

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass and Be Referred to the Committee on Ways and Means
<b>Vote:</b>	6 - 0 - 0
<b>Yeas:</b>	Atkinson, Burdick, Edwards, Girod, Starr, Beyer
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Richard Berger, Administrator
<b>Meeting Dates:</b>	3/3

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**WHAT THE MEASURE DOES:** Provides for state “on” indicator for any week when rate of insured unemployment is at least 6.5 percent and the average rate of total unemployment in Oregon for most recent three-month period is at least 110 percent of average for any corresponding three-month period ending in three preceding years. Applies to weeks of unemployment ending on or before December 31, 2011, or date established in federal law. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- High rates of unemployment in Oregon
- Maintaining Oregon’s eligibility for federal funding of Extended Benefits for unemployed workers
- Need to transition unemployed into high growth job categories

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The “on” indicator allows Oregon to pay Extended Benefits (EB). Extended Benefits are additional federally funded weeks of unemployment benefits paid during periods of high unemployment as provided by Congress. Currently, the EB formula compares the current unemployment rate to the prior two years. The formula requires the current insured unemployment rate to exceed five percent and exceed 120 percent of the average rates for the corresponding period in the last two years. In December 2010, Congress authorized states to modify their formulas to avoid dropping out of EB and agreed to continue paying 100 percent of the cost of EB through the 2011 calendar year. Senate Bill 637 changes the formula for EB to require the current insured unemployment rate to exceed 6.5 percent and exceed 110 percent of the average rates for the corresponding period in the last three years.