

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION

In the Matter of the Amendment of:
OAR 436-070 Workers' Benefit Assessment

)
) SUMMARY OF
) TESTIMONY AND
) AGENCY RESPONSE

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 to the rules was announced in the Secretary of State's *Oregon Bulletin* dated Sept. 1, 2026. On Sept. 17, 2026, a public rulemaking hearing was held as announced, by teleconference and videoconference and at 4 p.m. in the Labor and Industries Building, 350 Winter Street NE, Salem, Oregon. Barbara Belcher, from the Workers' Compensation Division, was the hearing officer. The record was held open for written comment through Sept. 24.

Testimony list:

Exhibit	Testifying
<u>2</u>	<u>Jami Howell comment, Aspire Psychology</u>
<u>3</u>	<u>Sharona Hollenbach comment, Allscope Plumbing & Construction, Inc.</u>
<u>6</u>	<u>Christina Fordyce comment, Fordyce Farm, Inc.</u>

NOTES about the summaries of testimony: The summaries below represent some but not all of the views expressed in the exhibits listed above the summary.

Testimony: OAR 436-070

Exhibits 2, 3, 6

Jami Howell, Exhibit 2:

****Like many local small businesses, we are already under severe financial strain due to a steady accumulation of increased local taxes, rising operational costs, and escalating rent. Adding further hikes to our mandatory payroll assessments threatens the thin margins on which community outpatient healthcare operates. If these rising overhead costs eventually force our doors to close, it would be absolutely devastating to the 21 employees who rely on us for their livelihoods, to myself as the founder, and most importantly, to the hundreds of vulnerable patients who depend on our team for continuous, essential clinical care.****

Sharona Hollenbach, Exhibit 3:

****Employers like us are already facing increasing wages, health insurance costs, workers' compensation premiums, payroll taxes, required benefits, vehicle and fuel costs, materials, licensing, and numerous other expenses associated with employing skilled workers in Oregon. A*

*2.1% increase in the pure premium rate, combined with an increase in the Workers' Benefit Fund assessment and the addition of the new BOLi Expenses Fund component, may appear relatively small when each item is viewed separately. For a small employer, however, these costs do not exist separately. They accumulate. ****

*My company wants to pay our employees well. We want to provide health insurance, retirement benefits, paid time off, safe working conditions, and opportunities for employees to advance. Those are investments I would much rather make directly in my employees. But the more mandatory costs that are added to every hour of payroll, the less flexibility small employers have to make those investments ourselves. ****

Christina Fordyce, Exhibit 6:

****The new proposed pure premium rate and the Workers' Benefit Fund Assessment increases are concerning to us. Rate increases like these do not take small businesses into account. Like the new Paid Leave Oregon program, perhaps there needs to be some kind of tiered system. For small employers under 25 employees, there are different expectations for programs like Paid Leave Oregon. We suggest that the Workers Compensation program and Workers' Benefit Fund does something similar with a sliding scale.*

*Small family businesses like ours cannot continue to suffer so many rate increases over time. We will find it difficult to keep staff and keep our family involved. We strongly urge the Department of Consumer and Business Services to consider our local economy. Our consumers value our business and the products we offer, but they find it difficult to continue supporting small businesses when we are forced to raise our prices to compensate for tax hikes like these. Consider your local consumers' budgets and consider small business owners. ****

Response: Thank you for your testimony. The Workers' Compensation Division (WCD) understands that small businesses face financial challenges and is mindful of these impacts during the rate setting process. WCD is required under ORS 656.506(5) to set the Workers' Benefit Fund assessment at a level that will maintain at least 12 months of project expenditures. Based on current forecasts, a rate of 2.2 cents per hour worked is necessary to meet this statutory requirement.

Recent legislative action also affects this year's assessment. House Bill 4027 (2026) established a new BOLI Expenses Fund, which requires us to meet specific revenue targets to fund BOLI operations.

The director takes a conservative approach to rate setting, balancing project program costs with economic conditions to ensure long-term stability of the WBF while remaining mindful of the impacts to Oregon employers.

Dated this 7th day of Oct., 2026.
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Sent: Thursday, September 10, 2026 10:09 AM

To: DCBS Info DCBS * DCBS <dcbs.info@dcbs.oregon.gov>

Subject: Public Comment: Opposition to Proposed 2027 Workers' Compensation Rate Hikes

You don't often get email from jami@aspirepsychologyportland.com. [Learn why this is important](#)

Dear Department of Consumer and Business Services,

I am writing to formally submit my public comment in strong opposition to the proposed 2027 workers' compensation rate increases, specifically the 2.1% pure premium rate increase and the implementation of the new BOLI Expenses Fund component that brings the total Workers' Benefit Fund assessment to 2.4 cents per hour worked.

As the owner of Aspire Psychology, a mental health practice that has proudly served the Portland metro area for the past 8 years, I am deeply concerned about the cumulative financial impact of these changes. Our practice currently employs 15 clinicians plus a dedicated support staff for a total of 21 employees, providing vital mental health care to nearly 700 patients and their families.

Like many local small businesses, we are already under severe financial strain due to a steady accumulation of increased local taxes, rising operational costs, and escalating rent. Adding further hikes to our mandatory payroll assessments threatens the thin margins on which community outpatient healthcare operates. If these rising overhead costs eventually force our doors to close, it would be absolutely devastating to the 21 employees who rely on us for their livelihoods, to myself as the founder, and most importantly, to the hundreds of vulnerable patients who depend on our team for continuous, essential clinical care.

I urge you to consider the severe real-world consequences that these incremental increases impose on small healthcare employers and the communities we protect. Please reject the proposed premium and assessment hikes for 2027.

Best regards,

Jami Howell



September 10, 2026

Oregon Department of Consumer and Business Services

Director's Office

P.O. Box 14480

Salem, OR 97309-0405

RE: Public Comment Opposing Proposed 2027 Workers' Compensation Rate Increases

To the Oregon Department of Consumer and Business Services:

I am writing as the owner of a small Oregon plumbing and construction company to express my opposition to the proposed increases in workers' compensation costs for 2027.

I absolutely support protecting employees who are injured on the job and providing appropriate benefits to those workers. My concern is the continued increase and layering of employer-funded costs without enough consideration of the cumulative financial impact on small businesses.

Employers like us are already facing increasing wages, health insurance costs, workers' compensation premiums, payroll taxes, required benefits, vehicle and fuel costs, materials, licensing, and numerous other expenses associated with employing skilled workers in Oregon. A 2.1% increase in the pure premium rate, combined with an increase in the Workers' Benefit Fund assessment and the addition of the new BOLI Expenses Fund component, may appear relatively small when each item is viewed separately. For a small employer, however, these costs do not exist separately. They accumulate.

In the plumbing industry, we are also facing a significant shortage of licensed skilled workers. We need to offer competitive wages and benefits to attract and retain qualified plumbers while continuing to train apprentices who will become Oregon's future workforce. Every additional employment cost makes those decisions more difficult.

There is also a misconception that businesses can simply absorb these increases. We cannot. Ultimately, increased labor costs have to be accounted for somewhere. They can result in higher prices for homeowners and contractors, reduced hiring, fewer opportunities for apprentices, delayed wage increases, or reduced investment back into the business.

My company wants to pay our employees well. We want to provide health insurance, retirement benefits, paid time off, safe working conditions, and opportunities for employees to advance. Those are investments I would much rather make directly in my employees. But the more mandatory costs that are added to every hour of payroll, the less flexibility small employers have to make those investments ourselves.

I am particularly concerned about the continued creation of additional assessments and employer-funded programs. Before increasing rates or adding new components, I believe the state should demonstrate that existing programs are operating efficiently, that additional revenue is truly necessary, and that alternatives with less impact on small employers have been fully considered.

I respectfully ask DCBS to reconsider the proposed 2027 increases and to evaluate these changes based on the total cost of employing a worker in Oregon, rather than evaluating each assessment or rate increase in isolation.

Oregon needs skilled tradespeople, apprenticeships, and small contractors willing to employ and train them. State policy should make it easier for responsible employers to create good-paying jobs, not continually increase the cost of doing so.

Thank you for considering the perspective of Oregon's small employers.

ALLSCOPE PLUMBING & CONSTRUCTION, INC.

Where integrity and precision meet.

CCB #231498 | PB #2440 | 503-796-1113 | allscopeplumbinginc.com

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line that extends to the right.

Sharona Hollenbach

Owner

Allscope Plumbing & Construction, Inc.

Oregon

Exhibit

“6”

RECEIVED
DCBS Director's Office
Date: 9/23/2024 - alk

To the DCBS Director and Other it May Concern,

We have run a small family business in Salem since the 1950s. As a family farm, our values are providing good food to our local community and educating the public about where their food comes from. With the difficulties in starting new farm ventures, we consider our family very lucky that we have been able to see our farming business continue now to the 4th generation in our family. Over time, rising prices and taxes have made it difficult to keep adequate staffing on hand and pay our own family a living wage.

The new proposed pure premium rate and the Workers' Benefit Fund Assessment increases are concerning to us. Rate increases like these do not take small businesses into account. Like the new Paid Leave Oregon program, perhaps there needs to be some kind of tiered system. For small employers under 25 employees, there are different expectations for programs like Paid Leave Oregon. We suggest that the Workers Compensation program and Workers' Benefit Fund does something similar with a sliding scale.

Small family businesses like ours cannot continue to suffer so many rate increases over time. We will find it difficult to keep staff and keep our family involved. We strongly urge the Department of Consumer and Business Services to consider our local economy. Our consumers value our business and the products we offer, but they find it difficult to continue supporting small businesses when we are forced to raise our prices to compensate for tax hikes like these. Consider your local consumers' budgets and consider small business owners.

Sincerely,

Christina Fordyce
Co-Owner, Secretary
Fordyce Farm inc.
7023 Sunnyview Rd NE
Salem, OR 97305