

WORKERS' COMPENSATION
MANAGEMENT-LABOR ADVISORY COMMITTEE
Full Committee Meeting

Jan. 29, 2026

10:00am

Virtual meeting

Committee members (present via zoom):

MLAC members and Organization they represent

Co-Chair Patrick Priest, CIS Trust

Co-Chair Scott Strickland, SMART, Local 16

Sara Duckwall, Duckwall Fruit

Margaret Weddell, Labor Representative

Stacy Lewallen, Fortis Construction, Inc

Sarah Merrick, City of Salem Fire Department

Emily Cronan, Oregon Nurses Association

Sean O'Day, Director DCBS (**in-person**)

Committee members absent:

Ryan Hearn, Anduril Industries

Kim Schlessinger, Samaritan Health Services

Staff:

Teri Watson, MLAC Committee Administrator

Baaba Ampah, MLAC Assistant

Agenda Item Discussion

Opening Affirmation and Roll Call

(00:00:12) Co-Chair Priest called the meeting to order and shared an affirmation.
Teri Watson called the roll of members. A quorum was present.

**Public Comment –
HB 4040**

(00:03:02) 1. **Matt Tompkins, DC** – Matt Tompkins was not present to provide a public
comment.

2. Dr. Darrell Brett

(00:03:33) Darrell Brett, a retired neurosurgeon with 42 years of experience, explained over
the course of his career he evaluated many patients and worked closely with
chiropractors (DCs), physician assistants (PAs), and nurse practitioners (NPs).
He noted that chiropractors have more experience in spine care, necks, backs,
and headache related to neck injuries as compared to PAs and NPs. Dr. Brett
recommended allowing chiropractors to continue to provide that type of care.

SB 1506**3. Anthony Smith, National Federation of Independent Businesses (NFIB)**

(00:06:22) Anthony Smith expressed NFIB's opposition to SB 1506, arguing that the Workers' Benefit Fund (WBF) supports programs tied to injured workers. Although BOLI is paid by the WBF to investigate discrimination claims involving injured workers, that's the extent to the connection. Anthony explained that the legislature could instead use general fund dollars, highlighting that the general fund was allocated \$1 billion during the 2025 legislative session, or create a new tax if additional revenue is needed. He also raised constitutional concerns, noting that any revenue-raising measure must start in the House and pass with a three-fifths majority. Because SB 1506 originates in the Senate and lacks that designation, he disagrees with Legislative Counsel's view that it is not a revenue raising bill. His testimony comments ended at the two-minute limit, and he was invited to submit written testimony.

Additional Public Comments

(00:10:02) Dr. Kendrick Khoo, an orthopedic spine surgeon, supported chiropractors' role in Oregon's workers' compensation system, mentioning that most workers' compensation claims involve musculoskeletal injuries, which chiropractors are specifically trained to diagnose and manage. Chiropractors provide early, non-invasive care, and serve as the first point of contact for injured workers. Dr. Khoo argued that expanding chiropractors' as treating physicians would improve access to care, particularly in rural and underserved areas, and reduce delay. He clarified that extending their treating physician status would not mean unlimited care, as chiropractors would remain subject to the same scope limitations, as other providers.

Review minutes from Jan. 22, 2026

(00:12:27) Sara Duckwall moved to approve the Jan. 22, 2026 meeting minutes, and Emily Cronan seconded the motion. The motion passed with no abstention or opposition.

2026 LC Presentations:**SB 1506-1 – Senator Kathleen Taylor, and Josh Nasbe, BOLI**

(00:14:04) Sen. Taylor thanked the committee for their work. She explained that SB 1506 is one of her two personal bills. She recounted that the 2025 BOLI bill would have funded BOLI directly from the WBF, which she opposed, since the WBF was not created to fund BOLI. She described that SB 1506 -1 was convened by a bipartisan workgroup and they settled on a shared cost of one tenth of one percent split equally between workers and employers. She also referenced the [SB 1506 matrix](#), showing the various options the workgroup evaluated in reaching their conclusion. Sen. Taylor noted that BOLI has been underfunded and cannot rely on the general fund. BOLI needs a stable source of funding and that is the point of this bipartisan bill -- that labor and management (business) agree to equally pay to support BOLI, ensuring adequate staffing so they can do their job including investigations which benefits both workers and employers.

She invited MLAC members to collaborate, emphasizing she and her committee are open to amendments, including technical changes, and assuring that the bill's intention does not change the WBF's purpose and how it is managed.

- (00:25:52) Josh Nasbe, BOLI, explained that the amendment to SB 1506 is intended to give BOLI the resources needed to carry out its statutory duties while protecting the WBF. He explained that the bill uses the existing WBF collection and distribution method to separately collect and distribute the funds necessary to support a portion of BOLI's operations. Josh shared that following the conclusion of the bipartisan, bicameral workgroup Sen. Taylor referenced, she continued to work with the BOLI, DCBS, and legislative counsel to address MLAC's 2025 concerns. He reiterated that the bill does not sweep money from the WBF, change the amount flowing into it, change MLAC's or DCBS' role, or change the operation of programs funded by the WBF. Josh highlighted safeguards to protect the WBF: it creates a separate BOLI expense fund, requires separate adjustments to each the WBF and BOLI expenses fund, prohibits using WBF monies to meet the obligations of BOLI's expenses fund, gives MLAC the authority to review any plan to raise the BOLI expenses fund, and allows enough time for the one tenth of a penny assessment to maintain temporary positions funded in 2025.
- (00:29:10) Sara Duckwall asked about the reinvestment positions in 2029. Josh Nasbe explained there are two tranches of positions: (1) the bill maintains the 2025 positions that were temporarily funded by the WBF as the temporary funding is set to expire. In addition, (2) the expectation is that after the temporary provisions are maintained, the fund will grow enough within two years to support the additional positions BOLI needs. Sara Duckwall asked about the guardrails for funding new positions, questioning the limits of "the greater of \$19 million or 24 months of reserves" language. Josh Nasbe explained that the concept is to take the two tranches of positions, freeze the number of positions, and adjust for inflation over time so that the positions remain. The "greater of" language is intended to cover both current and "rolled up" future costs of those positions. He acknowledged concerns about the "at least greater of" phrasing, explaining that they are open to tighter target language in the bill.
- (00:32:19) Stacy Lewallen asked whether, in future years, if any reduction in general fund to BOLI would be backfilled by the WBF collected assessment. Mr. Nasbe responded that the assumption is no; the intent is to fund only the two tranches of positions, with no intent to grow it overtime.
- (00:33:49) Director O'Day explained that DCBS's interest is ensuring clarity that the fund structure is administratively feasible, and there are sufficient safeguards put in place to protect WBF funds collected for injured workers through strict separation and no comingling of the funds. He noted the worst-case scenario is an unexpected economic downturn after rates are set, but the bill ensures the BOLI expense fund would take its proportionate share of that revenue reduction
-

while the WBF would continue operating under existing statutory levels. He added that rate setting works well because DCBS will know BOLI's appropriation to fund these positions by June 30 of every odd year, which is needed to calculate BOLI's component of the rate.

- (00:36:55) Sara Duckwall asked how rate setting would be affected if BOLI later requested many new positions. Director O'Day explained DCBS does not have a position on the policy choice, but needs to know the revenue target, to set the rate to project revenue collection in any unforeseen economic downturn.
- (00:38:00) Co-chair Strickland thanked everyone for their participation and commented that the matrix clarified the process of the workgroup. He noted that MLAC's purview is not a policy angle or funding level, but rather the preservation of the WBF programs. Co-Chair Strickland stated that based on the previous presentation from Senior Economist Kelli Borushko on the WBF, comments today by Josh Nasbe and Sen. Taylor, and the Director's assurance; the amendment appears to not interfere with the existing programs moving forward. He acknowledged the range of discussion but expressed uncertainty if the SB 1506-1 falls under MLAC's scope.
- (00:40:50) Josh Nasbe thanked Co-chair Strickland for his comment and Director O'Day for noting that if there is a target, DCBS could reach it. He expressed openness to additional guardrails on the top level.
- (00:41:47) Anthony Smith, NFIB, thanked the committee stating he appreciated the work that's been done to ensure no co-mingling of funds and protecting the WBF. But, he cautions that using the WBF taxing mechanism to raise revenue for BOLI sets a precedent that could lead to future attempts to fund anything that the legislature wants to fund without tapping into general funds.
- (00:43:57) Sen. Taylor emphasized that she shares the same concerns about ensuring appropriate guardrails. She stated that she is fully open to amendments, that one is already being drafted, and invited the committee to specify any guardrails they want added to the bill.
- (00:45:23) A brief caucus was taken.
- (00:46:44) The co-chairs went into caucus. During their caucus, Emily Cronan left the meeting due to conflict.
- (00:49:15) Sara Duckwall reiterated concerns about guardrails and asked for a better understanding of limitations. She expressed her struggles with transparency that places the new tax under the WBF, since the increased assessment would not be solely for WBF matters. She suggested that rulemaking and a potential three-fifths vote would be helpful to increase transparency and guardrails of the bill.
-

-
- (00:50:10) Stacy Lewallen echoed Sara Duckwall’s comments noting that she is aligned with everything said as it is an important piece to not creating a slippery slope.
- (00:50:37) Co-chair Strickland expressed concerns about keeping MLAC’s discussion within its statutory charge. He noted that discussions, such as three-fifths vote requirements and other procedural issues, fall outside MLAC’s role as it is inappropriate. Co-chair Strickland encouraged discussion on the bill’s narrowed topics, such as the cap, and urged the committee to stay focused on the narrow purpose of MLAC and not procedural processes of the bill.
- (00:52:25) Stacy Lewallen showed her appreciation to Co-chair Strickland’s comments and responded that MLAC’s role is to protect the WBF. She noted that if the WBF is used to fund BOLI, it raises the question of what stops future expansions to other agencies. She explained that is the spirit of asking those questions, mentioning the need for stronger guardrails and caps to ensure the fund’s solvency so there are no future problems.
- (00:53:33) Margaret Weddell and Sarah Merrick had to leave the meeting.
- (00:54:08) The rest of the agenda items were deferred to the next MLAC meeting, which will be two hours long with a full quorum.
- (00:55:05) Sen. Taylor showed her appreciation, emphasizing her openness for amendments to the bill for appropriate guardrails. Addressing concerns about future misuse, she mentioned that it would require significant legislative support and a governor’s signature, which she views as highly unlikely given historical precedent.
- (00:56:48) Josh Nasbe showed his appreciation and openness to address all concerns.
- Upcoming meetings – Upcoming meetings – Feb. 5, Hybrid, March 5, and April 2, virtual.**
Upcoming legislative meetings - Feb. 12, Feb. 19, and Feb. 26, Hybrid.
-
- (00:57:25) Co-Chair Priest adjourned the meeting at 11:20 a.m.

*These minutes include time stamps from the meeting video found here:
<https://www.youtube.com/watch?v=7QQmcpVpLd4>

**Referenced documents can be found on the MLAC Meeting Information page here:
<https://www.oregon.gov/dcbs/mlac/Pages/2026-meetings.aspx>