

Senate Bill 1514

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would require the Director of OED to conduct periodic assessments of the Paid Family and Medical Leave Insurance Fund. The Act would allow the director to take actions if the director found the fund to be insolvent. The Act would take effect when the Governor signs it. (Flesch Readability Score: 60.7).

Requires the Director of the Employment Department to conduct periodic assessments to determine the solvency of the Paid Family and Medical Leave Insurance Fund. Specifies the actions that the director may take to restore solvency if the director determines that the fund is, or may be, insolvent.

Requires the Director of the Employment Department to include in the department's biennial reports to the Legislative Assembly a summary of the periodic assessments conducted by the director and a summary of any actions taken by the director to restore solvency.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to family and medical leave insurance; creating new provisions; amending section 51,
3 chapter 700, Oregon Laws 2019; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 657B.**

6 **SECTION 2. (1) As used this section:**

7 (a) **"Family leave for parental bonding" means the family leave described under ORS**
8 **657B.010 (18)(a)(A).**

9 (b) **"Grant" means a grant described under ORS 657B.200.**

10 (c) **"Projected expenses" means benefits anticipated to be claimed by covered individuals**
11 **under ORS 657B.090, anticipated grant awards, any anticipated costs and expenses associated**
12 **with processing payments of the benefits and grant awards and any other expenses antic-**
13 **ipated to be incurred by the Employment Department in carrying out the provisions of this**
14 **chapter.**

15 (d) **"Solvency of the fund" and "solvent" means that the cumulative amount of contri-**
16 **butions collected under the provisions of this chapter and any other moneys deposited in the**
17 **fund are sufficient to pay, in full and in a timely manner, not less than six months of**
18 **projected expenses.**

19 (2) **The Director of the Employment Department shall periodically assess the Paid Family**
20 **and Medical Leave Insurance Fund established under ORS 657B.430 to make determinations**
21 **regarding the solvency of the fund. The director shall use actuarial calculations in making**
22 **such determinations and may consider any relevant information including, but not limited**
23 **to:**

24 (a) **The total cost of administrative expenses incurred by the department during the six-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 month period immediately preceding a periodic assessment of the fund.

2 (b) The number of grant applications received by the department in the calendar year
3 immediately preceding a periodic assessment of the fund.

4 (c) The total grants awarded in the calendar year immediately preceding a periodic as-
5 sessment of the fund.

6 (d) The average amount of weekly benefits paid in the calendar year immediately pre-
7 ceding a periodic assessment of the fund.

8 (e) Annual predictable birth rate data.

9 (3) Notwithstanding any other provision under this chapter, if, pursuant to subsection (2)
10 of this section, the director determines that the fund is or may be insolvent, the director
11 may take any of the following actions to maintain or restore the solvency of the fund:

12 (a) Adjust the maximum weekly benefit amount provided under ORS 657B.050 (2)(a) so
13 that the maximum weekly benefit amount is less than 120 percent but not less than 100
14 percent of the average weekly wage.

15 (b) Adjust the weekly benefit amount available to eligible employees under ORS 657B.050
16 (1)(b) such that the employee's weekly benefit amount is the sum of:

17 (A) 65 percent of the average weekly wage; and

18 (B) Not less than 40 percent of the employee's average weekly wage that is greater than
19 65 percent of the average weekly wage.

20 (4) Notwithstanding any other provision under this chapter:

21 (a) Except as provided in paragraph (b) of this subsection, if, after taking both of the
22 actions authorized under subsection (3)(a) and (b) of this section, it is apparent to the di-
23 rector that the fund is or may be insolvent, the director may reduce the number of weeks
24 that would otherwise be available to a covered individual under ORS 657B.020 (1) to reflect
25 that a covered individual may qualify for 10 weeks of family and medical leave insurance
26 benefits per benefit year for family leave, medical leave and safe leave taken individually or
27 in any combination.

28 (b) Nothing in this subsection authorizes the director to reduce the number of weeks that
29 would otherwise be available to a covered individual under ORS 657B.020 (1) for family leave
30 for parental bonding taken individually or in combination with:

31 (A) Other family leave, medical leave or safe leave; and

32 (B) The leave for which a covered individual may qualify under ORS 657B.020 (3).

33 (5)(a) Whenever an adjustment to benefits occurs as a result of any action taken by the
34 director pursuant to subsections (3) and (4) of this section, the adjustment shall remain ef-
35 fective for not more than five calendar years from the date on which the action was taken.

36 (b) The director shall discontinue the use of this section to determine appropriate bene-
37 fits and shall resume determining benefits in accordance with ORS 657B.020 and 657B.050 not
38 later than whichever of the following first occurs:

39 (A) Upon the director's determination that resuming determinations in accordance with
40 the provisions of those sections will not cause volatility in the fund or with respect to the
41 administration of the family and medical leave insurance program.

42 (B) The date described under paragraph (a) of this subsection.

43 (6) Any action taken by the director under this section shall apply to benefits to be
44 claimed in benefit years beginning on or after the first day of the first calendar quarter fol-
45 lowing the date on which the action was taken.

1 **(7) The director shall provide at least 30 days' advance notice to the public of any changes**
 2 **to benefits resulting from any action taken by the director under this section, including the**
 3 **effective date of such changes. The director shall give notice to the public by posting the**
 4 **information on the website maintained by the department.**

5 **SECTION 3.** Section 51, chapter 700, Oregon Laws 2019, is amended to read:

6 **Sec. 51.** (1)(a) The Director of the Employment Department shall submit to the interim commit-
 7 tees of the Legislative Assembly related to workforce or business and labor, in the manner provided
 8 in ORS 192.245, reports summarizing the Employment Department's progress toward implementing
 9 the family and medical leave insurance program described in ORS chapter 657B.

10 (b) The director shall submit the first report not later than February 15, 2020, and a second
 11 report not later than September 1, 2022.

12 (2) Beginning on July 1, 2024, and once during each of the following [*three*] **five** consecutive
 13 biennia, the director shall, to the extent that the director has acquired the information, submit to
 14 the interim committees of the Legislative Assembly related to workforce or business and labor, in
 15 the manner provided in ORS 192.245, a report that includes:

16 (a) The total number of claims submitted under ORS 657B.090.

17 (b) The number of claims allowed under ORS 657B.100 and the number of claims denied under
 18 ORS 657B.100.

19 (c) The total amount of benefits paid out of the Paid Family and Medical Leave Insurance Fund
 20 established under ORS 657B.430.

21 (d) Data regarding the use of moneys in the fund, the solvency of the fund and the balance of
 22 the fund.

23 (e) The amount of contributions collected under ORS 657B.150.

24 (f) The number of applications for plan approval submitted under ORS 657B.210, including the
 25 number of plans approved and the costs the department incurred in reviewing such applications.

26 (g) The number of applications received by the department for employer assistance and the total
 27 amounts awarded in grants under ORS 657B.200.

28 **(h) A summary of any periodic assessments conducted by the director pursuant to sec-**
 29 **tion 2 of this 2024 Act to determine the solvency of the Paid Family and Medical Leave In-**
 30 **surance Fund, including a summary of the information upon which the solvency**
 31 **determination was based.**

32 **(i) A summary of any action that was taken by the director under section 2 of this 2024**
 33 **Act to restore the solvency of the fund and the resulting outcomes of such action.**

34 [*h*] (3) The director shall include in the reports described in this subsection any recommen-
 35 dations made by the advisory committee under ORS 657B.380.

36 **SECTION 4. This 2024 Act being necessary for the immediate preservation of the public**
 37 **peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect**
 38 **on its passage.**