

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

In the Matter of the Amendment of:) SUMMARY OF
OAR chapter 436-070, Workers’ Benefit Fund Assessment) TESTIMONY AND
) AGENCY RESPONSES

This document summarizes the significant data, views, and arguments contained in the hearing record. The purpose of this summary is to create a record of the agency’s conclusions about the major issues raised. Exact copies of the written testimony are attached to this summary.

The proposed amendment of the rules was announced in the Secretary of State’s *Oregon Bulletin* dated Sept. 1, 2023. On Sept. 21, 2023, at 4 p.m., a public rulemaking hearing was held as announced by telephone and video conferencing. Marie Loiseau, from the Workers’ Compensation Division, acted as hearing officer. The record was held open for written comment through Sept. 28, 2023.

Testimony list:

Exhibit	Testimony
<u>1</u>	Kelli Borushko, Senior Economist, Department of Consumer and Business Services (DCBS), and Zoe Alley, Senior Forecasting Analyst, DCBS Memorandum dated Sept. 5, 2023: Subject: “Workers’ Benefit Fund Assessment Recommendation for CY 2024”
<u>2</u>	DCBS Director Andrew Stolfi Document dated Sept. 21, 2023: Subject: “Workers’ Benefit Fund Assessment Rate”
<u>3</u>	Transcript of public rulemaking hearing of Sept. 21, 2023. There was no public testimony, but an extract from Director Stolfi’s written testimony was read into the record.

Exhibit 1 (extracts)

“... We recommend that the WBF assessment rate be lowered to 2.0 cents per hour for calendar year 2024..”

“... DCBS models rates for future years to estimate the future adequacy of the fund. This forecast models the continuation of the 2.0 cents-per-hour rate through the forecast period. Under this rate

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schedule, the fund balance is projected to decrease from \$137.6 million at the end of FY 2023 to \$112.4 million at the end of FY 2029. . .”

Response: Based on the testimony provided, the hearing officer recommends that the director accept the recommendations in Exhibit 1, and lower the Workers’ Benefit Fund Assessment rate to 2.0 cents per hour worked for calendar year 2024.

Exhibits 2 & 3 (extracts)

“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...”

“...For 2024, our analysts recommend lowering the assessment from 2.2 cents per hour worked in 2023 to 2.0 cents per hour worked in 2024. The WBF is healthy, and employment is expected to remain stable in 2024. This allows the rate to be reduced in 2024...”

Response: Based on the testimony provided, the hearing officer recommends that the director accept the recommendations in Exhibits 2 and 3, and lower the Workers’ Benefit Fund Assessment rate from 2.2 cents per hour worked in 2023 to 2.0 cents per hour worked for calendar year 2024.

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Having reviewed and considered all data, views and arguments presented, I hereby submit this report as a summary of statements given and exhibits received. I recommend the adoption of the amendments to the rules consistent with the above responses.

Dated this 29th day of September, 2023.



Marie Loiseau, Hearing Officer