



Bureau of Labor and Industries

For Years, BOLI's Leadership Failed to Implement Key Management Principles to the Detriment of Oregon Workers

November 2025

Report 2025-25



**Oregon
Secretary of State**

Audit Summary

Bureau of Labor and Industries

For Years, BOLI's Leadership Failed to Implement Key Management Principles to the Detriment of Oregon Workers

OBJECTIVE

Evaluate how the Bureau of Labor and Industries (BOLI)'s governance structure and internal operations have led to backlogs and claim processing delays, and how this impacts Oregonians.

SCOPE

This audit examined BOLI's internal governance structure and internal controls. It documented backlog issues in each of the bureau's divisions: Wage and Hour, Civil Rights, Apprenticeship and Training, and Legal Policy.

Why this audit is important

For over 120 years, BOLI has enforced the state's employment laws.

BOLI's mission is to protect workers' rights through enforcement of state employment laws, ensure access to housing and public accommodations free from discrimination for all Oregonians, and promote the development of a highly skilled workforce through registered apprenticeship programs.

BOLI is an enforcement agency with an important role to protect Oregon's workers. To be effective in this role, the agency must be efficient and timely with its services. Yet years of poor management and lack of staff left the agency struggling to keep up with demand.

Currently, there are work backlogs in all BOLI's major program areas. Oregon's workers are often waiting years for a resolution. This undermines BOLI's ability to protect workers and can damage public trust in government.

What we found

Management decisions reflect poor planning and strategic neglect. [\(pg. 5\)](#)

Years of poor management and inadequate resourcing play a central role in BOLI's challenges, and the current administration risks continuing prior missteps. The agency struggled and still struggles to plan and implement key changes. Important decisions, both past and present, are either not documented, not clearly communicated, or lack thorough consideration of consequences. For example, it is unclear when, how, and why a prior administration decided to stop completing federally required compliance reviews of apprenticeship programs.

BOLI's failure to maintain internal policies and procedures puts continuity and performance at risk. [\(pg. 6\)](#)

Turnover in leadership and management contributed to instability. [\(pg. 7\)](#)

According to the current Commissioner, many foundational documents like policies and procedures were lacking when the new administration took office. Agencywide policies and procedures did not exist or were outdated. The agency has yet to fully adopt a central repository for existing information but is developing it. In the last six years, the agency has experienced significant turnover in leadership and management. Frequent leadership change may lead to policy reversals and

inconsistencies, while the absence of policies and procedures make it difficult to maintain stability and achieve development goals and puts continuity and performance at risk.

The agency's challenges weaken enforcement of Oregon's labor and civil rights laws. (pg. 14)

BOLI's challenges weaken its ability to function effectively and meet its mission of helping Oregon's workers. Some BOLI complainants wait years for owed wages or justice for workplace civil rights violations. Agency leadership is limiting services based on available resources, meaning employers may continue to violate Oregon's employment laws at the expense of workers. Following an initiative to expand the agency's resources, the 2025 legislative session allocated 46 new permanent positions to address workforce gaps and reduce backlogs. Failure to deploy these funds strategically risks perpetuating service delays and may diminish the agency's credibility.

BOLI's success depends on clear priorities and aligned workforce. (pg. 16)

The agency's workload does not appear to be subsiding, and the agency is unable to keep up with demand. Management began making procedural changes and building back key staff, but more is needed to align with business needs. The agency should develop and implement strategic and workforce planning strategies to appropriately allocate resources. BOLI should align job descriptions and staff compensation with its workforce plan. To ensure stability and sustainability during future leadership changes, the current administration should develop a transition plan for the next Commissioner, addressing the lack of one during the 2023 transition.

What we recommend

To ensure greater success in addressing division backlogs, BOLI should:

1. Evaluate each program's processes, including:
 - 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 procedures; and
 - d. Assuring written policies and procedures align with established process(es).
2. Regularly review claim data to identify trends, guide backlog triage, and assess the effectiveness of solutions.
3. Conduct ongoing workforce planning and management, including:
 - 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.
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; and
 - b. Conduct an agencywide wage parity and classification analysis.
5. Ensure the case management system streamlines workflow, centralizes case data, tracks important deadlines, and improves communication within the division and externally.

To improve transparency and accountability with Oregonians, BOLI should:

6. Collect, monitor, and publicly report backlog data to stakeholders via a website or other means.
7. Bring apprenticeship program reviews into compliance with state and federal regulations.

To effectively manage the agency and transition between elected commissioners, BOLI should:

8. Develop and operationalize a strategic plan.
9. Develop a transition plan for incoming Commissioners.
10. Create, document, and centralize agencywide and program-specific policies and procedures.

Agency response

BOLI agreed with all of our recommendations. The response can be found at the end of the full report.

Read the full audit report

Scan the QR code to read the full audit report, including the agency response, on our website.



Introduction

In Oregon, the mission of the Bureau of Labor and Industries (BOLI) is to protect workers’ rights through enforcement of the state’s employment laws, ensure access to housing and public accommodations free from discrimination, and promote the development of a skilled workforce through apprenticeship programs.

In a 2024 report, BOLI publicly shared that its ability to enforce worker protections was in peril.¹ Two of the agency’s major divisions — the Wage and Hour and Civil Rights divisions — were struggling with excessive investigation backlogs. Prior to 2023, the Apprenticeship and Training Division paused statutorily required compliance reviews of nearly all apprenticeship programs, causing them to be out of compliance with federal regulations and putting apprentices at risk.

This audit focused on the state of the backlogs and how management decisions and depleted internal operations contributed to them, as well as assessing the efforts BOLI is taking to address its challenges.

Under the elected Labor Commissioner, BOLI protects workers’ rights through enforcement of state employment laws and civil rights in public spaces

BOLI is a state agency led by an elected Labor Commissioner responsible for enforcing employment and civil rights laws and regulating apprenticeship programs throughout the state.

The agency had a 2023-25 budget of nearly \$54 million with 157 positions and is divided into five major areas: Program Support and the Commissioner’s Office, the Civil Rights Division, the Wage and Hour Division, the Apprenticeship and Training Division, and the Employer Assistance Division. The Deputy Commissioner oversees Business Operations, Human Resources, and the Legal Policy Division.

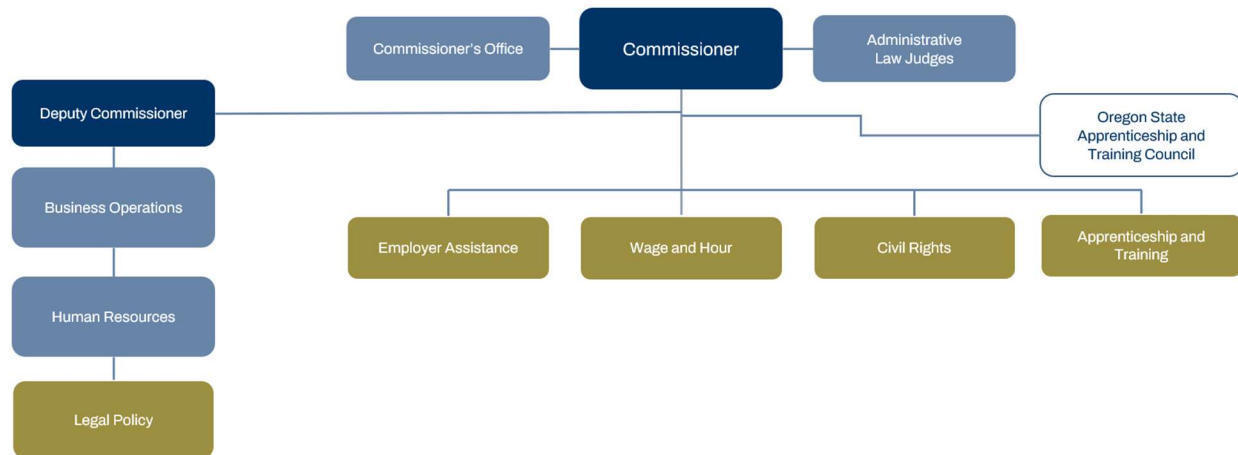
Figure 1: In the 2023-25 biennium the agency’s funding came primarily from the General Fund

	2019-21	2021-23	2023-25	2025-27
General Fund	\$14,894,178	\$19,980,422	\$31,822,914	\$37,828,209
Lottery Funds	\$250,000	\$261,416	\$297,187	\$307,006
Federal Funds	\$1,355,294	\$1,827,980	\$2,050,945	\$2,313,802
Other Funds ²	\$13,953,296	\$14,837,959	\$18,527,853	\$40,239,771
Other-Nonlimited ³	\$900,000	\$938,700	\$938,700	\$938,700
Total	\$31,332,768	\$37,846,477	\$53,637,599	\$81,627,488

Source: Legislative Fiscal Office. Detailed Analysis of the Legislatively Adopted Budget for the years 2019-2025

¹ Bureau of Labor and Industries (September 2024) [State of the Worker Report](#)
² BOLI’s Other Funds revenue is made up of licenses and fees, charges for services, fines, interest and sale income, and agency contracts with other state agencies including the Oregon Employment Department, the Department of Consumer and Business Services, and the Oregon Department of Transportation.
³ Expenditures which must be made by law, but the Legislature sets no dollar limits. The expenditures are for programs that are often outside of the agency’s control.

Figure 2: BOLI has five major program areas



Source: BOLI

The Civil Rights Division enforces statutory civil rights protections, including laws that prohibit discrimination based on protected class in employment, housing, vocational institutions, and public accommodations. There are four separate units within the Civil Rights Division, each responsible for a portion of civil rights investigations. The Intake and Support unit receives and processes public questions and intake forms; the Portland and Field Operations units investigate general civil rights complaints; and the Fair Housing unit focuses on investigations related to housing.

The Wage and Hour Division is responsible for enforcing state laws regarding minimum wage; overtime and wage collection; child labor; farm, forest, property service (janitorial), and construction labor; prevailing wage; sick time; predictive scheduling; and other employment-related laws. The division also licenses and regulates labor contractors in the farm, forest, property service (janitorial), and construction industries. In addition to processing and resolving wage claims and complaints, the division is organized into units responsible for answering questions related to prevailing wage laws, making prevailing wage coverage determinations, investigating prevailing wage claims and complaints, and proactively investigating companies in high-risk industries like agriculture and hospitality.

The Apprenticeship and Training Division promotes, certifies, and monitors apprenticeship programs in Oregon. As a designated State Apprenticeship Agency by the U.S. Department of Labor, BOLI oversees apprenticeship programs to ensure apprentices receive high-quality training, equitable treatment, and safety on the job. BOLI does so by conducting both operational compliance reviews and Equal Employment Opportunity compliance reviews. Specifically, operational reviews look at reasonableness of classroom instruction, apprentice training and evaluation records, and whether program operations meet agreed upon expectations. Equal Employment Opportunity compliance reviews evaluate apprentice outreach, recruitment, and selection activities.

Operating under the guidance of BOLI, **the Oregon State Apprenticeship and Training Council** is chaired by the Commissioner, and eight additional members are appointed by the Governor and confirmed by the Oregon State Senate. The council approves new apprenticeship programs and their standards and takes corrective action against programs if they are out of compliance. The council also works with the Apprenticeship and Training Division to establish policies and promote, expand, and improve apprenticeship programs.

BOLI's Administrative Prosecution Unit within the **Legal Policy Division** prosecutes cases on behalf of the Civil Rights Division and the Wage and Hour Division. The unit is staffed with a manager, five prosecutors, and two support staff. These cases are not prosecuted in district courts but within BOLI's Administrative Law system in accordance with administrative rules adopted by BOLI and the Oregon Department of Justice. Two Administrative Law Judges are housed within BOLI yet separate from the Administrative Prosecution Unit. Hearings proceed much like trials. Upon the conclusion of a hearing, the administrative law judge issues a written proposed order, and the Commissioner issues a final order which may be appealed to the Oregon Court of Appeals.

BOLI is struggling with its workload, resulting in backlogs

BOLI is an enforcement agency with an important role to protect Oregon's workers. To be effective in this role the agency must be timely with its services, yet significant backlogs exist in all the agency's major programs. As a result, Oregon's workers may wait years for a resolution. This undermines BOLI's ability to protect workers and can damage public trust.

Figure 3: BOLI faces backlogs in four main programs

	Backlog	23-25 FTE	Background
Wage and Hour Investigations	2,500 claims and complaints awaiting staff review	5 intake staff	Backlogs are in two key areas in the process: prior to intake and before they are assigned to Compliance Specialist for review
	2,084 claims and complaints waiting to be investigated by compliance specialists	9 investigators	
Civil Rights Investigations	3,277 intake forms pending review by intake staff	4 intake staff	Intake staff review forms to determine whether the agency holds jurisdiction over the matter. If so, they will draft a formal complaint, and the case is transferred to investigators.
		12 investigators	
Apprenticeship and Training Compliance Reviews	290 standards remain incomplete for Equal Employment Opportunity compliance reviews	5 limited duration staff including one position that is acting as manager and compliance specialist	Agency lacks permanent compliance specialists and plans to shift compliance work to existing technical assistance staff.
Legal Policy Division: Administrative Prosecution Unit	Over 122 unassigned case files	5 prosecutors	Most new cases are being put on a waitlist.

Note: Wage and Hour data as of August 6, 2025; Civil Rights data as of August 1, 2025; Apprenticeship and Training data as of September 10, 2025; Legal Dispute and Resolution data as of July 31, 2025. As of September 10, 2025, all operational compliance reviews have been conducted with four compliance review reports pending completion. Equal Employment Opportunity compliance reviews are on hold coinciding with a potential change in federal requirements.

Source: BOLI

Case triage is ongoing in the Wage and Hour and Civil Rights Divisions

According to Wage and Hour Division management, a small team was assigned in spring 2023 to focus on wage claims submitted in 2022 and 2023 and priority complaints. In late 2023 all non-priority complaint

processing was put on hold.⁴ Months later, the division ramped up efforts to address the backlog: BOLI authorized overtime, managers and investigators assisted with intake, and even priority complaint processing was put on hold. The goal was to review new claim submissions in near real-time. This effort wound down in late 2024.

Additionally, in 2024 BOLI consulted with Rutgers University to analyze 2020-23 claims data to inform triaging efforts in the Wage and Hour and Civil Rights divisions. Using data and established best practices, the Wage and Hour Division implemented a policy to stop processing claims above \$25.34 an hour, or \$52,710 a year.⁵ This policy began October 31, 2024, and ended on October 1, 2025.

The Rutgers University report also found that in over half of civil rights complaints, BOLI had sole jurisdiction over the matter. This and other information shaped a Civil Rights Division pilot triage plan that complemented its existing intake prioritization scale. From August to October 2024, the Civil Rights Division implemented this plan, which included the following steps:

- Identify complaints that could be closed before they were assigned to an investigator. These may be cases in which BOLI is not the only enforcement authority, or cases with limited evidence.
- Review cases already assigned to an investigator to see if they could be closed without further investigation.
- Written dismissal memos are not required for cases being closed due to staffing limitations.
- Write brief Equal Employment Opportunity Commission dismissal memos.
- Wrap up file investigations in 11 months, one month prior to the year deadline.

In October 2024, BOLI decided to continue these efforts.

⁴ A wage claim is a formal complaint filed that alleges that an employer owes a worker unpaid wages. A complaint alleges a violation of their workplace rights. Examples of priority complaints are related to child labor and denial of breast milk expression at work.

⁵ This does not apply to prevailing wage claims.

Audit Results

Poor management and lack of adequate resources have played a central role in BOLI's current challenges. Prior leadership failed to maintain basic agency operations, leaving BOLI in crisis. The current administration is simultaneously working to rebuild the agency and address the increased workload straining existing resources.

However, current leadership risks continuing prior missteps. BOLI struggles to plan and implement key changes. Important decisions, both past and present, are either undocumented, not clearly communicated, or lack thorough consideration of potential consequences.

Core agency functions, like administration and employment law enforcement, are hindered by poor planning, outdated policies and procedures, and turnover. Lack of stable leadership at all levels likely left the agency slow to strategize and implement effective business solutions. Historically, its workforce was not aligned with operational goals: key positions in contracts and public records management were missing and some staff took on additional roles and workload. Although each of the divisions is triaging and prioritizing their workloads — occasionally by limiting services — without additional staff, it will be difficult for BOLI to dig itself out of this hole. In the 2025 legislative session, BOLI received an additional 46 positions to address these challenges.

The agency will need to continue its work to establish a strategic plan that identifies priorities and methods to achieve its goals, conduct ongoing workforce planning to ensure its primary resource — its staff — is appropriately utilized, and continue to evaluate its policies, procedures, and processes to make them more efficient.

For many Oregonians, filing a claim or complaint at BOLI is their only recourse. They may lack the money to hire an attorney or the ability to navigate a court system on their own. BOLI, like many government agencies, enforces critical laws that apply to all. **When agencies start limiting services, like BOLI has done by closing cases without investigation, it can erode trust in government.**

Management decisions reflect poor planning and strategic neglect

According to a dozen BOLI staff we interviewed, an increase in staff is a way BOLI will make progress at reducing the backlogs and climbing out of the hole. It's true that BOLI's staffing levels have not kept pace with the increase in workload. During the 2025 legislative session, BOLI was allocated an additional 46 positions to bolster business operations and address the backlogs.

However, money alone will not fix BOLI's problems. Many of its challenges stem from years of neglect and mismanagement. The most basic of organizational tools — policies and procedures — were either outdated or nonexistent. Failure to adequately plan around key operational decisions made those decisions less effective. Mismanagement creates downstream effects for staff: divisions operate in silos, employees juggle multiple roles, work halts when key staff are absent, turnover increases, and the agency struggles to cope with an increase in workload.

In the end, it's Oregon's workers who suffer. As BOLI works to address its internal challenges, it must find solutions that will facilitate efficient work for its staff and better service for Oregonians.

Management made critical decisions without adequate planning or documentation

Documenting decision-making is essential to accountability and to ensuring continuity of operations. But prior leadership, including agency management all the way up to the Commissioner, made significant changes without documenting the rationale behind them. As a result, it's prohibitively difficult to determine how, when, and why key decisions were made, since many of these decision-makers are no longer with the agency.

For example, at some point during the COVID-19 pandemic under the prior Commissioner, a decision was made for Apprenticeship and Training Division staff to stop completing federally required compliance reviews. Auditors were unable to find any internal documentation or meeting notes from the State Apprenticeship and Training Council outlining this decision, or even when it occurred. The division administrator at the time was replaced and staff we interviewed were unsure of the exact date when the agency stopped performing compliance reviews. Furthermore, the decision to stop these reviews was made without any evident plan for restarting them in the future. Failure to perform this critical function violates state and federal laws and potentially jeopardizes an apprentice's rights to the training and benefits they are legally owed.⁶

When the current Commissioner started in the role in 2023, she recognized BOLI was understaffed and staff were not properly classified to meet the needs of the program. Funding was secured for limited duration staff to bring BOLI back into compliance with federal and state requirements. Management took the next step by reclassifying Apprenticeship and Training positions. Limited duration staff completed all overdue operational compliance reviews by September 2025. According to the agency, they began establishing a regular compliance schedule and, through June 30, 2026, will be working to close all corrective action plans and finalize the ongoing review schedule. Then existing permanent staff will handle ongoing compliance activities and support their assigned apprenticeship programs. The federal government is in the process of revising its regulations and the agency has put a hold on Equal Employment Opportunity compliance reviews.

When agency management took action to reduce the Wage and Hour intake backlog, they also failed to plan for the full impact of the decision on their own staff and the Oregonians they serve. The effort spanned multiple months and all Wage and Hour Division staff, including managers, were assigned to help intake staff return phone calls and process forms. While these efforts were well-intended, they confused and overwhelmed staff. Ultimately, these efforts reduced the intake backlog but didn't fully resolve it, while increasing another backlog: unassigned claims before investigations.

Figure 4: The Wage and Hour Division intake backlog decreased while the investigations backlog increased

	August 12, 2024	February 5, 2025	Difference
Intake Backlog	5,560	3,257 ⁷	-2,303
Investigations Backlog	1,281	1,890	+609
Total	6,841	5,147	

Source: BOLI

⁶ 29 CFR 29.6 and ORS 660.149

⁷ This number may include claims that are above the \$25.34 income threshold.

Soon after, agency management rolled out a new policy to not investigate claims for workers with income over a certain threshold.⁸ Internal communication regarding when and how to implement the policy was disjointed. Before the policy took effect, staff were being assigned cases exceeding the threshold but were not taking any action on them. Later, they were instructed to close cases above a \$25 threshold. According to a staff member, some claims were closed and then subsequently reopened. Inconsistent policy rollouts like this can undermine staff efficiency and erode public trust.

Any change in policy or plans for addressing the backlogs should include clear objectives, outline staff involved, and establish a timeline for implementation and evaluation. Changes should be communicated early, often, and clearly. Staff input should be included in development and evaluation of improvements. Crucially, this process should be documented for transparency, accountability, and to ensure continuity of operations.

BOLI's failure to maintain policies and procedures puts continuity and performance at risk

Transition and change in leadership can be hard for any agency. BOLI is especially vulnerable due to potential leadership changes every four years with each elected Commissioner. The agency needs clear policies, procedures, and processes to ensure it can effectively maintain operations.

According to the current Commissioner, many of these foundational documents were lacking when the new administration took office in January 2023. Agencywide policies and procedures did not exist or were outdated — several being over 20 years old. For example, the agency's Employee Records policy as well as its Performance Evaluation policy and procedure were created in 2003 and have not been reviewed since, despite the adoption of a new electronic system (Workday) that went live in 2019 and altered the way payroll, personnel, and employment records are managed.

The agency is currently working internally and with the Oregon Department of Justice to revise and review policies and program manuals.

Another big challenge is the agency has not fully adopted a central repository for existing information. The current administration spoke of their efforts to consolidate information on an intranet but noted that the effort was slow going. For example, in the Wage and Hour Division there are multiple places that staff go to for policies and procedures and other information.

Many of the policies and procedures that support the work of the Wage and Hour and Civil Rights divisions are outdated or hard to find. Additionally, the former Civil Rights Administrator shared that although some improvements had been made, training for new staff is very hands-on and if existing staff left, no one would know how to do things. These challenges increase the risk of staff completing tasks incorrectly, mistakes being passed on to new staff, and losing valuable information if and when experienced staff leave the agency.

⁸ The threshold is \$25.34 an hour, or \$52,710 a year.

Turnover in BOLI’s leadership and management contributed to instability

Since 2001, Legislative Fiscal Office reports repeatedly noted that the number of BOLI’s staff positions declined while the workload stayed the same or increased. Meanwhile, the agency faced double-digit turnover in seven of the last eight years.

Figure 5: BOLI experienced high turnover rates

Year	Positions	Departures	Turnover Percentage
2018	80	22	28%
2019	90	18	18%
2020	90	18	20%
2021	100	12	13%
2022	120	22	17%
2023	121	14	12%
2024	135	6	15%

Source: Department of Consumer and Business Services

Turnover was most pronounced in executive and management positions; 29 staff left the agency between 2018 and 2024. The reasons for turnover vary, including retirement, resignation, advancement opportunities, and change of leadership. During this time, the Civil Rights Division had four different administrators while the Wage and Hour and the Apprenticeship and Training divisions each had three. This included months-long leadership gaps in all three divisions. For example, the Apprenticeship and Training Division experienced five leadership changes since 2020. At one point, two managers shared the division leader’s role while continuing to work in their primary roles.

Frequent changes in leadership may lead to policy reversals and inconsistencies, making it difficult to maintain stability and achieve development goals.

From 2020 to mid-2024, the agency’s human resources function was marked by frequent turnover, staffing gaps, and long periods where a single individual managed all human resources responsibilities. Vacancies in human resources make it harder to hire staff and help leadership implement workforce solutions. To solve this, BOLI contracted with the Department of Consumer and Business Services (DCBS) in 2023 to provide human resource functions like recruitment and personnel actions. In 2024, after securing positions from the legislature, BOLI hired two human resources staff members and has since expanded its capacity, with continued support from DCBS. Payroll services are provided by the Department of Administrative Services.

Existing staff took on extra work, making it harder to complete their regular tasks and increasing BOLI’s risk for noncompliance with rules and statutes

The agency’s needs have outpaced its staffing structure. Operational gaps forced program staff across different divisions to take on extra duties, including but not limited to public records and contract management. These specialized functions require strict compliance with laws and regulations and decentralizing them increases the risk of noncompliance.

For example, in 2023 BOLI hired a Contract and Procurement Officer, a new position it successfully advocated for and secured through the legislature. Before 2023, there was no one person who knew the full extent of contracting, meaning the agency was at risk of losing track of contracts, potentially falling out of compliance with contracting rules, and missing opportunities for efficiencies. Contracts were decentralized and scattered throughout the agency. The Contracts and Procurement officer began centralizing contract tracking for the agency, but progress appears to be stalled. More can be done to further this effort and ensure staff understand and consistently use a centralized system.

Another risk area involves responding to public records requests. According to management, BOLI receives approximately 2,000 public records requests annually. Before 2020, staff from each division or unit handled these requests by email with no system to track responses and ensure compliance with public records law. This practice exposed the agency to risks, including potential missed deadlines and the incorrect redaction of confidential information. In 2023 and 2025 the agency secured legislative approval for additional positions, hired three staff to handle public records requests, and created an online submission portal to streamline and track requests.

Beyond operational risks, these practices negatively affect agency staff. Increased workloads, along with other stressors, can strain the workforce, undermine backlog efforts, and result in burnout and turnover.

Intense work demands and backlog leave BOLI employees stressed

We spoke to over 50 current and former BOLI employees in all divisions and in various roles and the overwhelming sentiment was frustration and stress. Many expressed they **had more work than they could accomplish**. Some emphasized **the way out of the problem was to increase staffing levels**.

Several individuals in the Wage and Hour Division, Civil Rights Division, and Administrative Prosecution Unit claim they are **the only person trained to conduct work tasks that are key to their division's success**. They also noted that written policies and procedures are outdated and insufficient. **Ultimately, these tasks stop when they are absent**.

For example, in the Wage and Hour Division, one person is responsible for tracking how employers respond to the Notice of Claims and ensuring wage claim checks are distributed to the appropriate worker. They are tracking several hundred cases at any given time.

Additionally, some staff carry heavy workloads and others work doubled-up roles. Two Wage and Hour lead workers are responsible for reviewing the work of other investigators, documenting policies and procedures, and assigning cases in addition to managing their own caseload. One lead worker reported having 60 active cases, which exceeded the division's threshold of 50 cases per investigator. The Chief Information Officer is also the Chief Financial Officer. In the Civil Rights Division, one manager doubles as a building manager, addressing staff needs and coordinating building maintenance projects. The Commissioner said she is personally drafting agencywide policies because there's no one else to do it.

As the agency's workload continues to increase, this practice may be more difficult to sustain. BOLI recently received funding to support eight full-time positions in business operations, public records, administrative rules coordination, and learning and development to address some of these concerns.

BOLI's software does not effectively support its divisions

Staff in the Wage and Hour and Civil Rights divisions rely on a database that hinders the efficiency and accuracy of their work. It doesn't easily track workflow, help identify bottlenecks in the process, or track staff progress. This database is slow to perform. These deficiencies require staff to take time-consuming steps to manage claims and complaints. Furthermore, generating reports from the database requires specialized queries that only a few staff members can run.

The Administrative Prosecution Unit records two key case dates in the database: the hearing date and the date a final order was issued. All other information is recorded in a mixture of paper and electronic files stored in various places, and each prosecutor stores their cases differently. According to staff, settlements are tracked outside of the database. Following a case from intake to a potential prosecution outcome is difficult.

In 2024, BOLI developed a plan to update its technology and received funding to begin replacing the database with a case management system. The agency received an additional \$2.16 million for phase two, which will cover vendor contracts for testing, implementation support, training, user licenses, and staff support.

An upgraded case management system should help streamline workflow, centralize case data, track important deadlines, and improve communication. It could also improve customer service, simplify records management processes, and improve efficiency for claim processing.

BOLI's challenges weaken its enforcement of Oregon's labor and civil rights laws

BOLI's challenges weaken its ability to function effectively and fulfill its duty to Oregon's workers. Agency leadership is limiting services based on available resources. This means employers may continue to violate Oregon's employment laws at the expense of Oregon's workers. Oregonians who file complaints with BOLI can wait years for a resolution.

Limiting investigations may mean employer violations go unchecked

To address the backlog in the Wage and Hour Division, BOLI authorized overtime to process intake forms and put a hold on non-priority complaint processing. The goal was to process all wage and hour intake forms submitted in 2022 and 2023 and get as close as possible to reviewing newly submitted forms in real-time.

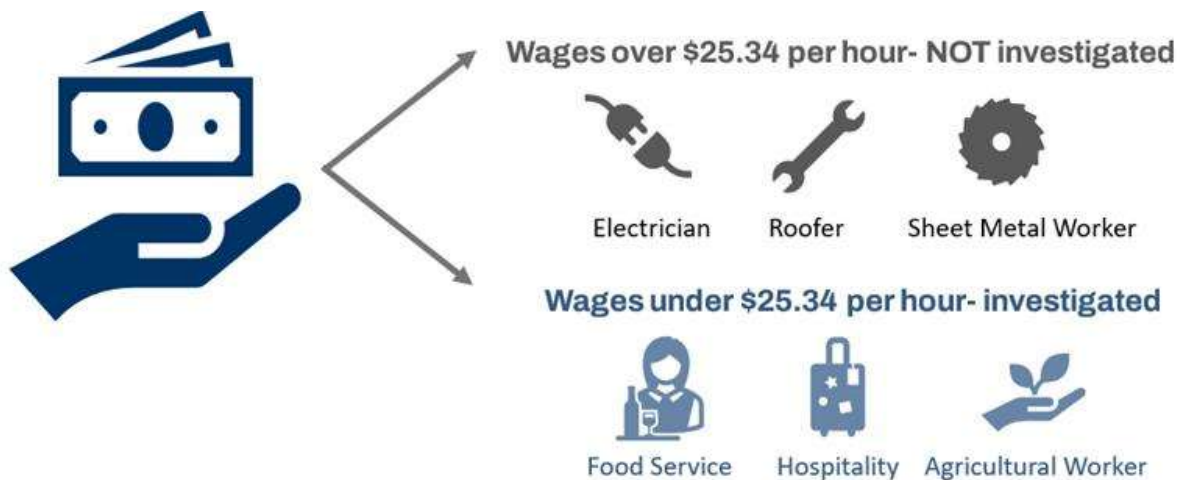
In late 2024, staff said they began working through the backlog of non-priority complaints, with full complaint processing resuming in May 2025. As a result, non-priority complaints — such as missed meal or rest breaks — went unaddressed for over a year.⁹ These complaints can be an indicator of a larger problem in the workplace. It's also possible the employer is not aware of their legal obligations. Without an investigation or a letter informing them of the applicable laws, poor employer practices may have continued to the detriment of workers.

⁹ Not including missed rest periods for the expression of milk.

In addition, the Wage and Hour Division implemented a policy to stop investigating wage claims above \$25.34 an hour, or \$52,710 a year, submitted on or after October 31, 2024. BOLI's intent in establishing a wage claim threshold was to reduce its workload to a more manageable level, while providing timely service to the most vulnerable Oregonians. The policy ended October 1, 2025, once the legislature funded additional BOLI positions.

Minimum wage rates across the state are below that threshold. Worker's wages in industries like food service, hospitality, home health and personal care, and agricultural would likely be under the threshold. Many people in trades like electricians, roofers, and sheet metal workers would be excluded. Furthermore, the threshold does not factor in family size or whether someone is a seasonal worker. These unaddressed factors mean this policy may have disparate impacts on Oregon workers.

Figure 6: Many trade and administrative worker wages exceed the threshold.



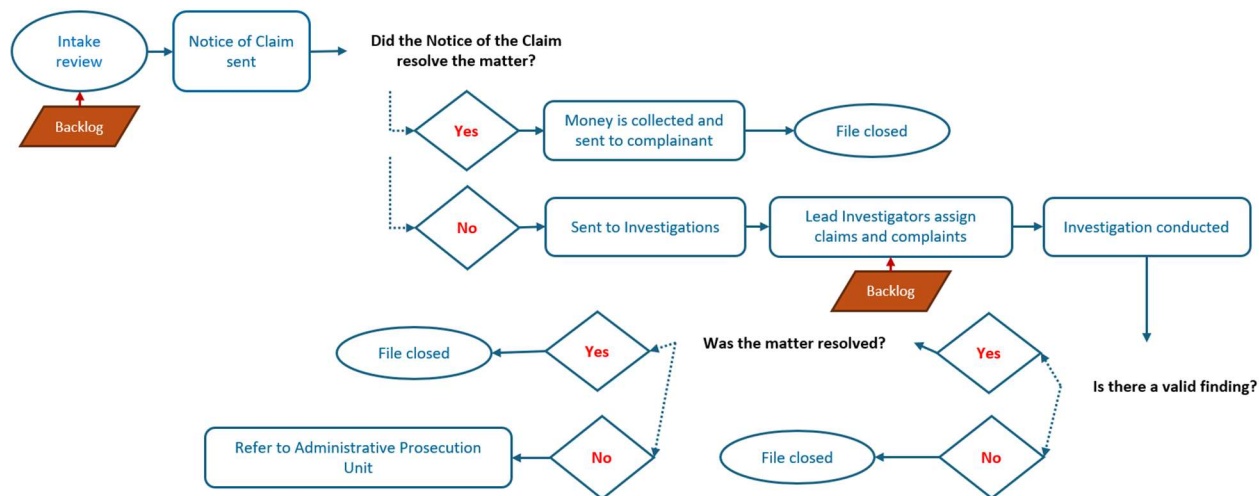
The Civil Rights Division is also looking for a way to minimize the workload of investigators. Once processed through intake, some cases are being diverted to division leadership for review and action. Leadership and two specially trained investigators follow up with the employer for a written response to the complaint. In some cases, once the response is received the case is closed without a full investigation. The worker is informed that the case was closed due to lack of capacity and is provided with the employer's response. This response can serve as documentation should they decide to pursue legal matters outside of BOLI. If the employer's response indicates BOLI should pursue the matter, it gets flagged for assignment to an investigator for a full investigation.

Although this process may ease the workload of division staff and help reduce the backlog, it shifts the burden to people submitting claims who may lack the resources or knowledge to seek justice on their own. For many Oregonians, filing a claim or complaint with BOLI is their only recourse. They may lack the money to hire an attorney, or the ability and persistence to navigate a court system on their own. BOLI, like many government agencies, enforces critical laws that apply to all. When agencies start limiting services, like BOLI's done by closing cases without a complete investigation, it can erode trust in government.

Backlogs at every stage of BOLI investigations mean that workers can wait years for a resolution

Wage and Hour Division cases conclude at various points in the process. After an intake form is submitted, staff may determine that the agency lacks jurisdiction, resulting in case closure. A percentage of the cases are resolved when a notice of claim is sent to the employer. This notice outlines the alleged violation and the amount of wages claimed. Several factors can lead to the case being assigned to an investigator — for example, if the employer disputes the claim or fails to respond. The assignment process can take months or over a year, delaying the investigation and case resolution significantly.

Figure 7: There are backlogs before intake review and before the file is assigned to investigators



Source: BOLI

As of December 5, 2024, 2,022 Wage and Hour Division claims and complaints were waiting to be assigned to an investigator. Of those, 76 were waiting for over a year and a half. The longest wait period on the pending investigator list was 1,046 days. Once assigned, investigations could take months to years to complete. Unlike in the Civil Rights Division, there is not a corollary statute for the Wage and Hour Division that restricts the length of time the agency can take to investigate a claim. The relevant statute of limitations still applies.

As of February 5, 2025, the number of claims and complaints waiting to be assigned to an investigator was 1,890. **If no other claims are added to the list** and no staff added, it would take the 10 Wage and Hour investigators **over two years to get through the backlog**, working at a rate of 85 investigations per person per year (85 investigations has been the expectation).

There were five intake staff to review 3,257 pending intake forms. Assuming each staff could process 40 forms per week, **and if no other intake forms were submitted, intake staff would take approximately three months** to work through the backlog.

When a Wage and Hour or Civil Rights investigation is completed and there are valid findings, if a resolution is not reached, the case file is referred to the Administrative Prosecution Unit. The final steps are generally drafting formal charges, a hearing, and a proposed order from an administrative law judge. There are no laws, rules, or division policies that set the timeline for judgements. Most of the final orders issued between 2014 and 2019 took less than eight months from hearing date to final order. From 2020 to 2023, 15 of 22 cases took over a year from hearing date to final order. BOLI leadership acknowledged the issue and said they have introduced expectations through performance evaluations.

In all, the process can take years, with complainants waiting a year or more at each stage from intake to investigation to final order. The Commissioner said that when she joined the agency cases were taking around five years to work through final order.

BOLI's success depends on clear priorities and aligned workforce

To effectively manage the backlogs and the influx of incoming claims, BOLI needs to implement strategic methods to address its challenges. BOLI should continuously evaluate trends in claim and complaint submissions, look for efficiencies in processes, and determine whether efforts to address the backlog are effective.

To ensure long-term stability and success, BOLI should establish a strategic plan that defines where the agency is going, how it will get there, and what success looks like. This plan must also integrate workforce planning methods to ensure the agency has the right organizational structure in place to effectively fulfill its mission of serving and supporting Oregon's workers. It must do so without repeating the mistakes of previous administrations. It is crucial that the agency document its decisions, policies, and procedures and effectively communicate and train staff. Doing so will help it establish a strong foundation.

The agency should establish its strategic plan to address short- and long-term challenges

Although the current Commissioner has begun making important changes, she has done so without a formal or comprehensive written plan. Previous strategic plans identified and established goals, but there was no documented strategy on how each division was going to achieve these goals.

Strategic planning sets the overall direction and long-term goals of the agency. The agency has started work on a strategic plan with an outside consultant. The strategic plan is expected to support the agency's short- and long-term goals; redefine its current mission, vision, and goals; identify resources needed for plan implementation; and define how progress will be measured to ensure the agency is achieving its desired results. The Commissioner anticipates implementing the strategic plan in 2026. Once the strategic plan is established, the agency should align its workforce to support its goals.

BOLI should plan for growth while building a sustainable and equitable workforce

BOLI's workload does not appear to be subsiding. In 2025, the agency was allocated one-time funding for 46 additional positions to help bolster internal administrative functions, as well as address its backlogs. The agency must hire, onboard, and train these new staff. That will be a huge burden for existing staff, including management and human resources. Leadership will need to consider physical resources like computers and workspace for new employees. BOLI has developed a hiring plan. It should be communicated early

and frequently to staff. Efficient onboarding and training of new hires will be crucial for BOLI to reduce program backlogs.

Over time, the agency has faced significant workforce obstacles. In addition to turnover in leadership and staff working in multiple roles, inconsistent pay equity analysis contributed to pay disparities. In other cases, staff titles and salaries didn't reflect their actual duties or the agency's expectations. Agency leadership emphasized its Wage and Hour and Civil Rights investigations staff salaries were not competitive with similar roles in other state and local agencies. The agency was able to address some of these challenges by working with the Department of Administrative Services and the Legislature to reclassify 34 positions in 2025.

To address risks, the agency should implement workforce planning and management to align staff with current and future needs.

Workforce management refers to the day-to-day operations of maintaining a functioning workforce. Effective workforce management depends on effective, strategic workforce planning.

Workforce planning defines what workforce management does, ensuring that operations close work gaps and achieve the mission and goals of the organization.

Although the agency has increased staffing and reclassified roles, it should continuously evaluate its workforce to determine whether operational gaps are fully addressed. The agency must also prioritize day-to-day operations by ensuring staff are effectively deployed, developed, and supported. Doing so will help avoid bad practices, such as overloading staff with duties without proper compensation or support.

Leadership should develop a transition plan to ensure continuity of information

Nearly all of the Executive Management team of the previous administration left BOLI months before the current Commissioner came to office in 2023. Only the Deputy Director and the Public Records Manager remained, with the Deputy Director leaving two weeks into the new administration. The previous administration did not leave a transition plan or other documents that would help the new administration adjust to their new roles and responsibilities. Without a proper transition plan, the incoming administration can be vulnerable to operational inefficiencies. This can impact BOLI's integrity and mission to serve Oregon's workers. This is poor management. The integrity of the agency, its mission to serve Oregon's workers, cannot be undermined in this way.

To ensure stability and sustainability during future leadership changes, the current administration should develop a transition plan for the next Commissioner. This plan should communicate vital information on divisional challenges, ongoing and upcoming projects, and budget considerations, and it should outline key roles that support the mission of the agency. It should not only explain the agency's current state but also support fast, effective decision-making for the new administration.

Recommendations

To ensure greater success in addressing division backlogs, BOLI should:

1. Evaluate each program's processes, including:
 - 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 any changes in practice, policy or procedures; and
 - d. Assuring written policies and procedures align with established process(es).
2. Regularly review claim data to identify trends, guide backlog triage, and assess the effectiveness of solutions.
3. Conduct ongoing workforce planning and management, including:
 - 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.
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; and
 - b. Conduct an agencywide wage parity and classification analysis.
5. Ensure the case management system streamlines workflow, centralizes case data, tracks important deadlines, and improves communication within the division and externally.

To improve transparency and accountability with Oregonians, BOLI should:

6. Collect, monitor, and publicly report backlog data to stakeholders via a website or other means.
7. Bring apprenticeship program reviews into compliance with state and federal regulations.

To effectively manage the agency and transition between elected commissioners, BOLI should:

8. Develop and operationalize a strategic plan.
9. Develop a transition plan for incoming Commissioners.
10. Create, document, and centralize agencywide and program-specific policies and procedures.

Objective, Scope, and Methodology

OBJECTIVE

To evaluate how BOLI's governance structure and internal operations have led to backlogs and claim processing delays, and how this impacts Oregonians.

SCOPE

This audit examined BOLI's internal governance structure, staffing, and funding over time. It documented backlog issues in each of the bureau's divisions: Wage and Hour, Civil Rights, Apprenticeship and Training, and Legal Policy. We analyzed data for Wage and Hour and Civil Rights Divisions' claims/complaints. Analysis was made at a high level and does not include an in-depth evaluation of specific processes.

METHODOLOGY

To meet our objective, we performed the following procedures:

- Reviewed state and federal laws and administrative rules applicable to the main divisions;
- Analyzed the agency's budgets and staffing over time;
- Reviewed the agency's strategic plans;
- Analyzed civil rights complaint data and wage and hour claims and complaints data;
- Reviewed policies and procedures for the main divisions;
- Interviewed the Commissioner and executive management, division administrators/managers and staff responsible for the various processes in all the divisions, as well as stakeholders and other outside groups such as the Oregon Legislature and Oregon Business & Industry; and
- Reviewed at a high level the governance structure of the other three states with elected Labor Commissioners (Georgia, North Carolina, Oklahoma) and two of Oregon's neighboring states (Washington and California).

DATA RELIABILITY

We obtained various BOLI-generated data reports and data tracking spreadsheets. To assess the reliability of the data, we performed a variety of data verification techniques such as comparing control totals, looking for any anomalies, and verifying data formatting. We also compared this data and its findings to publicly sourced information. Based on our testing and the totality of evidence we received, we determined the data was sufficient for our purposes.

INTERNAL CONTROL REVIEW

We determined that the following internal controls were relevant to our audit objective.¹⁰

- Control Environment
 - We reviewed organizational charts, agency budgets, and staffing data to determine the agency structure.

¹⁰ Auditors relied on standards for internal controls from the U.S. Government Accountability Office, report [GAO-14-704G](#).

- Risk Assessment
 - We interviewed the Commissioner to determine whether management had identified and assessed risk and reviewed strategic planning documents.
- Control activities
 - We interviewed the Commissioner, managers, and staff to determine what actions are being taken to address perceived risks.
- Information and communication
 - We spoke with the Commissioner, managers, and staff to determine whether management communicates effectively across all divisions of the agency.

Deficiencies with these internal controls were documented in the results section of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of BOLI during the course of this audit.

Audit team

Andrew Love, CFE, Audit Manager
Danielle Moreau, MPA, Principal Auditor
Seema Steffany, MHS, Senior Auditor
Wendy Kam, MBA, CFE, Senior Auditor

ABOUT THE SECRETARY OF STATE AUDITS DIVISION

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The Secretary of State has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.



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:		
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:

- 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
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	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,

Christina Stephenson
Labor Commissioner



Secretary of State **Tobias Read**
Audits Director **Steve Bergmann**

This report is intended to promote the best possible management of public resources.

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