

WORKERS' COMPENSATION  
MANAGEMENT-LABOR ADVISORY COMMITTEE  
**Full Committee Meeting**

Jan. 9, 2025  
10 a.m.–noon

***Committee members present:***

Scott Strickland, Sheet Metal Workers Local #16 (Via Zoom)  
Patrick Priest, Citycounty Insurance Services  
Lorne Bulling, Iron Workers Local 29 (Via Zoom)  
Sara Duckwall, Duckwall Fruit  
Ryan Hearn, Roseburg Forest Products  
Stacy Lewallen, Fortis Construction, Inc. (Via Zoom)  
Sarah Merrick, City of Salem Fire Department  
Kim Schlessinger, Samaritan Health Services  
Margaret Weddell, Labor Representative  
Andrew Stolfi, DCBS Director, *ex officio* (**Absent**)

***Staff:***

Teri Watson, MLAC Committee Administrator  
Baaba Ampah, MLAC Assistant  
Megan Parsons, MLAC Assistant

| <b>Agenda Item</b>                  | <b>Discussion</b>   |
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| <b>Opening</b><br><b>(00:01:00)</b> | <b>Affirmation and Roll Call</b><br>Co-Chair Patrick Priest called the meeting to order, and shared an affirmation.<br>Teri Watson called the roll of members. A quorum was present.  |
| <b>(00:02:39)</b>                   | <b>Review minutes from Dec. 5, 2024 meeting</b><br>The Dec. 5, 2024, meeting minutes were presented. Margaret Weddell and Scott Strickland requested that the minutes be deferred to the next meeting to allow additional time to review.                     |
| <b>(00:03:36)</b>                   | The committee deferred approval of the Dec. 5, 2024 minutes until next meeting.   |
|                                     | <b>Department updates</b>   |
| <b>(00:04:03)</b>                   | <b>Workers' Compensation Board (WCB) case law updates – Sara Larson</b><br>No updates from WCB.   |
| <b>(00:04:17)</b>                   | Margaret Weddell asked about receiving board case notes and management. Sara Larson confirmed that they come out monthly and can be accessed <a href="#">online</a> .<br>Lauren Eldridge will be available to provide board updates at the next MLAC meeting. |

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**Workers' Compensation Division (WCD) update – Teri Watson**

**(00:05:23)** Teri Watson demonstrated the newly completed WCD Spanish [website](#), which is linked on the Spanish “Notice of Compliance” posters. She explained that the Spanish posters will be available to order soon.

**(00:06:42)** Teri Watson will send MLAC members the poster.

**(00:06:52)** Patrick Priest asked if the department monitors the usage of websites, and if the Spanish website is being used. Teri Watson and Matt West, WCD Interim Administrator, confirmed that department does monitor the usage of the website and will report on the usage of the Spanish-website.

**Follow up questions from the Governor’s Recommended Budget, WBF/BOLI transfer**

**(00:08:13)** Matt West provided an [update](#) on the \$15 million Workers’ Benefit Fund (WBF) sweep, which is pending legislative approval. He explained that the transfer will not have an impact on benefits, as the WBF has a healthy fund balance to cover two years of current programs.

**(00:11:51)** Sara Duckwall asked about the fund balance after the exit of the \$15 million. Matt West will follow-up with the exact figures, but explains that statutorily, the funds must remain above 12 months at a minimum.

**(00:12:52)** Patrick Priest asked whether the WBF assessment rate has ever declined. Matt West confirms that it has decreased over time, dropping from about 4.2 cents per an hour in the 1990’s to 2 cents per an hour currently.

**(00:14:10)** Matt West continued referencing the [memo](#), highlighting the WBF’s primary programs and the statutory limits on how the funds are spent.

**(00:18:20)** Matt West confirmed that these programs are statutorily (ORS 656.605) defined, and the division is not allowed to deviate from the statute on spending the funds.

**(00:18:50)** Sarah Merrick asked how often and how do workers access the fund for “payments due to workers who have not received payment from an insurer in default” referencing a worker from the last meeting. Matt West explained that it is when an insurance company is going bankrupt and is in default, which is rare. It is separate from non-compliant employers and delayed payments.

**(00:22:18)** Patrick Priest inquired that although default payments are rare, it seems that it could severely impact the WBF. Matt West will provide more information.

**(00:21:32)** Patrick Priest asked how the sweep falls within the statute. Matt West clarified that it does not. Sean O’day, DCBS Deputy Director, explained that because the legislature set the statute and its limitations, they have the authority to amend or reallocate those funds, which they have before.

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- (00:23:17) Matt West explained MLAC’s responsibility in the WBF. He provided information about the most recent sweep in 2003, related to House Bill 5007, where \$251,100 was swept from the WBF.
- (00:26:11) Margaret Weddell inquired about previous MLAC reports, as she checked the website and could not find any MLAC reports. Theresa Van Winkle, DCBS Legislative Director, explained that the legislative review process, recommendation letters to the committee, and request to MLAC for review on bills fall under MLAC reports.
- (00:27:59) It was unclear if a formal report was written during the Worker Continuation of Care subcommittee. Theresa Van Winkle will look into it.
- (00:27:55) Theresa Van Winkle noted that during the pandemic, MLAC provided formal reports, asked by the governor. She continued that the reports go to the legislature and a central resource for all state agencies and advisory bodies.
- (00:29:45) It was recognized that MLAC could issue a report.
- (00:30:05) Management Caucus expressed interest in issuing a formal letter on the WBF sweep. Labor Caucus expressed that it is not a pressing issue for them, however; if Management Caucus insists, then a letter could be written.
- (00:31:48) The WBF sweep will be on the next meeting agenda. Members requested additional information on the post sweep account numbers, potential insurer defaults and the impact on the WBF, and historical increases of WBF assessment rates and the reserve balance.
- (00:33:47) Ryan Hearn asked about the time frames of the WBF sweep, and when the report needs to be written. Theresa Van Winkle explained that the sweep will be included in a bill, which she will be monitoring, and will provide updates when available.
- (00:34:55) Kim Schlessinger asked about how BOLI will use the money. Theresa Van Winkle explained the purpose of the sweep is to help current positions at BOLI process casework for workers. Theresa Van Winkle will work with WCD to provide background information.
- LC Presentations:**  
**Oregon Trial Lawyers Association (OTLA) LC [Presentations](#): Keith Semple and Jovanna Patrick**
- (00:37:19) Keith Semple, OTLA, and Jovanna Patrick, OTLA, presented [LC 2160](#).
- (00:50:03) Sara Duckwall asked how the WBF would remain whole if interim disability benefits are paid to workers whose claims turn out to be ineligible. Keith Semple explained that for valid subject worker cases where the employer lacks
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insurance, the WBF pays benefits and is later reimbursed by employers, just as it does now. The only burden would involve claims eventually found as non-subject –an estimated 19% of the 300 non-complying employer investigations from 2019 to 2024. Keith Semple noted that the proposed two-thirds of the state’s average weekly wage, resembles complying employers cases where if a claim is ultimately found non-compensable, there is no reimbursement; such costs are built-in to the system. Jovanna Patrick added that that the investigation period is not always the full 60 days, and paying at an amount tied to average weekly wage could reduce litigation.

**(00:54:56)** Scott Strickland asked if the employer from Jesús Gonzalez Govea’s case still has their CCB or is still operating without workers’ compensation insurance. Matt West responded that the employer was found non-compliant and penalized. The employer claimed it was a one-time situation and said it no longer employs workers, so they are contesting the penalty.

**(00:56:50)** Keith Semple and Jovanna Patrick presented [LC 2375](#).

**(01:07:04)** Sara Duckwall asked what happens when an injured worker gets their award and does not go through vocational training. Keith Semple answered that workers can negotiate settlement value of retraining, but any settlement that includes value towards retraining also includes permanent impairment. Keith Semple and Jovanna Patrick continued that the proposal aims to remove that financial pressure and allow workers who want training to receive their benefit earlier, rather than forcing a choice between money or retraining. The concern is workers who get full impairment compensation, and later choose to not forgo training. The goal of the proposal is to eliminate disincentives for those who do wish to complete a retraining program, and allowing the worker to have a choice in the process.

**(01:14:21)** Margaret Weddell stated that it seems like the eligibility process of vocational training appears to be smooth sailing and the impetus for the worker to settle their claims and asked if the presenters could respond to that process. Keith Semple explained that vocational services are not automatically mandated; rather, eligibility is triggered if an evaluation of workers’ permanent restrictions and history prevents them from earning at least 80% of their job-at-injury wage. There is timelines and an insurer can refer a case early for evaluation. Jovanna Patrick added that the employer can offer modified or light-duty work, and the worker gets impairment compensation. During the vocational eligibility evaluation, workers can be found ineligible, which can be appealed.

**(01:18:54)** Ryan Hearn asked if the lump-sum benefit is reduced based on the completion of the program, and could the money be recouped. Keith Semple mentioned that he has never seen the money be recouped, there is sometimes a redetermination. Jovanna Patrick mentioned that any gains should go to the worker and not the insurer.

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- (01:20:15) Ryan Hearn asked if the average weekly wage was increased, could it positively impact this situation. Jovanna Patrick answered that it would help workers not fall behind financially.
- (01:21:25) Keith Semple and Jovanna Patrick presented [LC 2375](#).
- (01:35:47) Ryan Hearn asked how often are disputes going to hearing. Jovanna mentioned that it is very rare. She explained that complicated cases can exceed the limit.
- (01:36:44) Ryan Hearn asked how often OTLA pull back on investigations because of the cost cap. Jovanna Patrick responded that it is dependent of each client, since they are responsible for the cost.
- (01:37:43) Members asked for statistics on these types of cases.
- (01:37:54) Sara Duckwall asked for the intent of the clause “ but not limited to”. Jovanna Patrick explained that it is for the adjudicator to decide for reimbursements, such as interpreters, that is not listed in the statute. OTLA will clear any ambiguity on that language.
- (01:39:27) Ryan Hearn asked whether interpreter services, especially when provided by a law firm’s in-house staff, would be reimbursable under the proposed concept. Jovanna Patrick responded that it depends on the judge’s discretion to which costs were reasonable. Details would need to be clarified to avoid ambiguity.
- (01:40:38) OTLA ended their presentation and will return to MLAC to clarify questions raised with a more finished product.
- 2025 Legislative Overview**
- (01:41:52) Theresa Van Winkle presented the [2025 Legislative Overview](#).
- (02:00:15) Scott Strickland thanked Theresa Van Winkle. The presentation ended.
- Public comment**
- (02:00:38) No public comments.
- Upcoming meetings –January 23 and 30, 2025, virtual meetings.**
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**Meeting Adjourned** Patrick Priest adjourned the meeting at noon.

\*These minutes include time stamps from the meeting video found here:  
[https://www.youtube.com/watch?v=1r3\\_nKZBOS8](https://www.youtube.com/watch?v=1r3_nKZBOS8)

\*\*Referenced documents can be found on the MLAC Meeting Information page here:  
<https://www.oregon.gov/DCBS/mlac/Pages/2025-meetings.aspx>