FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2474 - 3**

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Expands applicability of certain provisions relating to family leave to employers who employ 25 or more employees.

Government Unit(s) Affected:
Statewide

Summary of Fiscal Impact:
Costs related to the measure are indeterminate - See explanatory analysis.

Analysis:
HB 2474 with the -3 amendment expands Oregon family leave statutes to include closure of a childcare provider or school due to a public health emergency as a qualifying purpose for which leave may be taken. During a public health emergency, the amount of time an employee must work for an employer before becoming eligible to take leave is reduced from 180 to 30 days and eligibility for employees can be reestablished if they separate and are reemployed by the same employer within 180 days or because of a temporary cessation of scheduled hours. The measure allows employers to require non-medical documentation of the qualifying need for the leave. Language around eligibility for pregnancy disability leave is also clarified.

The -3 amendment clarifies that employees who have worked for fewer than 30 days and employees who worked for an average of fewer than 25 hours per week in the 30 days immediately before the date on which the family leave would start are not eligible for this expanded leave. It also specifies that the amount of time that an employee is deemed to have worked prior to a break in service due to a separation from employment or a temporary cessation of scheduled hours must be restored to the employee when the employee is reemployed by the employer within 180 days of separation from employment or when the employee returns to work at the end of the temporary cessation of scheduled hours of 180 days or less. The -3 amendment does not change the original indeterminate fiscal impact.

<u>Bureau of Labor and Industries (BOLI)</u>
Passage of this measure is anticipated to have minimal impact on BOLI, the agency responsible for the enforcement of the Oregon Family Leave Act (OFLA). In March of 2020, following the Governor's declaration of a statewide public health emergency due to COVID-19 and the closure of schools and child care facilities, BOLI adopted a temporary rule to allow eligible employees to use OFLA Sick Child Leave if their child's school or child care was closed because of COVID-19. This rule has since been made permanent. This provision of the measure codifies in statute what BOLI has been enforcing for more than a year with existing staff and resources. Although the provisions of the measure that modify eligibility for a public health emergency reestablishing eligibility for employees if they separate and are reemployed by the same employer within 180 days or because of a temporary cessation of scheduled hours may result in additional complaints or questions of the Civil Rights Division, BOLI anticipates being able to handle these complaints and questions with existing staff and resources.

Statewide including Local Government

The fiscal impact of the provision of the measure that modifies eligibility for a public health emergency reestablishing eligibility for employees if they separate and are reemployed by the same employer within 180 days or because of a temporary cessation of scheduled hours on employers subject to family leave requirements is indeterminate depending on the frequency and duration of public health emergencies and the number of employees who would elect to take leave. Although the number of employees who would take additional leave cannot be predicted, it is anticipated that the number would increase as a result of the measure. State employers already maintain health insurance for employees who take family leave. Additional leave under the provisions of this measure could increase these costs. In addition, public employers would likely incur expenses associated with covering job duties for employees on leave. Some employee leave could be covered by existing employees through job rotations, job sharing, overtime, or other coverage. However, the increased duration of the leave may require state and local government agencies to hire temporary employees. These expenses cannot be quantified given the range in salaries, job duties, and the practicalities of hiring new employees for a limited duration. Agencies with essential positions that must be covered regardless of circumstances (e.g. the Department of Corrections, the Oregon Parks and Recreation Department, the Oregon Health Authority, the Oregon Youth Authority) will experience a greater impact.