

## Draft MLAC recommendation – Worker’s Benefit Fund Balance

Nov. 16, 2018

1. Increase the minimum balance of the Workers’ Benefit Fund to 12 months of projected expenditures and clarify that the balance is not entirely in cash.
2. Require the department to report to MLAC if projected expenditures could cause the fund balance to dip below the 12-month requirement. The department’s report should include its action plan to address the fund balance situation.

### Possible statutory language:

**656.506(5)** It is the intent of the Legislative Assembly that the department set rates for the collection of assessments pursuant to subsections (2) and (3) of this section in a manner so that at the end of the period for which the rates shall be effective, the ~~cash~~ **fund** balance shall be an amount of not less than ~~six~~ **12** months of projected expenditures from the Workers’ Benefit Fund in regard to its functions and duties under subsection (7) of this section and ORS 656.445, 656.622, 656.625, 656.628 and 656.630, in a manner that minimizes the volatility of the rates assessed. **In the event the department projects the fund balance will be less than twelve months, the department shall report its plan to meet the balance requirement to the committee referred to in ORS 656.790.**

The department may set the assessment rate at a higher level if the department determines that a higher rate is necessary to avoid unintentional program or benefit reductions in the time period immediately following the period for which the rate is being set.

### **656.790 Workers’ Compensation Management-Labor Advisory Committee; membership; duties; expenses.**

(2) The director may recommend areas of the law which the director desires to have studied or the committee may study such aspects of the law as the committee shall determine require their consideration. The committee shall biennially review the standards for evaluation of permanent disability adopted under ORS 656.726 and shall recommend to the director factors to be included or such other modification of application of the standards as the committee considers appropriate. The committee shall biennially review and make recommendations about permanent partial disability benefits. The committee shall advise the director regarding any proposed changes in the operation of programs funded by the Workers’ Benefit Fund **and review plans to address the fund balance under 656.506(5).** The committee shall report its findings to the director for such action as the director deems appropriate.