

LEGISLATIVE FISCAL OFFICE
900 Court Street NE, Room H-178
Salem, Oregon 97301
(503) 986-1828



JOINT COMMITTEE ON
WAYS AND MEANS

Senator Lieber, Senate Co-Chair
Representative Sanchez, House Co-Chair

Senator Girod, Senate Co-Vice Chair
Representative Gomberg, House Co-Vice Chair
Representative Smith, House Co-Vice Chair

Amanda Beitel, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer
John Terpening, Deputy Legislative Fiscal Officer

To: Transportation and Economic Development Subcommittee
From: Ben Ruef and Emily Coates, Legislative Fiscal Office
Date: February 24, 2026
Subject: HB 4027 – Relating to the Bureau of Labor and Industries; prescribing an effective date
Work Session Recommendations

The measure establishes the BOLI Expenses Fund, consisting of revenues from a workers' compensation assessment on wages paid in Oregon and any appropriations from the Legislature. Moneys in the fund are continuously appropriated to the Department of Consumer and Business Services (DCBS). DCBS must establish a separate assessment rate for the BOLI Expenses Fund using the existing Workers' Benefit Fund (WBF) assessment mechanism, with distinct rates for each fund. Moneys in the WBF may not be transferred to the BOLI Expenses Fund.

Beginning July 1, 2029, moneys in the fund may be transferred to the Bureau of Labor and Industries (BOLI) to support the Commissioner's duties under ORS 651.050, including enforcement of state employment laws. Beginning on the effective date of the measure, moneys may be used to reimburse DCBS for actual administrative expenses incurred.

The measure establishes staged minimum balance requirements designed to build a reserve prior to program expansion and to maintain ongoing solvency:

- By June 30, 2029: at least \$4.25 million.
- By June 30, 2030: the greater of \$4.25 million or 12 months of projected expenses from the fund, including \$4.25 million for increases in BOLI position costs and DCBS reimbursements.

- By June 30, 2031, and each year thereafter: the greater of \$9.5 million or 12 months of projected expenses from the fund, including \$9.5 million for increases in BOLI position costs and DCBS reimbursements.

Beginning July 1, 2031, the measure limits the total annual cost of all new positions funded by the BOLI Expenses Fund to \$5.25 million. This limitation applies to the aggregate annual cost of new assessment-funded positions and does not authorize additional growth beyond that amount in future biennia. The measure does not define “new positions” or specify how the annual cost is to be calculated for purposes of compliance.

The measure also increases the maximum prevailing wage public works fee from \$7,500 to \$12,500 and requires BOLI to report biennially to the Legislature on whether the maximum fee generates sufficient revenue to meet staffing needs.

The fiscal impact of the measure is indeterminate to DCBS , related to setting the new assessment rates, forecasting revenues and ending balance, fund accounting, billings from Oregon Employment Department for employment data and the Department of Revenue 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.

This measure has an indeterminate fiscal impact for BOLI. Based on 2023-25 prevailing wage public works contract fee revenues, BOLI estimates the increase in the fee cap to \$12,500 would generate approximately \$812,998 Other Funds in the 2025-27 biennium and \$1.6 million in the 2027-29 biennium. Based on the staged minimum balance requirements of the measure the BOLI Expenses Fund is anticipated to have a balance of approximately \$18 million by June 30, 2031. BOLI may need to request additional expenditure limitation when BOLI Expenses Fund resources become available.

Final Subcommittee Action

LFO recommends that HB 4027 be moved to the Ways and Means Full Committee.

MOTION: I move HB 4027 to the Full Committee with a do pass recommendation.
(vote)

Carriers

Full Committee: _____

House Floor:

Senate Floor: