

**BEFORE THE DIRECTOR OF THE
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
OF THE STATE OF OREGON**

PUBLIC RULEMAKING HEARING

In the Matter of the Amendment of OAR: 436-070, Workers' Benefit Fund Assessment)))	TRANSCRIPT OF TESTIMONY
---	-------------	----------------------------

The proposed amendment to the rules was announced in the Secretary of State's Oregon Bulletin dated September 1, 2018. On Sept. 20, 2018, a public rulemaking hearing was held as announced at 4 p.m. in Room F of the Labor & Industries Building, 350 Winter Street NE, Salem, Oregon. Fred Bruyns, from the Workers' Compensation Division, acted as hearing officer. The record will be held open for written comment through Sept. 27, 2018, 5 p.m.

INDEX OF WITNESSES

Witnesses	Page
<u>Cameron Smith, Director, Department of Consumer and Business Services.....</u>	<u>2</u>
<u>Kristen Weiler, Workers' Compensation Coordinator, Portland Public Schools.....</u>	<u>2</u>

TRANSCRIPT OF PROCEEDINGS

Hearing officer: Good afternoon and welcome. This is a public rulemaking hearing. My name is Fred Bruyns, and I'll be the presiding officer for the hearing. The time is now 4 p.m. on Thursday, September 20, 2018. We are in Room F of the Labor & Industries Building, 350 Winter St. NE, in Salem, Oregon, and we are making an audio recording of today's hearing.

With me today is Cameron Smith, the director of DCBS. In a moment Cameron will present some testimony, after my preliminary remarks, but if you wish to present oral testimony today, please sign in on the "Testimony Sign-In Sheet" on the table by the entrance. If you plan to testify over the telephone, I will sign in for you, and I will ask for your testimony in a few moments.

The Department of Consumer and Business Services, Workers' Compensation Division, proposes to amend chapter 436 of the Oregon Administrative Rules, specifically division 70, Workers' Benefit Fund Assessment. The department filed the notice of proposed rulemaking with the Secretary of State on Aug. 28, 2018, and mailed the notice to its postal and electronic mailing lists. The department announced the proposed Workers' Benefit Fund assessment rate in a news release on Sept. 10, 2018, and subsequently stamped in supporting testimony; that is:

- Exhibit 1: Workers' Benefit Fund Assessment Recommendation for CY 2019.

The notice of proposed rulemaking, the affected rules, and the testimony are available on the table by the entrance. The department also notified Oregon legislators as required by ORS

Transcript of public rulemaking hearing
Sept. 20, 2018

chapter 183, and posted public notice of rulemaking to its website. The Oregon Secretary of State published the hearing notice in its Oregon Bulletin dated Sept. 1, 2018.

This hearing gives the public the opportunity to provide comment about the proposed rules. In addition, the department will accept written comment through and including Sept. 27, 2018, and will make no decisions until all of the testimony is considered.

We are ready to receive testimony. I'm going to ask Cameron Smith to provide some testimony for us now.

Cameron Smith: Good afternoon. I'm Cameron Smith, the director of the Department of Consumer and Business Services. I'm pleased to be here to help introduce our hearing.

The Workers' Benefit Fund (WBF) assessment provides benefit increases to permanently disabled workers and to families of workers who died from a workplace injury or disease. These cost-of-living adjustments are made to reflect improvements to benefits and changes in average wages.

The WBF also supports Oregon's highly successful programs to help injured workers return to work sooner and earn their pre-injury wages. These programs offer financial assistance to employers that hire injured workers, such as wage subsidies, premium exemptions, and reimbursements for worksite modifications and equipment. These programs help keep Oregon's workers' compensation costs low.

The fund's revenue comes from a cents-per-hour-worked assessment. Employers and workers each pay half of the assessment. The assessment is paid directly to Oregon's Employment and Revenue departments through quarterly payroll tax reports, and the revenue is transferred to DCBS.

For 2019, our analysts recommend lowering the assessment from 2.8 cents per hour worked in 2018 to 2.4 cents per hour worked in 2019. The Workers' Benefit Fund is healthy, made so by a growing economy, which positively affects the assessment because it's based on hours worked. This allows the rate to be reduced in 2019.

The department will accept public comment on this issue until 5 p.m. on Thursday, Sept. 27th, 2018. More details about the 2019 assessment can be found in the staff recommendation memos, which will be entered into the record of this hearing. Additional details about workers' compensation costs in 2019 can be found on our website.

Hearing officer: Thank you Cameron. Is there anyone else here today who'd like to testify? Anyone on the telephone with us?

Kristen Weiler: Yes please.

Hearing officer: Okay. May I get your name for the record?

Transcript of public rulemaking hearing
Sept. 20, 2018

Kristen Weiler: Kristen Weiler.

Hearing officer: Could you spell your first name for me Kristen?

Kristen Weiler: Sure, it's "KRISTEN," and my last name is "WEI," "L" as in Lucy, "ER."

Hearing officer: Okay. Go ahead Kristen.

Kristen Weiler: So, I'm the workers' compensation coordinator representing Portland Public Schools today. Portland Public Schools is an Oregon self-insured employer who actively uses the resources available from the Workers' Benefit Fund. Portland Public Schools supports maintaining the current assessment rate and opposes any decrease. The Workers' Benefit Fund is unique to Oregon and a powerful tool for public employers like Portland Public Schools, that have state support in developing creative return-to-work solutions. Thank you.

Hearing officer: Thank you very much Kristen for your testimony. Again, is there anyone else who'd like to testify? Okay, hearing no one, it is our policy to leave our hearings open, or at least we will remain here and available for testimony until 4:30, so we will be here a minimum of a half an hour. If you'd like to remain you're welcome to do so. If you leave, please note that we're accepting written testimony through the 27th of September, 5 p.m. I have business cards on the table by the entrance, and I will acknowledge all testimony received, if you provide that.

So, with that, this hearing is recessed at 4:06 p.m.

The time is now 4:31. This hearing is resumed. Is there anyone here or on the telephone who would like to testify this afternoon? Hearing no one, the time is still 4:31. This hearing is adjourned. Thank you for coming.

Transcribed from a digital audio recording by Fred Bruyns, Sept. 25, 2018.