

**SB 1514 STAFF MEASURE SUMMARY****Carrier:** Sen. Bonham**Senate Committee On Labor and Business****Action Date:** 02/07/24**Action:** Do pass and subsequent referral to Ways and Means be rescinded.**Vote:** 5-0-0-0**Yeas:** 5 - Bonham, Hansell, Jama, Patterson, Taylor**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Whitney Perez, LPRO Analyst**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 the solvency of the fund. It also specifies the actions OED may take to address solvency of the fund if the fund is not sufficient to cover six months of anticipated costs. The measure declares an emergency and is effective on passage.

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 anticipated expenditures. Requires 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. Extends from three to five consecutive biennia the requirement that the Director of OED must report to the interim committees of the Legislative Assembly related to workforce or business and labor and adds requirement that reports address the required periodic assessments and any actions taken to address solvency of the fund. Declares an emergency, effective on passage.

**ISSUES DISCUSSED:**

- Mechanics of measure
- Current status Paid Family and Medical Leave Insurance Fund
- Utilization of Paid Leave Oregon
- Any implemented program changes are effective for not more than five years

**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 and 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\(2\) \(2021\)](#).

## **SB 1514 STAFF MEASURE SUMMARY**

Employers and employees began making contributions to the fund 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 also 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 begin. Payments began in September of 2023. SB 31 does not provide further direction as to solvency 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 solvency of the fund and specifies actions the Director may take to address sustainability of the fund.