

**Senate Committee on Labor and Business****January 11, 2024****Legislative Concept 277 – 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 LC 277, the technical fixes and alignment LC for the 2024 legislative session.

LC 277 was not drafted on behalf of OED. Our understanding of this concept 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, the LC 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. 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 job protection with 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 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 huge range of circumstances 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. As well as take time to research practices from other states with paid leave programs.

The second part of LC 277 makes policy statutory changes to Paid Leave Oregon laws by clarifying the following:

- Healthcare provider charges
- Predictive scheduling
- Tribal governments
- 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. However, the language in the LC may need further clarification if the intent is to include all federally-recognized Tribal governments and not just Oregon Indian Tribes.

The second part of LC 277 provides further direction for employers, employees, and OED on how Legislators would like Paid Leave Oregon administered. These changes likely will have a minimal impact on the Paid Leave Oregon Trust Fund. However, there will need to be some programming in Frances, OED's Paid Leave Oregon benefit processing program, to incorporate the changes related to specific garnishments and Tribal governments outside of Oregon.

The third part of LC 277 aligns OFLA and Paid Leave Oregon even further, aiming to eliminate concurrence concerns within the two programs. This will require additional programming in Frances to modify the current statutory cap that is programmed in our system that limits workers to a total of 16 weeks (or 18 in some circumstances) of combined leave between Paid Leave Oregon and OFLA. This will also require changes to multiple 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.



We know we will need to make a number of adjustments to the new UI system that we 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 may need to be put on hold for some of the items in this LC to be programmed.

We have concerns with some of the drafted language and everything in the LC begins upon the bill passing. It may be beneficial if there are specific start dates for some sections of the bill that align with the beginning of a calendar year. We look forward to working with this committee on potential amendments to LC 277.

In summary, the changes in LC 277 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](mailto:OED_Legislative_Affairs@employ.oregon.gov).