



Commissioner Brad Avakian  
Bureau of Labor and Industries

## COMMISSIONER'S MESSAGE - May 26, 2009

*Despite tough losses, BOLI will uphold its enforcement and education mission*

Friends,

Last week, the Ways & Means Co-Chairs released their budget proposal for the 09-11 biennium, which reflects a \$4.2 billion shortfall over the next two years. Like many states, private employers, and individuals across the country, Oregon is feeling the effects of the slowing economy and the record unemployment.

The continued decline in state revenues necessitates a statewide tightening of the belts through significant budget reductions – and BOLI is not immune from these cuts. The Co-Chairs' budget proposal includes a 10% reduction for BOLI, or a cut of roughly \$1.4 million, which could affect every division within BOLI.

We knew the shortfall was coming, however, and have been responsibly preparing for it. Through these tough times BOLI will continue to enforce civil rights laws, provide technical assistance for employers, and fight to protect employment rights and advance employment opportunities. It will take superhuman efforts from everyone – but we'll do it because Oregonians need us to.

While the Co-Chairs' budget proposal does not represent a final budget for BOLI, I anticipate that the legislature will be moving quickly to finalize all agency budgets now that the final revenue forecast has been received and the Co-Chairs' budget released.

Over the last few months, we have received many supportive e-mails and phone calls from Oregonians throughout the state, letting us know that protecting BOLI's core services and keeping our satellite offices open are extremely important to them. We appreciate your support and input.

Even in these tough times we are looking forward. We have launched a new Oregon Council on Civil Rights to help in the fight against discrimination. We have recently implemented the strongest meal and rest period rules in the nation. And we are working on a more fair process to establish prevailing wage rates across Oregon.

I look forward to keeping you up-to-date on the progress we make here at BOLI, and with further budget news as it becomes available.

Sincerely,

A handwritten signature in blue ink that reads "B. Avakian".

Brad Avakian  
State Labor Commissioner

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*The mission of the Bureau of Labor and Industries is to protect employment rights, advance employment opportunities, and protect access to housing and public accommodations free from discrimination.*

## **BOLI Opposes Expanding PWR Exemptions (HB 2430A)**

The Oregon Bureau of Labor and Industries (BOLI) opposes House Bill 2430A, which seeks to modify state Prevailing Wage Rate (PWR) law and expand the current exemption for affordable housing construction. The legislation, currently under consideration in the Oregon Senate, would allow the affordable housing exemption to also be applied to certain “mixed-use” developments with an affordable housing component. Current law does not allow for any portion of a “mixed-use” project, a project comprised of both commercial and residential components, to be exempt from PWR law.

As the agency responsible for the enforcement of PWR law, BOLI opposes this legislation; it is confusing, inconsistent, and does not provide clarity to coverage of mixed-used projects under the law. First, the complicated tiers of coverage in HB 2430A will so complicate the law that it will be impossible to implement fairly. Second, the bill expands a currently limited exemption for particular residential construction to cover not just other residential construction, but commercial construction as well. Third, the bill applies different standards to various workers on the same project, totally exempting some individuals based on their trade or the floor or part of a floor where they are working.

Although this bill represents months of work and attempted compromises, it does not represent consensus among affected stakeholders and union representatives. For this reason, and the ones stated above, BOLI opposes HB 2430A.

To learn more about this bill and BOLI’s opposition, please [click here](#).

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### **BOLI in the News**

Over the past few weeks, BOLI has received coverage in newspapers across Oregon for a number of our ongoing efforts. You can stay up-to-date with BOLI by visiting our [Commissioner’s Office website](#) and following our press releases and news articles featuring the bureau.

Take a look below and see what we have been up to:

- **BOLI Braces for Staff Cuts** – Daily Journal of Commerce, May 19, 2009:

“While Oregon legislators dig in the state’s couch cushions this week, looking for money to fill a hole in the current budget, they’ll need more than spare change to maintain state services in the future. That worries officials of agencies funded by the state’s general fund, including the Bureau of Labor and Industries.

“The general fund supports the majority of the bureau’s operations, including enforcement of the state’s workplace laws...

“The bureau had already braced to lose the equivalent of 4½ full-time positions in the next budget period, based on a cut in federal and other funds. Now, with the

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state needing to find \$3.8 billion to keep state services steady over the next two years, more cuts could be on the way...” To read more, [click here](#).

- **Regulators seek reimbursement for state funds from restaurateur** – Eugene Register-Guard, May 19, 2009:

“State regulators plan to ask a judge to fine and jail a Eugene restaurateur who they say has repeatedly stiffed employees and refused to comply with court orders to re-imburse the state fund that stepped in to pay the workers...

“Regulators say Sanchez violated a court order when she opened the [Eugene-based Willamette Street Bar & Grill] without first reimbursing \$2,817 to the state’s wage security fund and posting an \$84,132 bond with the Bureau of Labor and Industries to guarantee the payment of wages...” To read more, [click here](#).

- **Oregon Bureau of Labor Establishes Civil Rights Board** – The Skanner, May 8, 2009:

“The Oregon Bureau of Labor and Industries today announced a new citizens leadership panel advising the agency of civil rights trends and helping chart its course for the future.

“The panel’s co-chairs are Connie Ashbrook of Oregon Tradeswomen and James Mason, director of Diversity Education and Cultural Competence for Providence Health Services in Oregon.

““We have assembled a diverse team of Oregon civil rights leaders that bring decades of experience and represent a wide cross-section of Oregon communities,” said Commissioner Bradley Avakian. ‘Working with BOLI’s Civil Rights Division, I am confident that the OCCR will be a key player in advancing civil rights in Oregon and fighting unlawful discrimination of all forms...’” To read more, [click here](#).

- **Seven Labor Bills Headed to State House Floor** – Daily Journal of Commerce, May 4, 2009:

“Seven bills pushed by state Labor Commissioner Brad Avakian cleared key House of Representatives committees without opposition last week and are headed to the full House floor. The bills have already cleared the state Senate.

“The Business and Labor Committee voted to pass four bills, while the Consumer Protection Committee voted to pass another three. They range from technical changes to clarifications and expansions of existing laws.

“The bills were part of a slate the Bureau of Labor and Industries drafted before the start of the 2009 legislative session. An eighth bill, which makes a technical change to payroll reporting requirements, already passed both houses and was signed into law by Gov. Ted Kulongoski on March 10. It takes effect Jan. 1, 2010....” To read more, [click here](#).

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