

FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

**Measure: SB 191
CORRECTED**

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 2/23/2013

Measure Description:

Authorizes Director of the Employment Department to impose penalty of up to 30 percent on overpayment of unemployment insurance benefits due to false statement, misrepresentation or nondisclosure of material fact.

Government Unit(s) Affected:

Employment Department

Summary of Expenditure Impact:

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	2013-15 Biennium	2015-17 Biennium
Federal Funds	869,000	208,633
Total Funds	\$869,000	\$208,633
Positions	7	1
FTE	4.28	1.00
Summary of Revenue Impact		
	2013-15 Biennium	2015-17 Biennium
Other Funds	-416,500	-476,000
Other Funds-NL	1,097,368	1,318,352

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 191 would redirect an average of \$438,000 per year in existing Other Fund (OF) penalty assessments from the Employment Department Special Fraud Control Fund to the Unemployment Insurance Trust Fund, ensuring conformity with federal legislation. The bill allows the Oregon Employment Department (OED) to increase the recovery period from fifty-two weeks to five years, resulting in an estimated additional \$170,000 OF revenue annually that will also be directed to the Unemployment Insurance Trust Fund. Any monetary penalty above 15% would be directed to the Employment Department Special Fraud Control Fund, resulting in an estimated \$200,000 OF annually.

Oregon Employment Department (OED) anticipates the need for six limited duration positions, 3.28 FTE, to complete information systems tasks related to the implementation of SB 191. The Ways and Means Committee will be reviewing information systems staffing expenditures in the context of the OED's total

budget. OED also foresees the need for one permanent full-time ISS7 position, 1FTE, for additional reporting requirements and analysis required by federal mandates. The costs for these seven total positions are estimated at \$869,000 in the 2013-15 biennium and \$208,633 in 2015-17 biennium.

Additional interest on OF is calculated at 3% annual rate resulting in an additional \$33,368 for the 2013-15 biennium and \$102,352 for 2015-17. The Employment Department may be federally reimbursed for a portion of the administrative costs associated with enacting this bill. Calculations are based on an assumed effective date of October 1, 2013.

Fiscal has been revised to reflect Other Funds expenditure now as Federal Funds expenditure.