalize the years-long process wherein the Commissioner and Deputy met with every staff member in the Wage and Hour Division to identify bottlenecks and create an action plan for process improvements. The Bureau continues to rely on the Department of Justice for updates to many outdated policies due to the very limited internal legal capacity of the Bureau, with only one position internally available for this work, which also oversees the mediation and prosecution units. Though that work is supported with budget from the Bureau and is reliant on DOJ’s capacity. Even without formal mapping, the Bureau is aware of bottlenecks and areas needing attention and those are reflected for action in the Bureau’s 2026 Strategic Plan. To fully meet this recommendation, the Bureau anticipates it would need five limited duration positions, one for each major Division (Operations, Legal, Wage and Hour, Civil Rights, Apprenticeship), to develop a structured action plan with defined timelines and responsibilities, ensuring that any changes in practice, policy, or procedure are clearly documented and aligned with the updated written processes.

RECOMMENDATION 2		
Regularly review BOLI claim data to identify trends, guide backlog triage, and assess the effectiveness of solutions.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	Ongoing 2027	Deputy Commissioner (971) 296-4433



Narrative for Recommendation 2

Strengthening our analytical capabilities remains a priority, as it would enable more proactive decision-making and continuous improvement in addressing workload and service delivery challenges. The Bureau recognizes the importance of regularly reviewing claim data to identify trends, guide backlog triage, and evaluate the impact of operational changes. While some data analysis is currently underway, our capacity to conduct this work consistently and strategically is limited by the availability of resources and our outdated case management system. BOLI requested a position to perform this work during the 2025 Legislative Session, and it was not funded. Until there are adequate resources to perform this work and the necessary infrastructure is in place, our ability to perform this work at the required level will be restricted.

RECOMMENDATION 3		
Conduct on-going workforce planning and management, including: <ul style="list-style-type: none"> a. Analyzing current workforce, including skills, experience, and performance; b. Forecasting future workforce needs using current data; c. Identifying differences between current and future workforce demands; and d. Developing strategies to address gaps. 		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	End of 2026	Dustin Miller (503) 935-7467

Narrative for Recommendation 3

The Bureau has recently completed a succession plan that is helping to guide workforce development and planning efforts. Building on that foundation, we are actively working to implement recommendations related to staff cross-training and development, including targeted efforts around technology use and customer service skills to enhance service delivery. In the 2025 legislative session, the Bureau requested and received positions that are focused on staff training to ensure that staff have the information and skills needed to perform their functions. Further, the 46 positions allocated by the legislature in 2025 are a direct reflection of the workforce planning done by the current administration, including analyzing the existing workforce; this planning continues as the Bureau has forty years of disinvestment to overcome. A comprehensive written analysis of future needs would require both data and staff that the Bureau does not



currently have, however, these initial steps reflect a broader commitment to ongoing workforce planning and capacity building.

RECOMMENDATION 4		
Develop short-term and long-term staffing plans for each of the divisions and units using information garnered from workforce planning and analysis.		
a. Identify solutions that alleviate or reduce stress on staff who perform multiple roles or are the only staff member to own a task.		
b. Conduct an agency-wide wage parity and classification analysis.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	October 2026	Dustin Miller (503) 935-7467

Narrative for Recommendation 4

A historic investment by the legislature in the 2025 session has enabled the recruitment and onboarding of approximately 46 new positions, which will significantly support efforts to address workload distribution, reduce role strain, and build organizational capacity. The work that led up to this spanned over two years and involved an analysis of each Division’s structure, including the reclassifications of over 30 positions in close consultation with DAS Class and Compensation. As part of this broader workforce strategy, the agency is also identifying areas where staff are stretched thin and is committed to continuing its work on wage parity and classification analysis to ensure equity and sustainability across roles. Additionally, the Bureau requested and received new HR staff in the 2025 legislative session that will be conducting agency-wide wage parity and classification analysis.

RECOMMENDATION 5		
Ensure the case management system streamlines workflow, centralizes case data, tracks important deadlines, and improves communication within the division and externally.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	December 2027	Alex Pichel (503) 807-4760



Narrative for Recommendation 5

Since 2023 the Bureau has been advocating in the legislature for a new case management system that will streamline workflows, centralize case data, track critical deadlines, and enhance communication both internally and externally. After receiving funding in 2024 for part one of the project, in 2025 the legislature allocated the final funds and positions necessary to move the project forward. We are currently engaged in the Stage Gate process with EIS to ensure strong governance and alignment with statewide IT standards. A cross-divisional workgroup meets regularly to assess current system limitations and define future needs, ensuring the new system is well-informed by operational realities and supports long-term improvements.

RECOMMENDATION 6 Collect, monitor, and report backlog data publicly to stakeholders via a website or other means.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	June 2026	Alex Pichel (503) 807-4760

Narrative for Recommendation 6

The Bureau is committed to publicly reporting backlog data and has done so regularly through yearly reports, reports to the legislature, and to media requests. We have expanded upon existing backlog tracking and begun developing bi-weekly backlog updates to track our progress and ensure timely visibility into key metrics. These updates help us monitor trends, identify emerging issues, and demonstrate continued movement toward greater transparency while the public-facing solution is being developed. Our new case management system, currently in development, is planned to include public-facing backlog reporting capabilities. As an interim solution while this system is being developed, we will investigate low-resource options such as publishing a data table on our existing website. This approach allows us to address the recommendation while maintaining focus on the case management system implementation, which will provide a more robust and sustainable long-term solution for public reporting.

RECOMMENDATION 7 Bring Apprenticeship program reviews into compliance with state and federal regulations.		
Agree or Disagree with Recommendation	Target date to complete	Name and phone number of specific



	implementation activities	point of contact for implementation
Agree	Ongoing	Jody Robbins (503)720-7824

Narrative for Recommendation 7

After this administration advocated for and received funding for limited duration staff, the Apprenticeship and Training Division (ATD) completed all overdue compliance reviews for Registered Apprenticeship programs in Oregon in September of this year. This effort cleared a 3-year backlog, bringing the Division into full compliance with the federal regulations (29 CFR, Part 29) governing State Apprenticeship Agencies (SAA). The Division is now working to implement a schedule of prescriptive reviews to maintain compliance moving forward. Limited-duration Compliance Specialist (CS) staff, through June 30, 2026, will work to close all corrective action plans assigned to programs found to be out of compliance and establish the prescriptive program compliance review schedule for FY26 and beyond. Ongoing compliance activities will be conducted through assigned Apprenticeship Representatives (permanent employees), who will provide technical and compliance assistance for their registered apprenticeship programs. The Bureau also plans to request additional staff to support this body of work. Equal Employment Opportunity Compliance review work is under review as Federal rule changes may jeopardize the Department of Labor’s SAA designation.

RECOMMENDATION 8 Develop and operationalize a strategic plan.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	Implementation Ongoing	Alex Pichel (503) 807-4760

Narrative for Recommendation 8

The Bureau has completed its strategic plan, which will be a four-year plan starting in 2026. The plan reflects updated staffing levels from the legislative session, the organization's structure, and evolving priorities. Operationalizing the plan will continue to be challenging as existing management has little capacity to absorb new projects. The Bureau anticipates it would need an additional Deputy-level manager in each of its main divisions to have the capacity to absorb the necessary strategic, communications, and operational work.



RECOMMENDATION 9 Develop a transition plan for incoming Commissioners.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	Ongoing	Alex Pichel (503) 807-4760

Narrative for Recommendation 9

The Bureau acknowledges the importance of a comprehensive transition plan for future Commissioners. It is committed to developing these critical resources as part of our ongoing succession and long-term planning efforts. While our current work on strategic and succession planning provides a foundation, we recognize the need for a formalized transition plan specific to the Commissioner's role and the staff that transitions alongside her. In order to operationalize this recommendation, it is anticipated that a limited duration project manager would be needed to work with our Executive Management Team to document essential processes, institutional knowledge, and relationships; identify priority briefing materials and onboarding resources; and establish protocols for transition activities. Additionally, part of the Bureau's strategic plan and workforce planning over the last three years has been to disinvest key operational needs from the Commissioner's office so that future transitions do not place the Bureau at risk.

RECOMMENDATION 10 Create, document, and centralize agency-wide and program specific policies and procedures.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	July 2026	Alex Pichel (503) 807-4760

Narrative for Recommendation 10

The Bureau is already actively developing a new internal all-staff site designed to serve as a centralized, user-friendly repository for agency-wide and program-specific policies, procedures, and related resources. This initiative aims to establish a single source repository for staff, ensuring that essential information is easily accessible, consistently documented, and regularly maintained to support effective and efficient operations across the Bureau. Indeed, since 2023, the agency has worked diligently to create the necessary infrastructure. This administration has advocated in the legislature and following the 2023 and 2025



sessions was successful in growing the HR department from one mid-level individual providing service to the entire agency to an HR department with four dedicated positions. This administration has also contracted with other agencies for HR services and utilized DOJ services for policy writing in order to speed the pace of policy development. Currently public records and other staff are diverted from their regular work in order to complete the all-staff site. A limited duration position dedicated to this work would bring it to fruition sooner and decrease the impact on existing staff.

Please contact Alex Pichel at (503) 807-4760 with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Stephenson", with a long horizontal line extending to the right.

Christina Stephenson
Labor Commissioner