2009 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2202 STATUS: Original

SUBJECT: Relating to the unemployment insurance hearings **GOVERNMENT UNIT AFFECTED:** Employment Department

PREPARED BY: Robin LaMonte **REVIEWED BY:** Michelle Deister

DATE: January 23, 2009

2009-2011 2011-2013

EXPENDITURES:

See Comments \$

<u>2009-2011</u> <u>2011-2013</u>

REVENUES:

POSITIONS / FTE:

EFFECTIVE DATE: January 1, 2010.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2202 expands the right to request that a hearing on unemployment insurance claims be reopened, and makes other changes to the rights of parties in unemployment hearings. The purpose of these changes is to bring Oregon law into conformity with the U.S. Department of Labor interpretation of federal law that requires that a party who, for good cause, failed to appear at a hearing on a benefit claim, be given an opportunity for another hearing.

The fiscal impact of this bill would arise only if Oregon failed to bring its statutes into compliance with federal law. The Employment Department estimates that there is a potential loss of up to \$104.2 million per biennium of federal administrative grant funds, and an increase of \$1.01 million per biennium in Oregon employer Federal Unemployment taxes, if Oregon were found to be out of compliance with federal law.