

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass
Vote: 5 - 0 - 0
Yeas: George, Monroe, Prozanski, Telfer, Rosenbaum
Nays: -
Exc.: -
Prepared By: Jim Stenbridge, Administrator
Meeting Dates: 2/15

WHAT THE MEASURE DOES: Authorizes emergency extension of unemployment insurance benefits beginning the week that is at least 14 days after the measure’s effective date and ending when the total of emergency benefits paid reaches \$19 million. Sets maximum amount of emergency benefits a qualified individual may receive to 23 percent of the individual’s most recent regular unemployment benefit claim. Authorizes Employment Department rulemaking to determine individual eligibility for extended benefits. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Similarity to provisions of SB 990, which passed out of the committee February 3

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon’s seasonally-adjusted unemployment rate for December, 2009 was 11.0 percent (nationally, it was 10.0 percent), up from 8.3 percent a year ago (nationally, 7.4 percent).

Unemployment insurance is a monetary benefit available to workers who are out of work through no fault of their own. The money for benefits comes from employers, a tax on wages. The tax schedule in effect for a given calendar year is directly dependent on the solvency of the Unemployment Insurance (UI) Trust Fund, which is designed to maintain a 1.5 reserve multiple, enough reserves to pay benefits for 18 months. When the reserve falls below 1.5, employer taxes go up in order to re-build the reserve.

Weekly benefit amounts are based on the unemployed individual’s work record for a 12-month period known as the base year. Currently, the minimum weekly benefit amount available is \$115 a week. The maximum potential weekly benefit is \$493 a week. In periods of high unemployment, unemployment claims may be extended beyond the normal on-year benefit period. Federal extensions can add 13 to 20 or more weeks, depending upon Congressional action. State-authorized Extended Benefits (EB) may pay for an additional 13 or 20 weeks.

HB 3483 (2009) allocated \$30 million from the Unemployment Insurance Trust Fund for qualified individuals to receive Oregon emergency benefits once they have exhausted regular benefits, for the period between October 4, 2009 and January 2, 2010. Because a federally-authorized program funded by the American Recovery and Investment Act of 2009 also extended benefits, there is a remaining state balance of \$19 million.

HB 3655 re-authorizes an addition extension of unemployment insurance benefits for the \$19 million. The measure also authorizes the Employment Department to blend federal and state extended benefits by administrative rule and provides a “reachback” to federally-funded unemployment benefit eligibility of an additional \$9 million.

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This summary has not been adopted or officially endorsed by action of the committee.