

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 638**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
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Date:**Measure Description:**

Provides for payment of Oregon emergency benefits to qualifying individuals during emergency benefit period.

Government Unit(s) Affected:

Employment Department (OED)

Summary of Expenditure Impact

	2009-11 Biennium	2011-13 Biennium
Other Funds	\$5,088	
Federal Funds	\$210,029	
NL Other Funds	\$26,000,000	
Total Funds	\$26,215,117	\$0

Summary of Revenue Impact

	2011-13 Biennium	2013-15 Biennium	2013-15 Biennium
Other Funds	\$5,088		
Federal Funds	\$210,029		
NL Other Funds	\$1,709,500	-\$1,982,105	-\$1,044,456
Total Funds	\$1,924,617	-\$1,982,105	-\$1,044,456

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:

SB 638 provides for the payment of Oregon emergency benefits to qualifying individuals during the emergency benefit period of April 15, 2011 to July 2, 2011. The emergency benefits provided by the Employment Department may not exceed \$30 million.

The bill has an emergency clause. This fiscal impact assumes that the bill is effective prior to the emergency benefit period. Because the emergency period occurs within the 2009-11 biennium, expenditures and revenues are assumed for this biennium.

OED estimates that there would be 17,500 initial claim applications, 92,000 weekly benefits, 650 claims that are adjudicated and 20 appeals referred. The fiscal impact assumes an average weekly benefit of \$280. The average duration of an emergency benefit claim would be 5.95 weeks, for an average benefit of \$1,674. The emergency benefits will be paid from the Unemployment Insurance (UI) trust fund. The total cost for the emergency benefit payments in the 2009-11 biennium will be approximately \$26 million Nonlimited Other Funds.

OED estimates an increase in UI hearings. This will increase the cost for the Office of Administrative Hearings by \$5,088 Other Funds.

The bill will create a temporary workload increase for approximately 2.5 months. The Department will use temporary help and overtime for this workload increase at a cost of \$210,029, which will be reimbursed from Federal Funds for administrative costs.

Certain employers do not pay the UI tax, but instead reimburse the UI Trust Fund when an employee makes a UI claim. OED assumes that the UI Trust Fund will receive a net reimbursement of \$1,709,500 Nonlimited Other Funds from these employers in 2009-11.

The UI Trust Fund earns interest on its fund balances. OED estimates that the increased expenditures from the Fund from this bill will result in a loss of \$1,982,105 Nonlimited Other Funds in interest earnings in the 2011-13 biennium and 1,044,456 Nonlimited Other Funds in the 2013-15 biennium.