
Senate Committee on Labor and Business**February 7, 2024****SB 1515 -3 amendment – Technical Fixes & Alignment with OFLA****Summary**

Thank you for asking the Oregon Employment Department (OED) to provide our thoughts on this Senate Committee on Labor and Business' Legislative Concepts (LC), specifically Senate Bill (SB) 1515 -3 amendments.

SB 1515 was not drafted on behalf of OED. Our understanding of this bill is that it was drafted to change the interaction between Paid Leave Oregon and Oregon Family Leave Act (OFLA). For example, to address some current situations where people can take leave under OFLA and also take additional leave under Paid Leave Oregon.

For ease, SB 1515 -3 amendment can be broken into three main parts. The first part requires OED and the Oregon Bureau of Labor and Industries (BOLI) to collaborate to identify and report to the Legislature any statutory changes by September 15, 2024 for the administration of Paid Leave Oregon and OFLA, getting closer alignment between them and moving responsibility for outreach and education about OFLA and other related programs from BOLI to OED. However, we believe the actual administration of OFLA will still be done by employers.

It also requires OED to report findings, by September 15, 2024, on seasonal and hiring hall employees and how they are treated for Paid Leave Oregon and other Paid Leave states and any consideration of implementing programmatic changes to Paid Leave Oregon. Hiring hall employees are employees that are in a union-operated placement office where the hiring hall refers the employee to jobs. Currently, for hiring hall employees to have Paid Leave Oregon, they need to work with each job they are assigned to from the hiring hall for at least 90 calendar days.

The first section of the -3 amendment will require OED and BOLI staff time to get together and identify any statutory changes and also require policy analyst research time. Paid Leave Oregon and OFLA are both complex laws and apply to a wide range of circumstances that workers and employers face. To make good recommendations, we would need to think through as many scenarios as possible that workers may face

and how the recommendations would change how the leave laws play out for the workers. We would also need time to research practices from other states with paid leave programs.

The second part of SB 1515 -3 amendment makes policy statutory changes to Paid Leave Oregon laws by clarifying the following:

- Predictive scheduling
- Family member definition
- Tribal governments
- Family leave for legal process for placement of a foster child or the adoption of a child
- Use of accrued paid time off
- Workers' compensation; and
- Garnishment.

Excluding all federally recognized Tribal governments will expand to include about 13 other Tribal governments who are located outside of Oregon but have about 320 employees working in Oregon. Those employees would not be included in Paid Leave Oregon contributions or benefits unless the Tribal government chooses to participate.

The second part of SB 1515 -3 amendment provides further direction for employers, employees, and OED on how Legislators would like Paid Leave Oregon administered. The expansion of family leave to include a legal process for placement of a foster child or the adoption of a child is hard to estimate the Trust Fund impact as we don't know how many individuals will already have taken Paid Leave throughout the benefit year. While this does not create more leave an individual can take during the year, it provides more flexibility for when existing leave can be taken for adoption or placement of a foster child. OED will also need to update its forms, instructions, and website in multiple languages for these new policy changes. There will also need to be some programming in Frances Online, OED's Paid Leave Oregon benefit processing program, to incorporate the changes related to specific garnishments, Tribal governments outside of Oregon, and the expansion of family leave.

The third part of SB 1515 -3 amendment aligns OFLA and Paid Leave Oregon even further, aiming to eliminate concurrency concerns within the two programs. These changes will require changes to many letters, forms, and public facing information in multiple languages. The timing of these changes could be challenging.

OED is currently in the middle of modernizing the Unemployment Insurance (UI) system for benefits with an implementation date of the beginning of March 2024. This



modernization effort is OED's priority. We have several changes we know are needed to improve administration, processes, and customer service of Paid Leave Oregon benefits and contribution programs already in place in our technology system, Frances Online. We will need to make a number of adjustments to the new UI system that we will learn about after the launch in March to provide the best customer service.

Only so many programming changes can be made at one time in any technology system. The programming needed to make the concurrency changes would mean we are not able to make other changes needed to improve administration of Paid Leave Oregon and UI as quickly. Some of the changes may be easily deferred until later, but some delays could have significant impact on customer service and how we administer UI and Paid Leave Oregon. Depending on the timing of the program needs, other programming in Frances Online may need to be put on hold for some of the items in this bill to be programmed.

In summary, the changes in SB 1515 -3 amendment will provide further direction and guidance for employers, employees, and OED. It will require additional work from Paid Leave Oregon staff. While most of this work may be minimal and likely will not require additional staff, the timing of making changes to address Paid Leave Oregon and OFLA concurrency issues will require close attention.

For more information about this testimony, contact OED_Legislative_Affairs@employ.oregon.gov.