

SB 1514 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/5, 2/7

WHAT THE MEASURE DOES:

The measure requires the Director of the Oregon Employment Department (OED) to conduct periodic assessments of the Paid Family and Medical Leave Insurance Fund to determine sustainability of the fund. Specifies actions OED may take to address sustainability of the fund if the fund is not sufficient to cover six months of anticipated costs. Declares an emergency, effective on passage.

REVENUE: No revenue impact

FISCAL: May have fiscal impact, but no statement yet issued

Detailed Summary:

Permits the Director of the Oregon Employment Department (OED) to make changes to the Paid Leave Oregon program if the Director determines that the Paid Family and Medical Leave Insurance Fund (fund) does not contain funds sufficient for six months of anticipate expenditures. Directs the Director of OED to conduct periodic assessments of the Fund to determine the solvency of the fund. Requires advance public notice if OED makes program changes to Paid Leave Oregon. Specifies that program changes would go into effect the following fiscal quarter. Specifies program changes that Director of OED may make to Paid Leave Oregon and order of priority. Makes any implemented program changes effective for up to five years. Requires Director of OED to report to the interim committees of the Legislative Assembly related to workforce or business and labor on the required periodic assessments and any actions taken to address sustainability of the fund. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Paid Leave Oregon is contained in ORS Chapter 657B and was enacted by the Legislative Assembly in 2019. Paid Leave Oregon allows eligible Oregon employees to take paid, protected leave for specified family, medical, or safety-related reasons. The program requires employers with 25 or more employees to contribute to the program's fund, Paid Family and Medical Leave Insurance Fund (fund). The fund maintains the Paid Leave Oregon Program. This fund consists of contributions made to the program by employers and employees and from penalties, fees, revenues, and any other money deposited or credited to the account. [ORS 657B.430\(2\) \(2021\)](#). Employers and employees began making contributions in January 2023. The Paid Leave Oregon program began providing benefits to employees and assistance grants to employers in September 2023. Existing law has a few measures in place to address issues that may arise regarding sustainability or solvency of the fund. For example, the Legislative Assembly enacted Senate Bill 31 in 2023. SB 31 required the Director of the Oregon Employment Department to determine whether the fund was solvent to provide anticipated benefits and anticipated grant moneys to be awarded on or after September 3, 2023. SB 31 established procedures to be taken if the Director determined that the fund was not solvent. If the Director determined the fund was solvent, payments would

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begin. Payments began in September of 2023. SB 31 does not provide further direction as to sustainability of the fund and sunsets on September 3, 2026.

Senate Bill 1514 requires the Director of the Oregon Employment Department to conduct periodic assessments of the Paid Family and Medical Leave Insurance Fund to determine sustainability of the fund and specifies actions the Director may take to address sustainability of the fund.