

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

MEASURE NUMBER: HB 3140 **STATUS:** A Engrossed
SUBJECT: Extends the Unemployment Insurance Workshare Program.
GOVERNMENT UNIT AFFECTED: Employment Department
PREPARED BY: Robin LaMonte
REVIEWED BY: Michelle Deister
DATE: April 21, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis		

EFFECTIVE DATE: This bill contains an emergency clause and takes effect on passage.

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 3140 extends Unemployment Insurance (UI) Workshare benefits from a maximum of 25 weeks per year to 52 weeks per year.

The fiscal impact of this bill is indeterminate. The Employment Department (OED) has calculated two scenarios, with divergent fiscal impacts. Employers have choices when faced with staffing reduction requirements. They can continue existing staff with reduced hours, lay off staff, close the unit of the firm using Workshare, or a combination of these choices. OED has no data on which to estimate which of these choices an employer might make. Depending on the choice, OED estimated the fiscal impact to the UI Trust Fund could range from a cost of approximately \$704,000 per biennium to a savings of \$520,000 a biennium. The administrative cost to OED under either scenario is expected to be minimal (less than 1.0 FTE).