FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: SB 588 - 1**

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:
Provides that employer signatories to multiemployer collective bargaining agreements are considered to have met minimum requirements of sick time provisions if terms of collective bargaining agreement provide, as benefit to employees subject to agreement, sick leave policy or other paid time off program that is substantially equivalent to or more generous than minimum requirements of sick time provisions.

Government Unit(s) Affected:
Bureau of Labor and Industries (BOLI), Employment Department (OED), Department of Administrative Services (DAS), Employment Relations Board (ERB)

Summary of Fiscal Impact:
Costs related to the measure may require budgetary action - See explanatory analysis.

Analysis:
SB 588 removes exemption from sick leave requirement for specified employees covered under a collective bargaining agreement. The measure provides that employer signatory to collective bargaining agreement has met requirements of sick time provisions if terms of collective bargaining agreement provide, as benefit to employees subject to agreement, sick leave policy or other paid time off program that is substantially equivalent or more generous than minimum requirements of sick time provisions. The - 1 amendment establishes exemption from sick leave requirements for certain longshore workers subject to a collective bargaining agreement. The measure contains an emergency clause and takes effect on passage.

<u>Bureau of Labor and Industries (BOLI)</u>
The fiscal impact of this measure to BOLI is indeterminate depending on the potential surge of increase in claims, complaints, investigations, and adjudication of cases that may result from the estimated 24,000 newly covered employees. With passage of this measure, BOLI may need to hire temporary staff to handle the potential increase in intake, screening and processing of claims and complaints with smaller increase in investigation and adjudication of cases. The agency predicts this surge because as the newly covered employees and employers become familiar the sick time law, BOLI anticipates receiving claims and complaints from employees not under BOLI's jurisdiction or where there is no violation. However, this can only be determined after a claim or complaint has been processed, screened, and evaluated in through BOLI's intake process. BOLI anticipates these claims and complaints would decrease as employers and employees become more familiar with the law. As a point of reference, if BOLI needed to hire three half-time limited duration positions (one Administrative Specialist 2, one Compliance Specialist 2, and one Civil Rights Investigator 1), to address this surge, the fiscal impact is estimated to be $269,471 General Fund, 3 positions, 1.60 FTE for the 12 months of the 2021-23 biennium.

In addition, BOLI notes that the emergency clause may present employers with an unrealistic timeline to be in compliance with the requirements of the provisions of the measure.

Passage of this bill is anticipated to have no impact on the Employment Department (OED), the Department of Administrative Services (DAS), and the Employment Relations Board (ERB).