

A-Engrossed
Senate Bill 581

Ordered by the Senate February 27
Including Senate Amendments dated February 27

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

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.

[Transfers moneys from Waste Tire Recycling Account to General Fund.]

Transfers moneys from various funds and accounts to General Fund for general governmental purposes. Transfers moneys that would otherwise be transferred to counties in fiscal quarter beginning April 1, 2009, to Administrative Services Economic Development Fund. Transfers moneys from various accounts to Department of Human Services Account.

Reduces amount to be paid to cities and counties. Reduces amount allocated to Problem Gambling Treatment Fund.

Establishes School Day Restoration Fund to ensure completion of 2008-2009 school year. Sunsets provisions relating to fund on July 1, 2009. Transfers moneys remaining in School Day Restoration Fund to General Fund on July 1, 2009.

Eliminates Employment Department component of JOBS Plus program. Expands purposes for which moneys transferred to Oregon Watershed Enhancement Board may be used.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to state financial administration; creating new provisions; amending ORS 411.877, 411.878, 411.882, 411.886, 411.888, 411.889, 411.890, 411.892, 657.190 and 805.256; repealing ORS 411.884 and 657.925; appropriating money; and declaring an emergency.

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

ADMINISTRATIVE

SECTION 1. Notwithstanding ORS 293.537, the amount of \$6,000,000 is transferred from the Tobacco Settlement Funds Account to the General Fund for general governmental purposes.

SECTION 2. Notwithstanding ORS 30.282 and 278.425, the amount of \$20,200,000 is transferred from the Insurance Fund to the General Fund for general governmental purposes.

SECTION 3. Notwithstanding ORS 243.880 and section 25 (2), chapter 7, Oregon Laws 2007, the amount of \$4,996,081 is transferred from the Oregon Educators Benefit Account to the General Fund for general governmental purposes.

SECTION 4. The amount of \$74,470 is transferred from the suspense account established pursuant to ORS 310.692 (1985 Edition) for the homeowner and renter refund program to the General Fund for general governmental purposes.

SECTION 5. For the biennium ending June 30, 2009:

(1) Notwithstanding ORS 471.810 (1)(a), the amount credited to the General Fund under ORS 471.810 (1)(a) is increased by \$2,248,840;

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 (2) Notwithstanding ORS 471.810 (1)(b), the amount paid to the cities of this state under
2 ORS 471.810 (1)(b) is reduced by \$1,022,200;

3 (3) Notwithstanding ORS 471.810 (1)(c), the amount paid to the counties of this state un-
4 der ORS 471.810 (1)(c) is reduced by \$511,100; and

5 (4) Notwithstanding ORS 471.810 (1)(d), the amount paid to the cities of this state under
6 ORS 471.810 (1)(d) is reduced by \$715,540.

7
8 **CONSUMER AND BUSINESS SERVICES**

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10 **SECTION 6.** Notwithstanding ORS 652.409, the amount of \$3,000,000 is transferred from
11 the Wage Security Fund to the General Fund for general governmental purposes.

12
13 **ECONOMIC DEVELOPMENT**

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15 **SECTION 7.** Notwithstanding ORS 461.547, from moneys that would otherwise be trans-
16 ferred to counties in the fiscal quarter beginning April 1, 2009, under ORS 461.547, the
17 amount of \$2,000,000 is transferred to the Administrative Services Economic Development
18 Fund.

19 **SECTION 8.** Notwithstanding ORS 285B.215, the amount of \$3,300,000 is transferred from
20 the Credit Enhancement Fund to the General Fund for general governmental purposes.

21 **SECTION 9.** Notwithstanding ORS 359.400 to 359.444, the amount of \$1,800,000 is trans-
22 ferred from the Trust for Cultural Development Account to the General Fund for general
23 governmental purposes.

24 **SECTION 10.** Notwithstanding ORS 759.445, the balance in the Connecting Oregon Com-
25 munities Fund is transferred to the General Fund for general governmental purposes.

26 **SECTION 11.** Notwithstanding ORS 285A.227, the amount of \$93,296 is transferred from
27 the Oregon Community Development Fund to the General Fund for general governmental
28 purposes.

29 **SECTION 12.** Notwithstanding ORS 285B.266, the amount of \$75,000 is transferred from
30 the Strategic Reserve Fund to the General Fund for general governmental purposes.

31 **SECTION 13.** Notwithstanding ORS 657.822, the amount of \$4,700,000 is transferred from
32 the Employment Department Special Administrative Fund to the General Fund for general
33 governmental purposes.

34 **SECTION 14.** Notwithstanding ORS 657.925, the balance in the Oregon JOBS Plus Unem-
35 ployment Wage Fund is transferred to the General Fund for general governmental purposes.

36
37 **EDUCATION**

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39 **SECTION 15.** Notwithstanding ORS 326.373, the amount of \$500,000 is transferred from
40 the Department of Community Colleges and Workforce Development Account to the General
41 Fund for general governmental purposes.

42 **SECTION 16.** Notwithstanding ORS 327.294, out of interest earnings contained in the
43 School Improvement Fund, the amount of \$2,976,114 is transferred from the School Im-
44 provement Fund to the General Fund for general governmental purposes.

45 **SECTION 17.** Notwithstanding ORS 326.320, 327.026 and 327.485, the amount of \$1,000,000

1 is transferred from the Education Cash Account to the General Fund for general govern-
2 mental purposes.

3 **SECTION 18.** Notwithstanding ORS 343.247, the amount of \$2,000,000 is transferred from
4 the Special Education Account to the General Fund for general governmental purposes.

5 **SECTION 19.** The Legislative Assembly finds that:

6 (1) The state is experiencing an unprecedented economic downturn;

7 (2) The state has an interest in ensuring that Oregon's children are able to complete the
8 2008-2009 school year with minimal or no reductions in school days; and

9 (3) To achieve that purpose, it is necessary to establish a School Day Restoration Fund
10 so that the state may support activities directly related to maintaining classroom activities
11 while allowing school districts and education service districts to determine the specific ac-
12 tivities necessary to reduce costs and access local reserves to support Oregon's children.

13 **SECTION 20.** (1) The School Day Restoration Fund is established in the General Fund.

14 (2) The Department of Education shall distribute moneys in the School Day Restoration
15 Fund as follows:

16 (a) 95.25 percent as grants to school districts, the Youth Corrections Education Program
17 and the Juvenile Detention Education Program; and

18 (b) 4.75 percent as grants to education service districts.

19 **SECTION 21.** (1) In addition to those moneys distributed through the State School Fund,
20 the Department of Education shall award grants from the School Day Restoration Fund es-
21 tablished by section 20 of this 2009 Act to school districts, education service districts, the
22 Youth Corrections Education Program and the Juvenile Detention Education Program for
23 the purposes of minimizing or eliminating any reductions in the number of school days and
24 ensuring the continuation of special education programs for the remainder of the 2008-2009
25 school year.

26 (2)(a) Each school district, each education service district, the Youth Corrections Edu-
27 cation Program and the Juvenile Detention Education Program may apply to the Department
28 of Education for a grant under this section.

29 (b) The Department of Education shall work with the Legislative Fiscal Office to set
30 grant application requirements. The requirements shall include, but are not limited to, a
31 requirement that the school district or education service district superintendent, and presi-
32 dent or chair of the district governing board, certify that the district has made a good faith
33 effort to:

34 (A) Eliminate or minimize reductions in the number of school days;

35 (B) Continue special education programs;

36 (C) Review and possibly reduce administrative salaries;

37 (D) Collaborate with teachers and other employees concerning ways to maintain school
38 days; and

39 (E) Utilize cash reserves to the greatest extent possible.

40 (3)(a) Notwithstanding ORS 338.155 (9), the Department of Education may not award a
41 grant under this section directly to a public charter school.

42 (b) A school district that receives a grant under this section may transfer a portion of
43 the grant to a public charter school based on the charter of the school or any other agree-
44 ment between the school district and the public charter school.

45 (c) A public charter school that receives grant funds under this subsection shall use

1 those funds for the purposes specified in subsection (1) of this section.

2 (4)(a) The amount of each grant for a program or school district = the program's or
3 school district's ADMw \times (the total amount available for distribution to programs and
4 school districts as grants \div the total statewide ADMw of all programs and school districts).

5 (b) The amount of each grant for an education service district = the education service
6 district's ADMw \times (the total amount available for distribution to education service districts
7 as grants \div the total statewide ADMw of all education service districts).

8 (c) As used in this subsection, "ADMw" means ADMw based upon the collection of
9 2008-2009 second quarter average daily membership as reported to the Department of Edu-
10 cation by school districts and the most recent collections of all other components of ADMw
11 for the 2008-2009 school year.

12 (5) The State Board of Education may adopt any rules necessary to implement and ad-
13 minister section 20 of this 2009 Act and this section.

14 SECTION 22. (1) Sections 19 to 21 of this 2009 Act are repealed July 1, 2009.

15 (2) Any moneys remaining in the School Day Restoration Fund on July 1, 2009, shall be
16 transferred to the General Fund for general governmental purposes.

17
18 **HUMAN SERVICES**

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20 SECTION 23. Notwithstanding ORS 461.549, the amount allocated from the Administra-
21 tive Services Economic Development Fund to the Problem Gambling Treatment Fund under
22 ORS 461.549, in the fiscal quarter beginning April 1, 2009, is reduced by \$1,200,000.

23 SECTION 24. Notwithstanding ORS 426.506 (3), the amount of \$447,430 is transferred from
24 the Community Housing Trust Account within the Community Mental Health Housing Fund
25 to the General Fund for general governmental purposes.

26 SECTION 25. Notwithstanding any other provision of law, the amount of \$1,159,143 is
27 transferred to the General Fund for general governmental purposes from moneys in any fund
28 or account of the Department of Human Services that receives moneys for public health
29 services.

30 SECTION 26. Notwithstanding ORS 414.815, the amount of \$1,000,000 is transferred from
31 the Law Enforcement Medical Liability Account to the Department of Human Services Ac-
32 count established in ORS 409.060.

33 SECTION 27. Notwithstanding ORS 411.894 (4), of moneys in the Oregon JOBS Individual
34 Education Account that are available for appropriation and transfer under ORS 411.894 (4),
35 the amount of \$1,800,000 is transferred from the Oregon JOBS Individual Education Account
36 to the Department of Human Services Account established in ORS 409.060.

37
38 **NATURAL RESOURCES**

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40 SECTION 28. Notwithstanding ORS 459.236 and 465.381, the amount of \$4,100,000 is
41 transferred from the Orphan Site Account established in the Hazardous Substance Remedial
42 Action Fund to the General Fund for general governmental purposes.

43 SECTION 29. Notwithstanding ORS 468.065, the amount of \$400,000 collected to implement
44 the Oregon low emissions vehicle program is transferred from the account described in ORS
45 468.065 (6) to the General Fund for general governmental purposes.

1 job training;

2 (b) Invigorating the public-private workforce partnership through development of jobs with both
3 private for-profit and public employers;

4 (c) Ensuring that program participants through their employment development plans have op-
5 portunities to improve work skills, education and employability and to establish recent work histo-
6 ries with work site training, mentoring, individual education accounts and provision of necessary
7 support service benefits that include child care, workers' compensation, job placement and a guar-
8 antee that participation in the JOBS Plus Program does not result in a reduction in net income to
9 a participant when compared with the participant's combined income from the temporary assistance
10 for needy families program[,] **and** the food stamp **plan** [*program and the unemployment insurance*
11 *program*]; and

12 (d) Expeditiously placing program participants in subsidized and unsubsidized employment.

13 (2) The JOBS Plus Program is created as a program in which residents of the State of Oregon
14 shall, in lieu of receiving food stamp benefits and payments from the temporary assistance for needy
15 families program, be provided jobs and paid in a way that promotes self-sufficiency and encourages
16 unemployed Oregonians to improve their positions in the workforce. [*Recipients of unemployment*
17 *insurance also shall be offered employment under the program.*] The JOBS Plus Program shall be a
18 public assistance to work strategy for the State of Oregon and operate under the job opportunities
19 and basic skills program and rules adopted thereunder to the extent such rules are not inconsistent
20 with ORS [316.680,] 411.877 to 411.896 [*and 657.925*]. These rules include but are not limited to rules
21 regarding participation requirements[, *exemptions*] and support services.

22 **SECTION 49.** ORS 411.882 is amended to read:

23 411.882. In administering the JOBS Plus Program and to the extent permitted by federal law, the
24 Department of Human Services shall maximize the use of federal grants and apportionments of the
25 temporary assistance for needy families program, the food stamp [*program*] **plan** and employment
26 related child care.

27 **SECTION 50.** ORS 411.886 is amended to read:

28 411.886. (1) The JOBS Plus Advisory Board is established. The board shall advise the Depart-
29 ment of Human Services [*and the Employment Department*] in the direction and administration of the
30 JOBS Plus Program established [*under ORS 316.680, 411.877 to 411.896 and 657.925*] **in 411.878**. The
31 board shall have seven members, consisting of six representatives of the business community and
32 one employed former recipient of temporary assistance for needy families[,] **or** the food stamp **plan**
33 [*program or the unemployment insurance program*].

34 (2) The Governor shall appoint new members from nominees recommended by the board.

35 (3) Members appointed to the board shall serve terms of three years.

36 **SECTION 51.** ORS 411.888 is amended to read:

37 411.888. (1) Nominations for persons to fill scheduled vacancies must be made to the Governor
38 not less than 30 days prior to the effective date of the vacancy. Nominations for persons to fill an
39 unscheduled vacancy shall be made to the Governor not more than 30 days after the position be-
40 comes vacant.

41 (2) The JOBS Plus Advisory Board shall select one of its members to serve as a chairperson for
42 such terms and with duties and powers necessary for the performance of the functions of such office
43 as the board determines. A majority of the members of the board constitutes a quorum for the
44 transaction of business.

45 (3) The board shall meet at least once each quarter with the Director of Human Services [*and*

1 *the Director of the Employment Department*].

2 (4) The board shall report at least annually to the Governor and the Legislative Assembly on
3 the status and progress of the JOBS Plus Program. The chairperson of the board shall have the
4 additional duty to work with and coordinate the local councils created in ORS 411.890.

5 **SECTION 52.** ORS 411.889 is amended to read:

6 411.889. The [*Employment Department and the*] Department of Human Services shall explore
7 contracting for job procurement and placement services with private job placement institutions. If
8 contracting is deemed beneficial, [*the Employment Department and*] the Department of Human Ser-
9 vices [*are*] **is** encouraged to and shall have the authority to contract with private placement firms.

10 **SECTION 53.** ORS 411.890 is amended to read:

11 411.890. A JOBS Plus Implementation Council shall be established in service areas to be deter-
12 mined by the Director of Human Services to assist the JOBS Plus Advisory Board[,] **and** the De-
13 partment of Human Services [*and the Employment Department*] in the administration of the JOBS
14 Plus Program and to allow local flexibility in dealing with the particular needs of each county.
15 Each council shall be primarily responsible for recruiting and encouraging participation of employ-
16 ment providers in the county. Each council shall be composed of seven members who shall be ap-
17 pointed by the county commissioners in each county in the district. Council members shall be
18 residents of the district in which they are appointed and shall serve four-year terms. Six members
19 of the council shall be from the local business community. At least one member shall be a current
20 or former recipient of the temporary assistance for needy families program[,] **or** the food stamp **plan**
21 [*program or the unemployment insurance program*].

22 **SECTION 54.** ORS 411.892 is amended to read:

23 411.892. (1)(a) All employers, including public and private sector employers within the State of
24 Oregon, are eligible to participate in the JOBS Plus Program. The Department of Human Services
25 [*or Employment Department, as appropriate,*] shall adopt by rule a method to disqualify employers
26 from participating in the program. No employer is required to participate in the JOBS Plus Program.
27 In the event that there are unassigned participants whom no employer desires to utilize, the par-
28 ticipants may be assigned to work for a public agency.

29 (b) The maximum number of program participants that any employer is authorized to receive at
30 any one time may not exceed 10 percent of the total number of the employer's employees. However,
31 each employer may receive one participant. The Director of Human Services [*or Director of the*
32 *Employment Department, as appropriate,*] may waive the limit in special circumstances.

33 (c) The Department of Human Services [*or Employment Department, as appropriate,*] by rule shall
34 establish criteria for excluding employers from participation for failure to abide by program re-
35 quirements, showing a pattern of terminating participants prior to the completion of training or
36 other demonstrated unwillingness to comply with the stated intent of the program.

37 (2) The Department of Human Services [*or Employment Department, as appropriate,*] shall ensure
38 that jobs made available to program participants:

39 (a) Do not require work in excess of 40 hours per week;

40 [*(b) Are in conformity with section 3304(a)(5) of the Federal Unemployment Tax Act;*]

41 [*(c)*] **(b)** Are not used to displace regular employees or to fill unfilled positions previously es-
42 tablished; and

43 [*(d)*] **(c)** Do not pay a wage that is substantially less than the wage paid for similar jobs in the
44 local economy with appropriate adjustments for experience and training.

45 (3)(a) Eligibility for the program shall be limited to residents who are:

1 (A) Adults and caretaker relatives who are receiving temporary assistance for needy families
2 benefits;

3 (B) Adult food stamp [program] recipients except as described in subsection (5)(b) of this section;
4 **and**

5 [(C) Unemployment compensation recipients; and]

6 [(D)] (C) Unemployed noncaretaker parents of children who are receiving temporary assistance
7 for needy families benefits.

8 (b) In addition to those residents eligible for the program under paragraph (a) of this subsection,
9 additional residents who are seeking employment may be eligible for the program if there are
10 legislatively allocated funds available [from the savings attributable to the program in the Unemploy-
11 ment Compensation Trust Fund or] in the temporary assistance for needy families budget of the De-
12 partment of Human Services.

13 (4)(a) Individuals desiring work through the program shall contact the nearest Department of
14 Human Services office serving the county in which they reside if they are temporary assistance for
15 needy families program or food stamp [program] **plan** applicants or recipients or noncustodial par-
16 ents of individuals receiving temporary assistance for needy families. [Unemployment insurance ap-
17 plicants or recipients or others seeking employment may gain access to the program through their local
18 Employment Department office.]

19 (b) With the assistance of the local JOBS Plus Implementation Councils and the JOBS Plus
20 Advisory Board, the Department of Human Services shall develop a job inventory of sufficient size
21 to accommodate all of the participants who desire to work in the program. In consultation with the
22 participant, the department shall try to match the profile of each participant with the needs of an
23 employer when assigning a participant to work with the employer.

24 (c) Either the employer or the participant may terminate the assignment by contacting the ap-
25 propriate Department of Human Services [or Employment Department] office. In such event, the De-
26 partment of Human Services [or Employment Department] shall reassess the needs of the participant
27 and assign the participant to another JOBS Plus Program placement or another job opportunity and
28 basic skills program component and, at the employer's request, provide the employer with another
29 participant.

30 (d)(A) [Subject to ORS 657.925 (6)(d),] If after four months in a placement, a participant has not
31 been hired for an unsubsidized position, the employer shall allow the worker to undertake eight
32 hours of job search per week. Participating employers shall consider such time as hours worked for
33 the purposes of paying wages.

34 (B) [Subject to ORS 657.925 (6)(d),] If after six months in a placement, a participant has not been
35 hired for an unsubsidized position, the placement shall be terminated, and the caseworker shall re-
36 assess the participant's employment development plan.

37 (e) The Department of Human Services may pay placement and barrier removal payments to
38 temporary assistance for needy families **program** and food stamp [program] **plan** participants as
39 necessary to enable participation in the JOBS Plus Program.

40 (f) The Department of Human Services shall accept eligible volunteers into the program prior
41 to mandating program participation by eligible persons.

42 (5)(a) Assignment of participants to available jobs shall be based on a preference schedule de-
43 veloped by the Department of Human Services [and the Employment Department]. Any temporary
44 assistance for needy families recipient or food stamp recipient may volunteer for the program.

45 (b) The following individuals may not be required to participate in the program:

1 (A) **Recipients under the** temporary assistance for needy families **program** and **the** food stamp
2 **plan** [*recipients*] who are eligible for Supplemental Security Income benefits or other ongoing state
3 or federal maintenance benefits based on age or disability.

4 (B) Food stamp applicants or recipients who are employed full-time or are college students eli-
5 gible for food stamps and enrolled full-time in a community college or an institution of higher edu-
6 cation, or enrolled half-time in a community college or an institution of higher education and
7 working at least 20 hours per week.

8 (C) Teenage parents who remain in high school if progressing toward a diploma. Teenage par-
9 ents not in school are eligible for the JOBS Plus Program.

10 (c) The Department of Human Services shall provide life skills classes and opportunities to
11 achieve General Educational Development (GED) certificates to appropriate participants in con-
12 junction with working in the JOBS Plus Program.

13 (d) **Subject to subsection (7) of this section**, temporary assistance for needy families and food
14 stamp benefits shall be suspended at the end of the calendar month in which an employer makes the
15 first wage payment to a participant who is a custodial parent in a family that receives temporary
16 assistance for needy families or to any adult member of a household receiving food stamp benefits.
17 Failure of the participant to cooperate with the requirements of the JOBS Plus Program may result
18 in the participant's removal, in accordance with rules adopted by the Department of Human Ser-
19 vices, from the JOBS Plus Program and suspension of the participant's temporary assistance for
20 needy families grant and food stamp benefits. A temporary assistance for needy families and food
21 stamp benefits recipient who has been removed from the program for failing to cooperate shall be
22 eligible to reapply to participate in the program and shall have eligibility for program services de-
23 termined without regard to the length of time the person was not participating following removal.

24 (6)(a) Employers shall pay all participating individuals at least the hourly rate of the Oregon
25 minimum wage.

26 (b) Sick leave, holiday and vacation absences shall conform to the individual employer's rules
27 for temporary employees.

28 (c) Group health insurance benefits shall be provided by the employer to program participants
29 if, and to the extent that, state or federal law requires the employer to provide such benefits.

30 (d) All persons participating in the JOBS Plus Program shall be considered to be temporary
31 employees of the individual employer providing the work and shall be entitled only to benefits re-
32 quired by state or federal law.

33 (e) Employers shall provide workers' compensation coverage for each JOBS Plus Program par-
34 ticipant.

35 (7) In the event that the net monthly full-time wage paid to a participant would be less than the
36 level of income from the temporary assistance for needy families program and the food stamp benefit
37 amount equivalent that the participant would otherwise receive, the Department of Human Services
38 shall determine and pay a supplemental payment as necessary to provide the participant with that
39 level of net income. The department shall determine and pay in advance supplemental payments to
40 participants on a monthly basis as necessary to ensure equivalent net program wages. Participants
41 shall be compensated only for time worked.

42 (8) In addition to and not in lieu of the payments provided for under subsections (6) and (7) of
43 this section, participants shall be entitled to retain the full child support payments collected by the
44 Department of Justice.

45 (9) Program participants who are eligible for federally and state funded medical assistance at

1 the time they enter the program shall remain eligible as long as they continue to participate in the
2 program. In conformity with existing state day care program regulations, child day care shall be
3 provided for all program participants who require it.

4 (10) JOBS Plus Program employers shall:

5 (a) Endeavor to make JOBS Plus Program placements positive learning and training experiences;

6 (b) Maintain health, safety and working conditions at or above levels generally acceptable in the
7 industry and no less than that of comparable jobs of the employer;

8 (c) Provide on-the-job training to the degree necessary for the participants to perform their du-
9 ties;

10 (d) Recruit volunteer mentors from among their regular employees to assist the participants in
11 becoming oriented to work and the workplace; and

12 (e) Sign an agreement to abide by all requirements of the program, including the requirement
13 that the program not supplant existing jobs. All agreements shall include provisions noting the em-
14 ployer's responsibility to repay reimbursements in the event the employer violates program rules.
15 When a professional placement service, professional employment organization or temporary employ-
16 ment agency is acting as an employer pursuant to subsection [(14)] (13) of this section, agreements
17 under this paragraph shall require a three-party agreement between the professional placement
18 service, professional employment organization or temporary employment agency, the organization
19 where the participant has been placed to perform services and the State of Oregon. The three-party
20 agreement shall include provisions requiring that all JOBS Plus reimbursements received by the
21 professional placement service, professional employment organization or temporary employment
22 agency be credited to the organization where the participant has been placed to perform services.

23 (11) Program participant wages shall be subject to federal and state income taxes, Social Secu-
24 rity taxes and unemployment insurance tax or reimbursement as applicable under ORS chapter 657,
25 which shall be withheld and paid in accordance with state and federal law. Supplemental payments
26 made pursuant to subsection (7) of this section shall not be subject to state income taxes under ORS
27 chapter 316 and, to the extent allowed by federal law, shall not be subject to federal income taxes
28 and Social Security taxes.

29 (12)(a)[(A)] The Department of Human Services shall reimburse employers for the employers'
30 share of Social Security, unemployment insurance and workers' compensation premiums paid on be-
31 half of program participants[, *other than those who are unemployment insurance claimants,*] referred
32 to the employer by the Department of Human Services, as well as the minimum wage earnings paid
33 by the employer to program participants referred to the employer by the Department of Human
34 Services.

35 [(B) *The Employment Department shall reimburse employers \$5 per hour paid by the employer as*
36 *earnings to JOBS Plus Program participants, who are unemployment insurance claimants and are re-*
37 *ferred to the employer by the Employment Department.*]

38 (b) If the Department of Human Services [or *Employment Department*] finds that an employer has
39 violated any of the rules of the JOBS Plus Program, the [appropriate] department:

40 (A) Shall withhold any amounts due to employers under paragraph (a) of this subsection.

41 (B) May seek repayment of any amounts paid to employers under paragraph (a) of this sub-
42 section.

43 [(13) *Subject to ORS 657.925 (6)(d), for unemployment insurance claimants participating in the*
44 *JOBS Plus Program:*]

45 [(a) *If after nine weeks in a placement, a participant has not been hired for an unsubsidized posi-*

1 *tion, the employer shall allow the worker to undertake up to five hours of job search per week. Par-*
2 *ticipating employers shall consider this time as hours worked for the purposes of paying wages.]*

3 *[(b) If after 13 weeks in a placement, a participant has not been hired for an unsubsidized position,*
4 *the employer shall terminate the placement and the Employment Department shall assess the partic-*
5 *ipant's employment development plan.]*

6 *[(14)] (13) For purposes of this section, "employer" shall include professional placement services,*
7 *professional employment organizations and temporary employment agencies.*

8 **SECTION 55.** ORS 657.190 is amended to read:

9 657.190. *[(1)]* In determining whether any work is suitable for an individual, the Director of the
10 Employment Department shall consider, among other factors, the degree of risk involved to the
11 health, safety and morals of the individual, the physical fitness and prior training, experience and
12 prior earnings of the individual, the length of unemployment and prospects for securing local work
13 in the customary occupation of the individual and the distance of the available work from the resi-
14 dence of the individual.

15 *[(2) Notwithstanding subsection (1) of this section, the director may refer claimants to JOBS Plus*
16 *Program jobs for which the claimant does not have adequate skills or experience when the JOBS Plus*
17 *Program job is likely to result in an upgrade in the claimant's skills and experience.]*

18 **SECTION 56.** ORS 411.884 and 657.925 are repealed.

19
20 **MISCELLANEOUS**

21
22 **SECTION 57.** The transfers and allocations described in this 2009 Act shall be made on
23 or before June 30, 2009.

24 **SECTION 58.** The unit captions used in this 2009 Act are provided only for the conven-
25 ience of the reader and do not become part of the statutory law of this state or express any
26 legislative intent in the enactment of this 2009 Act.

27 **SECTION 59.** This 2009 Act being necessary for the immediate preservation of the public
28 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
29 on its passage.