

SB 1514 STAFF MEASURE SUMMARY**Carrier:** Rep. Grayber**House Committee On Business and Labor**

Action Date: 02/21/24**Action:** Do Pass.**Vote:** 9-0-2-0**Yeas:** 9 - Breese-Iverson, Elmer, Grayber, Holvey, Hudson, Nelson, Nosse, Osborne, Sosa**Exc:** 2 - Boshart Davis, Scharf**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Patrick Brennan, LPRO Analyst**Meeting Dates:** 2/21

WHAT THE MEASURE DOES:

The measure requires the director of the Oregon Employment Department to conduct periodic assessments of the Paid Family and Medical Leave Insurance Fund to assess its solvency. It also specifies actions the Department may take to address the solvency of the Fund should it lack the necessary resources to cover six months of anticipated costs. The measure declares an emergency and takes effect upon passage.

Detailed Summary:

Permits the Director of the Oregon Employment Department to make changes to the Paid Leave Oregon program if the Director determines that the Paid Family and Medical Leave Insurance Fund does not have sufficient resources for six months of anticipated expenditures. Requires the Department director to conduct periodic assessments of the Fund to determine its solvency. Requires advance public notice before Department makes program changes and specifies that any changes would go into effect the following fiscal quarter. Specifies and prioritizes actions that Department director may make to Paid Leave Oregon and makes any implemented program changes effective for up to five years. Extends, from three to five consecutive biennia, the requirement that the Department director is to report to the interim legislative committees related to workforce or business and labor and adds the requirement that the reports address the required period assessments, as well as any actions taken to address the solvency of the Fund. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Background on Paid Leave Oregon program
- Program utilization in first year after implementation
- Integrating program with other employee leave programs
- Impact of enhanced employee leave options on employers
- Applicability to seasonal workers and hiring halls
- Issues with taking partial days off
- Interim work group will continue to develop solutions
- Comparison to programs in other states

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Paid Leave Oregon is codified within ORS Chapter 657B, having been enacted by the Legislative Assembly with the passage of House Bill 2005 (2019). The program allows eligible Oregon employees to take paid, protected leave for specified family, medical, or safety-related reasons. It requires employers with 25 or more employees to contribute to the Paid Family and Medical Leave Insurance Fund (Fund), which maintains the program and

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consists of contributions made by employers and employees, as well as penalties, fees, revenues, and any other moneys deposited into or credited to the account.

Employers and employees began making contributions to the Fund in January of 2023, and the program began providing benefits to employees and grants to employers in September 2023. Current law has few measures in place to address the issues that may arise regarding the sustainability and solvency of the Fund. Senate Bill 31 (2023), for example, requires the director of the Oregon Employment Department (OED) to determine whether the Fund is solvent to provide anticipated benefits and grant moneys to award on September 3, 2023; that measure also established procedures to be taken if the OED director determines the Fund to be insolvent. However, Senate Bill 31 provided no further direction as to the solvency of the Fund and is scheduled to sunset in September of 2026.

Senate Bill 1514 requires the OED director to conduct periodic assessments of the Fund to determine its solvency and specifies actions that may be taken to address the sustainability of the Fund.