



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2026 Regular Session

Prepared by: Haylee Morse-Miller
Reviewed by: Ben Ruef, Emily Coates, Kim To, Michelle Deister, Amanda Beitel, Wendy Gibson
Date: February 14, 2026

Bill Title: Relating to the Bureau of Labor and Industries.

Government Unit(s) Affected: Department of Consumer and Business Services, Department of Revenue, Oregon Health and Science University, Bureau of Labor and Industries, Oregon Employment Department, Cities, Counties, School Districts

Summary of Fiscal Impact: Costs related to the measure are indeterminate at this time - see explanatory analysis.

Summary of Revenue Impact: The revenue impact is indeterminate at this time - see explanatory analysis.

Measure Description

The measure creates the BOLI Expenses Fund, consisting of moneys deposited from a workers' compensation assessment on wages paid in Oregon and collected under ORS 656.506, and any moneys appropriated to the fund by the Legislative Assembly. Moneys in the fund are continuously appropriated to the Department of Consumer and Business Services (DCBS) and any interest earned by monies in the fund is credited to the fund.

DCBS may utilize monies in the fund for the reimbursement of actual administrative expenses incurred, beginning on the measure's effective date, for work related to the workers' compensation assessment, subject to an agreement between DCBS and the Bureau of Labor and Industries (BOLI). Beginning July 1, 2029, moneys in the BOLI Expenses Fund may be transferred to BOLI to pay expenses associated with carrying out the duties of the BOLI Commissioner under ORS 651.050, including enforcement of state employment laws.

The measure modifies the structure of the existing workers' compensation assessment, which under current law is deposited into the Workers' Benefit Fund (WBF) and used to fund specified statutory programs. The measure directs DCBS to utilize the existing assessment mechanism used to calculate the WBF assessment to also calculate the rate for the BOLI Expenses Fund. DCBS is required to establish separate assessment rates for each fund. The assessment rate for the BOLI Expenses Fund is for the purpose of funding the expenses incurred by the BOLI Commissioner in carrying out the duties set forth in ORS 651.050, and to reimburse the actual administrative expenses incurred by DCBS related to this measure.

The measure establishes specific requirements for deposits to the BOLI Expenses Fund. By June 30, 2029, there is to be a deposit of at least \$4.25 million. By June 30, 2030, there is to be a deposit of at least the greater of \$4.25 million or 12 months of projected expenses from the fund, which includes \$4.25 million for any increase in the cost of BOLI positions and DCBS reimbursements. By June 30, 2031, and each subsequent year, the amount is at least the greater of \$9.5 million or 12 months of projected expenses from the fund, which includes \$9.5 million for any increase in the cost of BOLI positions and DCBS reimbursements. The measure also stipulates that new positions funded by the assessments after July 1, 2031, may not exceed the cumulative cost of \$5.25 million per year as of July 1, 2031. The measure does not define "new positions" or specify how those positions are to be identified or calculated for purposes of determining compliance with the cap.

DCBS is required to set assessment rates in a manner that will minimize the rate volatility and create or maintain a 12-month reserve in the fund. If DCBS determines that the balance of the BOLI Expenses Fund will fall below the required 12-month reserve, DCBS is to consult with BOLI and report to the Workers' Compensation Management-Labor Advisory Committee on a plan to increase the reserve to the required amount. DCBS may increase the assessment rate in order to avoid unintentional program or benefit reductions in the time period immediately following the period the rate is being set. Moneys in WBF may not be transferred to the BOLI Expenses Fund.

The measure increases the maximum fee that BOLI may charge public agencies for public works contracts subject to Oregon's prevailing wage laws. Under ORS 279C.825, the fee is set at 0.1% of the contract price and is used to support prevailing wage education and enforcement activities. The measure raises the maximum fee from \$7,500 to \$12,500. Fee revenue is credited to the Prevailing Wage Education and Enforcement Account. BOLI is to biennially report to the interim committees of the Legislative Assembly related to labor on if this maximum fee amount raises enough revenue for the Bureau to meet its staffing needs.

Fiscal Analysis

The fiscal impact of the measure is indeterminate for the 2025-27 biennium and 2027-29 biennium.

Bureau of Labor and Industries

This measure has an indeterminate fiscal impact for BOLI.

Based on 2023-25 biennium revenues generated by the prevailing wage public works contract fee, BOLI estimates that revenues from this fee would increase by approximately \$812,998 Other Funds in the 2025-27 biennium and \$1.6 million in the 2027-29 biennium with the increase in the fee cap to \$12,500.

The measure establishes a phased funding structure for the BOLI Expenses Fund. Required deposits must reach at least \$4.3 million by June 30, 2029, and by June 30, 2030. On or before June 30, 2031, and June 30 of each subsequent year, deposits must reach at least the greater of \$9.5 million or 12 months of projected expenses from the fund. These amounts are to be generated from workers' compensation assessments collected from employers and employees under ORS 656.506 and deposited into the BOLI Expenses Fund. Moneys in the fund are not available for BOLI expenditures until the 2029-31 biennium.

Beginning in the 2029-31 biennium, BOLI may use the balance of the BOLI Expenses Fund to fund existing expenses incurred by the Commissioner of the Bureau of Labor and Industries in carrying out the duties set forth in ORS 651.050. Actual revenues generated from assessments will not be known until the assessment rates are finalized.

The measure also limits new positions funded by the assessment beginning July 1, 2031, to a cumulative annual cost of \$5.25 million. However, the measure does not define "new positions" or specify how compliance with this limitation is to be calculated or verified. BOLI will need to utilize the budget development process to request additional position authority and Other Funds expenditure limitation.

The measure ties required deposit amounts and assessment rates to projected expenses from the BOLI Expenses Fund, including adjustments for increases in the costs of BOLI positions. Because projected expenses are not defined in statute and may change over time based on compensation levels, cost allocation, and administrative expenses, future assessment rates and revenues could increase without additional legislative action.

Department of Consumer and Business Services

The fiscal impact for DCBS is indeterminate.

DCBS will incur an estimated \$36,000 in costs for printing and mailing of notices regarding the assessment. However, there are additional indeterminate costs related to DCBS setting assessment rates, forecasting revenues and ending balance, fund accounting, billings from Oregon Employment Department (OED) for employment data and the Department of Revenue (DOR) for collections costs, and validating and auditing employer hours. The workload related to the BOLI Expenses Fund rate is separate and distinct from the WBF rate, and once the actual workload is identified, DCBS may need to request additional resources.

Other entities

There is minimal fiscal impact for DOR and OED, and no fiscal impact for Oregon Health and Science University.

Government employers, including state government agencies, local governments, and school districts will be subject to the assessment for deposit in the BOLI Expenses Fund; some agencies may also be impacted by the prevailing wage fee increase. There is an indeterminate impact related to agency payment of the assessment and increased fee amount; however, the cost per agency is anticipated to be minimal given that the assessment will be distributed across employers and public agencies statewide.

Relevant Dates

The measure takes effect on the 91st day after sine die.

By September 15 of each even-numbered year, BOLI is to report to the interim committees of the Legislative Assembly related to labor on if the maximum prevailing wage fee amount is sufficient for BOLI to meet its staffing needs.

As of January 1, 2027, the measure requires that funds collected by DCBS from the workers' compensation assessment should be deposited in the WBF and the BOLI Expenses Fund.

Starting July 1, 2029, moneys in the BOLI Expenses Fund may be transferred to BOLI for the payment of expenses related to the duties of the BOLI Commissioner under ORS 651.050.