

WORKERS' COMPENSATION  
MANAGEMENT-LABOR ADVISORY COMMITTEE  
Average Weekly Wage Subcommittee Committee Meeting

August 08, 2025  
10:00 a.m.– 12:00 noon

***Committee members present via zoom:***

Scott Strickland, Sheet Metal Workers Local 16  
Stacy Lewallen, Fortis Construction Inc.

***Staff:***

Teri Watson, MLAC Committee Administrator  
Baaba Ampah, MLAC Assistant

Agenda Item	Discussion
<b>Opening</b> (00:00:00)	<b>Welcome:</b> Co-chair Stacy Lewallen called the meeting to order.
(00:01:04)	<b>Data on claims: Annual income of IW claim and length of claim &amp; Short and long term disability insurance</b> WCD Administrator, Matt West presented <a href="#">data for annual income for workers with accepted disabling claims state average weekly wage (SAWW), and data on length of claims</a> .
(00:02:41)	Matt West confirmed Co-chair Strickland's question that SAWW threshold is just under \$70,000.
(00:05:58)	Administrator West also presented <a href="#">Short (STD) and Long term (LTD) disability options</a> .
(00:08:12)	Co-chair Strickland asked about the process a worker who goes on short-term disability. Matt West clarified that the information provided on STD and LTD came from the Department of Financial Regulation (DFR) and that there are not statutes or rules that regulate STD or LTD. Normally, STD and LTD are provided by employers as a benefit to employees and the process is provided by the insurer that provides the STD or LTD.
(00:09:37)	To Barbara Anderson's question, Ombuds for Oregon Workers, Co-chair Strickland clarified that he asked if workers' compensation benefits are sufficient to not deter workers from filing or continuing claims, specially when alternatives like short-term disability or other insurance may pay more.
(00:11:27)	Matt Lawrence, Perez-Selsky Druckenmiller (PSD) Law Office, explained that systems do not run concurrent, further explaining that Oregon Paid Leave stops payments if workers' compensation is active, even if the claim is denied, until

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the litigation is settled. Each short-term disability plan is contract dependent and workers' compensation might be the primary payer.

- (00:13:26) Thais Lomax, Sedgwick, explained as a workers' compensation processor, some employers who have contracted short and long term disability plans that provide supplemental benefits that are not offset. Keith Semple added that workers' compensation does not offset disability benefits, but rather short and long term benefits. He noted that workers must report benefits accurately to avoid overpayments, as some have continued receiving short-term disability even after workers' compensation payments began, creating a trap for workers.
- (00:15:50) Mike Selvaggio, UFCW 555, shared that there has been instances, where employers wrongly tell employees their claims were denied before the worker even files a form. He asked how to ensure workers are not misled from filing claims or pursuing short-term disability benefits. Barbra Anderson explained she has heard such scenarios as an Ombuds, and the best solution is educating workers and employers.
- (00:18:07) Lamar Wise, Oregon AFSME, referring to the previously presented data that showing a decline in total disability since 2014, asked about reasons that drove the decline. Administrator Matt West explained that data from earlier dates are not as matured as certain claims and that the claims have not been closed yet. Andrew Powell, DCBS Research Team, added that the mean is skewed higher by a few very long claims, while the median is the most useful indicator of disability duration.
- (00:21:13) Lamar Wise asked if there is any correlations between the 66 2/3 wage replacement data and inflation, or there pressures, that may result in injured workers to return to work earlier than necessary. Co-chair Lewallen answered that within the construction industry, employers often encourage early return through modified duties, as studies have showed earlier engagement in the workforce can support faster recovery and benefit both employees and employers. Barbra Anderson added that there are cases where workers return to work earlier, or seek side jobs because time-loss benefits do not cover their full income, sometimes leaving them unable to pay bills. Co-chair Strickland agreed that early return has its benefits, but shared a personal experience where being pushed back too soon and care delays worsened his condition. He warned that inflationary concerns can disincentivize workers from proper recovery.
- (00:26:33) Matt Lawrence noted that many injured workers return to work early due to financial needs, even asking doctors for release despite health risks. Modified duty can help recovery, but it is limited or not offered, leaving the decision to the employer or doctor. Keith Semple added low-income workers face the greatest hardships, and suggested a solution targeted to low-income workers with benefit adjustments like other states.
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- (00:29:44) Stacy Lewallen asked what is a taxable income through workers' compensation, short-term, or long-term disability. Keith Semple answered that workers' compensation is not taxable, but long-term and short-term disability and unemployment is taxable. Matt Lawrence offered to share a handout that shows what benefit is taxable, further explaining that long-term benefit is different for each individual.
- (00:33:55) **Policy Discussion –Average weekly wage for low-income workers [SB 705 -2](#)**  
Lamar Wise, AFSCME, explained that AFSCME proposed the bill as many workers struggle to support their families on the current 66 2/3 wage replacement, prompting a proposal to increase the amount. The original bill aimed for 100% wage replacement, but later the -2 amendment provided 80% wage replacement up to the SAWW, and 66 2/3 for wages above the SAWW.
- (00:39:12) To Co-chair Lewallen's question, Lamar Wise responded that AFSCME wants to keep the proposal simple and accessible, and is open to considering a dependent-based formula. This includes raising the base percentage for low-income workers, and avoiding complicated formulas and tax complications. Mike Selvaggio, echoed Lamar Wise, mentioning that workers' compensation is in lieu of a cause of action by the employee, anything that causes the worker to go back to work quickly than what the doctor recommends, is insufficient.
- (00:43:31) Co-chair Strickland reviewed the history of the bill, noting that the original version linked benefits to after-tax-income but raised concerns, leading to the -2 amendment with the bucket model. He explained that stakeholders asked to keep the current pre-tax average weekly wage (AWW) wage calculation, while adjusting only buckets or percentages, to avoid disrupting the system. Co-chair Strickland emphasized that the discussion should now focus on refining the - 2 amendment.
- (00:45:53) Kirsten Adams, Associated General Contractors, noted that there is no perfect solution to the proposal that can work for everyone, and encouraged structuring the -2 amendment to get a solution that works better, keeping in mind that it would not be perfect. Co-chair Stacy Lewallen agreed.
- (00:49:13) To Thais Lomax's question about lines 7 and 8 on the [-2 amendment](#), Lamar Wise and Matt Lawrence responded that ORS 656.210 mentions that the definition of AWW means the Oregon AWW.
- (00:51:01) Mike Selvaggio stated that he is in support of AFSCME and noted that the original Mahonia Hall agreement emphasizes that Oregon OSHA safety inspectors were increased 45%, which has dropped 19% since 1990. He does not want to lose sight of the importance of Oregon OSHA safety to MLAC. Co-chair Strickland agreed, adding once the injury occurs it's a zero-sum game, and it is to ensure the injury does not happen in the first place.
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- (00:54:25) To Lamar Wise's question, Administrator West noted that information about dependents are not collected by the division, but might be collected by the insurer. Co-chair Lewallen noted that the employer side is also not collecting data of the dependents or tax, but rather the wage the employee is earning.
- (00:56:00) Teri Watson noted there is data that WCD does have and data that is we do not have, specifically one of those data points that is missing is data on workers that are injured and do not file a claim. She suggested putting together a list on the data the division has versus the data they don't have and posting it on the subcommittee website. Teri Watson encouraged stakeholders to send information, questions, or policy considerations to her that they want to ask or present at the next meeting or as we move forward.
- (00:58:26) **Anything else that should be included & Public Comment/Stakeholder Feedback**  
Co-chair Strickland thanked DCBS staff for their efforts in gathering helpful information and showed appreciation to AFSCME's proposal of SB 705. He continued that getting on the same page about general policy terms and debating the thresholds on how to implement, and increasing stakeholder engagement directs the process. Co-chair Strickland noted that the discussions should not be shackled by data, but also discussions about controllable range outcomes for stakeholders. He also noted that previous policy discussions, from both management and labor, has overlay with other stakeholders that can also drive the directions of the solution.
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Co-chair Lewallen adjourned the meeting at 2:02 p.m.

\*These minutes include time stamps from the meeting video found here:

[https://www.youtube.com/watch?v=4Ntbt\\_Nuepo&feature=youtu.be](https://www.youtube.com/watch?v=4Ntbt_Nuepo&feature=youtu.be)

\*\*Referenced documents can be found on the MLAC Meeting Information page here:

<https://www.oregon.gov/DCBS/mlac/Pages/access-to-care-subcommittee.aspx>