

House Bill 3500

Sponsored by Representatives D EDWARDS, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Diverts percentage of payroll taxes payable under current law to Oregon Emergency Jobs Program.

Establishes Oregon Emergency Jobs, Training and Support Account in General Fund.

Creates Oregon Emergency Jobs Program in Department of Community Colleges and Workforce Development to make grants to create temporary employment for unemployed Oregonians. Permits department to adopt rules establishing criteria and procedures for program.

Provides funding for Oregon JOBS Individual Education Account or post-TANF aid to successful participants in Oregon Emergency Jobs Program.

Creates permanent Career Readiness Certification Program in Department of Community Colleges and Workforce Development to prepare Oregonians for workplace and college. Directs department to adopt rules to implement program.

Provides that eligible economically distressed workers enrolled or participating in or approved for economically distressed worker training may not be denied benefits under specified circumstances. Provides that base year employer's account may not be charged for benefits for economically distressed worker training paid pursuant to Act.

Directs Director of Employment Department to adopt procedural rules. Requires director to submit report to Legislative Assembly on or before March 1, 2011.

Sunsets Oregon Emergency Jobs Program January 2, 2012.

Provides emergency unemployment insurance benefits to individuals who have exhausted regular benefits. Sunsets January 2, 2010.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to employment; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The Legislative Assembly finds that:

(1) Oregon currently has one of the highest unemployment rates in the nation and the number of claims for unemployment insurance compensation is at a historic high.

(2) An unprecedented number of unemployed Oregonians are seeking jobs and entry into the workforce. More than 80,000 individuals have signed up for entry-level positions through the Employment Department's job-match system in which fewer than 1,000 positions are now listed.

(3) The need of Oregon's working families for public benefits is increasing, as are the needs of Oregon's communities to repair and rebuild public infrastructure, maintain public health and safety, and prevent and prepare for emergencies, such as fires, storms and floods.

(4) The demands on Oregon's public service systems are expected to increase over the next several months while state and local revenues have dropped, creating an urgent need for new jobs to mitigate the need for public benefits.

(5) Oregon must take bold action to preserve and protect local communities and provide employment for unemployed Oregonians.

(6) Oregon's Unemployment Compensation Trust Fund remains better funded than necessary to pay benefits to claimants of unemployment insurance benefits.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (7) The temporary diversion of a portion of the payroll taxes paid by Oregon employers
 2 pursuant to current law and the reallocation of those funds to the Oregon Emergency Jobs
 3 Program will foster the creation of short-term jobs to help working families and local com-
 4 munities while providing work experience and skill development for unemployed Oregonians
 5 with the goal of aiding their entry into the workforce on a full-time basis.

6 (8) Moneys in the Unemployment Compensation Trust Fund will extend emergency un-
 7 employment insurance benefits and support eligible economically distressed workers partic-
 8 ipating in training programs.

9 (9) The Career Readiness Certification Program will identify participants' proficiency in
 10 skills required by local employers and offer targeted instruction and training to increase
 11 prospects for permanent employment.

12 **SECTION 2.** (1) Notwithstanding ORS 657.462 and 657.463 (1), for wages paid during the
 13 second calendar quarter of 2009, the tax rate paid by each employer subject to ORS 657.435
 14 and 657.462, other than employers whose assigned tax rate is 5.4 percent, shall be the rate
 15 provided in Schedule III B of ORS 657.463 reduced by seventy-five one-hundredths of a per-
 16 cent of wages subject to tax under ORS chapter 657.

17 (2) Notwithstanding ORS 657.462 and 657.463 (1), each employer subject to ORS 657.435
 18 and 657.462, other than employers whose assigned tax rate is 5.4 percent, shall pay to the
 19 Employment Department, for the second calendar quarter of 2009, an amount equal to
 20 seventy-five one-hundredths of a percent of wages subject to tax under ORS chapter 657 for
 21 the second calendar quarter, to be paid and collected in the same manner and at the same
 22 time as unemployment compensation taxes under ORS chapter 657, unless the Director of
 23 the Employment Department prescribes otherwise. After deduction of the actual shared
 24 costs of the department in collecting the amounts under this section, the moneys up to a
 25 maximum of \$50.8 million shall be paid into the Oregon Emergency Jobs, Training and Sup-
 26 port Account established under section 3 of this 2009 Act. Moneys due pursuant to this sec-
 27 tion but not received by the department for payment to the Oregon Emergency Jobs,
 28 Training and Support Account on or before September 30, 2009, and moneys in excess of \$50.8
 29 million shall be paid into the Unemployment Compensation Trust Fund.

30 (3) ORS 657.463 (2) applies to employers subject to this section.

31 **SECTION 3.** (1) There is established in the General Fund of the State Treasury an ac-
 32 count to be known as the Oregon Emergency Jobs, Training and Support Account.

33 (2) Interest earned by the Oregon Emergency Jobs, Training and Support Account shall
 34 be credited to the account.

35 (3) The account consists of moneys received pursuant to section 2 of this 2009 Act.

36 (4) Moneys in the account are continuously appropriated to the Department of Commu-
 37 nity Colleges and Workforce Development for any purpose necessary to carry out the pro-
 38 visions of sections 2 to 7 of this 2009 Act.

39 (5) The provisions of ORS 293.190 do not apply to the account.

40 (6) Any balance in the account that is unexpended and unobligated on March 31, 2010,
 41 shall be transferred to and deposited in the Unemployment Compensation Trust Fund.

42 **SECTION 4.** (1) As used in this section, unless the context requires otherwise:

43 (a) "Community need" means a need for services furthering a useful public purpose, in-
 44 cluding improvements in the health and safety of community members, emergency
 45 preparedness, crisis intervention and response and basic human services, such as providing

1 food, clothing and shelter.

2 (b) "Local workforce investment area" has the meaning given that term in ORS 660.300.

3 (c) "Local workforce investment board" has the meaning given that term in ORS 660.300.

4 (d) "Private nonprofit agency" means an organization that is exempt from federal income
5 taxation under 26 U.S.C. 501(a).

6 (e) "Public body" means the state, a state agency, any political subdivision of the state
7 as defined in ORS 657.097 or an Indian tribe.

8 (f) "Resident of Oregon" means an individual who lives in Oregon and intends to remain
9 in Oregon or, if temporarily absent from Oregon, intends to return to Oregon.

10 (g) "Unemployed" means that an individual has performed no services for which
11 remuneration is paid or payable during the previous week as defined in ORS 657.010.

12 (2)(a) The Oregon Emergency Jobs Program is created in the Department of Community
13 Colleges and Workforce Development to award grants of moneys from the Oregon Emer-
14 gency Jobs, Training and Support Account established under section 3 of this 2009 Act to
15 public bodies, private nonprofit agencies and local workforce investment boards for qualifying
16 projects that provide eligible residents of Oregon with temporary employment.

17 (b) Public bodies, private nonprofit agencies and local workforce investment boards may
18 operate qualifying projects directly or procure qualifying projects by sub-grant or contract.

19 (c)(A) Except as provided in subparagraph (B) of this paragraph, contracts entered into
20 by entities operating qualifying projects under the program are not subject to the Public
21 Contracting Code as defined in ORS 279A.010.

22 (B) Contracts entered into by entities operating qualifying projects under the program
23 are subject to ORS 279C.800 to 279C.870.

24 (d) Grants under the program may be awarded to pay the following expenses of qualifying
25 projects:

26 (A) Wages;

27 (B) Personal protective equipment, tools and supplies necessary to accomplish the project
28 and, when the department determines it to be necessary, transportation; and

29 (C) Wage-related and administrative expenses.

30 (3)(a) A project may not qualify for grant funding under the Oregon Emergency Jobs
31 Program unless:

32 (A) The services to be performed would not be provided by the employer or its contrac-
33 tors but for receipt of the grant funding.

34 (B) The positions to be filled do not displace regularly employed workers or impair ex-
35 isting contracts for services.

36 (C) The proposed work primarily involves the performance of services to meet a com-
37 munity need.

38 (b)(A) The Department of Community Colleges and Workforce Development shall approve
39 projects for grant funding so that the funding for positions created in each county bears the
40 same relation to the total funding for positions created in this state that the number of un-
41 employed individuals residing in each county bears to the total number of unemployed indi-
42 viduals residing in this state.

43 (B) Notwithstanding subparagraph (A) of this paragraph, funding equalization will be
44 across workforce areas as represented by each local workforce investment board.

45 (4) The program may place eligible individuals in temporary positions in Oregon that last

1 not more than six months and that begin between July 1, 2009, and September 30, 2009.

2 (5) To be eligible for positions created by the Oregon Emergency Jobs Program, an indi-
3 vidual must be:

4 (a) A resident of Oregon;

5 (b) 18 years of age or older;

6 (c) Unemployed;

7 (d) Actively seeking work; and

8 (e) Registered for work with the Employment Department through the department's
9 job-match system.

10 (6) The Oregon Emergency Jobs Program is a work-relief program for purposes of ORS
11 657.067 (1)(b).

12 (7) The Department of Community Colleges and Workforce Development may enter into
13 contracts for personal services and goods necessary to carry out the provisions of this sec-
14 tion.

15 (8) The Department of Community Colleges and Workforce Development may adopt rules
16 establishing further criteria and the processes pursuant to which the awarding of grants, the
17 qualification of projects and the eligibility of individuals for the Oregon Emergency Jobs
18 Program may be determined.

19 (9) Proceeds of grants may be used to pay for wages for services performed, and for other
20 expenses allowable under subsection (2)(d) of this section incurred, on or after July 1, 2009.

21 **SECTION 5.** Services performed and participation by individuals on qualifying projects in
22 the Oregon Emergency Jobs Program created under section 4 of this 2009 Act do not con-
23 stitute "employment" for purposes of ORS chapter 657.

24 **SECTION 6.** (1) The Career Readiness Certification Program is created in the Department
25 of Community Colleges and Workforce Development to certify the workplace and college
26 readiness skills of Oregonians in preparation for continued education and workforce training,
27 successful employment and career advancement in a demand-driven, skills-based economy.

28 (2) Program services may be offered through public high schools, community colleges,
29 local and regional career centers, education service districts and any other institutions de-
30 termined to be appropriate by the department.

31 (3) The department or a participating institution may:

32 (a) Administer to participants in the program a preliminary assessment of the partic-
33 ipant's career readiness in order to identify the participant's proficiency level in work-ready
34 skills including reading, applied mathematics, research and any additional skills determined
35 by the department to be necessary to meet business and industry skill demands.

36 (b) Offer to participants targeted instruction and remedial skills training to provide
37 work-ready skills in which participants are not proficient, as determined by the preliminary
38 assessment described in paragraph (a) of this subsection, and that have been identified by
39 the department as work-ready skills required by local employers.

40 (c) Administer to participants a final career readiness assessment.

41 (d) Issue a career readiness certificate to a participant who demonstrates proficiency in
42 work-ready skills, as determined by the assessment described in paragraph (c) of this sub-
43 section, and who satisfies any other requirements for certification adopted by the depart-
44 ment by rule.

45 (4) The department shall provide an online career readiness certificate database that:

1 (a) Serves as the repository for career readiness certificate data.

2 (b) Enables employers to determine the work skill proficiency level of individual program
3 participants and to locate certified individuals on a statewide or regional basis.

4 (c) Provides program participants with opportunities for career exploration, continuing
5 education, job readiness practice and job searches.

6 (d) Allows program participants to exclude their information from the database.

7 (5) The department, after consultation with the State Workforce Investment Board, the
8 Department of Education and the State Board of Education, shall adopt rules for the imple-
9 mentation and administration of the Career Readiness Certification Program.

10 **SECTION 7.** (1) The Department of Community Colleges and Workforce Development or
11 an institution participating in the Career Readiness Certification Program pursuant to sec-
12 tion 6 (2) of this 2009 Act shall:

13 (a) Offer a final career readiness assessment to each individual who completes a position
14 under the Oregon Emergency Jobs Program created by section 4 of this 2009 Act.

15 (b) Issue a career readiness certificate to each individual who demonstrates proficiency
16 in work-ready skills, as determined by the assessment described in paragraph (a) of this
17 subsection, and who satisfies any other requirements for certification adopted by the de-
18 partment by rule.

19 (2)(a) An individual who receives a qualifying certificate under subsection (1) of this
20 section, pursuant to rules adopted by the department, shall be granted funding in an amount
21 equal to \$2 multiplied by the total number of hours the individual worked in a position pur-
22 suant to section 4 of this 2009 Act.

23 (b) Except as provided by subsection (3) of this section, the funding granted under para-
24 graph (a) of this subsection shall be used to fund an Oregon JOBS Individual Education Ac-
25 count.

26 (3) Subject to the individual's eligibility and the maximum amount provided under sub-
27 section (5)(c) of this section, an individual who qualifies for a grant under subsection (2) of
28 this section may elect to receive aid pursuant to ORS 412.124 instead of an Oregon JOBS
29 Individual Education Account.

30 (4)(a) Funding of an Oregon JOBS Individual Education Account granted under this sec-
31 tion is payable by the Department of Community Colleges and Workforce Development from
32 the Oregon Emergency Jobs, Training and Support Account established under section 3 of
33 this 2009 Act.

34 (b) Funds dedicated to Oregon JOBS Individual Education Accounts under this section
35 that are not used for qualifying purposes on or before June 30, 2011, shall be transferred to
36 and deposited in the Unemployment Compensation Trust Fund.

37 (5)(a) For an individual who makes the election under subsection (3) of this section, the
38 Department of Human Services shall notify the Department of Community Colleges and
39 Workforce Development of the amount of aid that has been paid to the individual under ORS
40 412.124.

41 (b) Upon notification under paragraph (a) of this subsection, the Department of Com-
42 munity Colleges and Workforce Development shall transfer the amount in the notice to the
43 Department of Human Services from the Oregon Emergency Jobs, Training and Support
44 Account established under section 3 of this 2009 Act.

45 (c) The total amount of funds that may be transferred to the Department of Human

1 Services for aid pursuant to subsection (3) of this section may not exceed \$3.5 million.

2 **SECTION 8.** As used in sections 9 to 14 of this 2009 Act:

3 (1)(a) “Economically distressed worker training” means:

4 (A) Training and education that provide occupation-specific skills required in high-
5 demand occupations, as determined by the Director of the Employment Department; or

6 (B) Retraining and basic education, including literacy skills, that are designed to prepare
7 an individual, within a reasonable period not to exceed two years, for gainful employment or
8 self-employment that is likely to become full-time employment paying at least 110 percent
9 of the minimum wage established under ORS 653.025.

10 (b) “Economically distressed worker training” does not include programs of instruction
11 that are primarily intended to lead to a baccalaureate or higher degree, or training that
12 prepares individuals for employment in occupations that require a baccalaureate or higher
13 degree, unless approved by the director.

14 (2) “Eligible economically distressed workers” means individuals who:

15 (a) Are unemployed as described in ORS 657.100;

16 (b) Are eligible for benefits under ORS 657.150, unless otherwise disqualified under ORS
17 chapter 657;

18 (c) Are not disqualified from benefits under any provision of ORS 657.176; and

19 (d) Have been employed in work paying less than 110 percent of the minimum wage es-
20 tablished under ORS 653.025 during their entire base year.

21 **SECTION 9.** (1)(a) Eligible economically distressed workers enrolled or participating in
22 economically distressed worker training may not be denied unemployment insurance benefits
23 solely because they are attending training.

24 (b) Eligible economically distressed workers approved for economically distressed worker
25 training may not be denied unemployment insurance benefits for refusing to accept work if
26 the work offered:

27 (A) Is part-time or temporary or interferes with the eligible economically distressed
28 worker’s training schedule; and

29 (B) Pays less than 110 percent of the minimum wage established under ORS 653.025.

30 (2) Notwithstanding any provision of ORS chapter 657 relating to availability for work or
31 actively seeking work, eligible economically distressed workers who are enrolled or partic-
32 ipating in economically distressed worker training and who are otherwise eligible for unem-
33 ployment insurance benefits are not ineligible for benefits or waiting week credit because of
34 attendance in the training.

35 **SECTION 10.** The Director of the Employment Department, in consultation with the De-
36 partment of Community Colleges and Workforce Development, shall adopt rules necessary
37 for the administration of sections 8 and 9 of this 2009 Act, including procedures for approval,
38 periodic review for continued approval, or disapproval of economically distressed worker
39 training for eligible economically distressed workers. The director shall ensure that all pro-
40 grams for eligible economically distressed workers provide integrated and appropriate train-
41 ing and education.

42 **SECTION 11.** A base year employer’s account may not be charged for benefits for eco-
43 nomically distressed worker training paid under sections 8 and 9 of this 2009 Act. However,
44 nothing in this section may be construed to relieve the state, reimbursing political subdivi-
45 sions, reimbursing nonprofit employers or reimbursing Indian tribes from paying into the

1 Unemployment Compensation Trust Fund an amount equal to the benefits for economically
 2 distressed worker training paid under sections 8 and 9 of this 2009 Act.

3 **SECTION 12.** Sections 8 and 9 of this 2009 Act apply to claims for benefits filed on or
 4 after the effective date of this 2009 Act.

5 **SECTION 13.** Not later than March 1, 2011, the Director of the Employment Department
 6 shall submit to the Legislative Assembly a report on the operation of economically distressed
 7 worker training through January 31, 2011.

8 **SECTION 14.** The total costs of benefits paid pursuant to section 9 of this 2009 Act may
 9 not exceed \$9.2 million.

10 **SECTION 15.** (1) As used in this section:

11 (a) "Emergency benefit period" means a period beginning October 4, 2009, and ending on
 12 January 2, 2010.

13 (b) "Oregon emergency benefits" means unemployment benefits totally financed by the
 14 state and payable under ORS chapter 657 to individuals described in subsection (2) of this
 15 section during an emergency benefit period.

16 (c) "Regular benefits" has the meaning given that term in ORS 657.321.

17 (2) During an emergency benefit period, an individual may receive Oregon emergency
 18 benefits in an amount equal to the weekly benefit amount of the individual's most recent
 19 regular unemployment benefit claim subject to the provisions of ORS chapter 657 if:

20 (a) The individual has exhausted regular benefits under ORS chapter 657;

21 (b) The individual is not eligible for any other unemployment benefits, including benefits
 22 provided under any federal law extending benefits beyond those provided for as regular ben-
 23 efits;

24 (c) The individual's benefit year expired on or after May 1, 2007; and

25 (d) The individual otherwise continues to meet the eligibility requirements for regular
 26 benefits under ORS chapter 657.

27 (3) The maximum Oregon emergency benefits an individual may receive under this sec-
 28 tion is 50 percent of the individual's most recent regular Oregon unemployment benefit
 29 claim.

30 (4) The Employment Department may not charge an employer's account for benefits paid
 31 to an unemployed individual under this section. However, nothing in this section may be
 32 construed to relieve the state, reimbursing political subdivisions, reimbursing nonprofit em-
 33 ployers or reimbursing Indian tribes from paying into the Unemployment Compensation
 34 Trust Fund an amount equal to the Oregon emergency benefits paid to an unemployed indi-
 35 vidual under this section.

36 (5) The provisions of this section apply only for weeks beginning October 4, 2009, and
 37 ending January 2, 2010.

38 **SECTION 16.** Notwithstanding section 15 of this 2009 Act, the Director of the Employ-
 39 ment Department may immediately stop payments of Oregon emergency benefits when the
 40 director determines that the total amount of payments made pursuant to section 15 of this
 41 2009 Act would exceed \$30 million if paid for the succeeding calendar week.

42 **SECTION 17.** Sections 1 to 5 and 7 to 16 of this 2009 Act are repealed on January 2, 2012.

43 **SECTION 18.** This 2009 Act being necessary for the immediate preservation of the public
 44 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
 45 on its passage.

