



A STRONG VOICE FOR OREGON'S WORKERS

February 4, 2025

Chair Taylor, Vice-Chair Hayden and members of the Senate Labor and Business Committee,

The Oregon AFL-CIO represents over 300,000 workers across the state in every sector and is a voice for all workers in the legislative process. Thank you for the opportunity to testify today in support of SB 1506-1 to help ensure that the Oregon Bureau of Labor and Industries is sustainably funded.

BOLI's mission is integral to supporting Oregon's working families and its services provide essential protections for workers in various industries. Yet, every year we have this same conversation and develop one-time solutions to keep BOLI running, like we did last year with one-time funding from the Worker Benefit Fund. As the agency has laid out time and again, without sustainable funding, they simply do not have the resources needed to do the work they are tasked with. We know that this is not what any of us wanted to hear – legislators, employers and workers alike – but it's important that we all understand the challenges and likely poor outcomes if the state does not act now.

That's why we were happy to meet in the interim on this issue and appreciate the leadership of Senator Taylor, BOLI and OBI and AGC, the other legislators and numerous other state agencies for being willing to have a conversation on potential solutions so that we no longer have to band-aid this problem year after year, but instead to sustainably address it.

It was very clear in that workgroup that the Workers' Benefit Fund provides a unique and unmatched solution for the problem at hand. While this will require workers to share in a fairly nominal payroll assessment increase with employers, we support the proposal because workers and employers alike so clearly understand the importance of a well-funded BOLI. The -1 amendment takes care to ensure that the workers' compensation program, a resource worker advocates also care deeply about, is held completely harmless and creates an entirely separate account with an assessment calculated separately. Increasing the Prevailing Wage project fee cap from \$7,500 per project to \$12,500 per project will allow the agency to have an additional dedicated funding stream for prevailing wage enforcement.

It's critical that the legislature act now so that workers and employers bear the least possible cost – waiting another year will only make this solution more costly for workers and employers in the future. Further, talented staff have been hired to fill the backlog but without an identified and clear funding source, the agency is at risk of losing these workers, fundamentally driving up future costs to the state.

Absent action this session, we will continue to set up this vital agency for failure and grow the backlog just when we got it under control. This is not fair to the dedicated staff that work at the agency, nor fair to the workers and employers who rely on implementation and enforcement of the laws you all pass. We all – workers and employers – benefit from a functional agency. We have the opportunity with SB 1506-1 to finally address these chronic funding problems to make sure BOLI can fully serve the Oregonians who rely on them.