

FISCAL IMPACT OF PROPOSED LEGISLATIONSeventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office**Measure: SB 192****CORRECTED***Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Krista McDowell
Reviewed by: Michelle Deister
Date: 2/23/2013**Measure Description:**

Requires charge of benefits to employer's account if employer fails to respond timely or adequately to request for information regarding claim, failure causes overpayment of benefits and employer has pattern of failing to respond timely or adequately to requests.

Government Unit(s) Affected:

Employment Department

Summary of Expenditure Impact:

	2013-15 Biennium	2015-17 Biennium
Other Funds-NL	-14,035,745	-1,800,000
Federal Funds-NL	14,035,745	1,800,000
Federal Funds	542,138	178,500
Total Funds	\$542,138	\$178,500
Positions	3	3
FTE	2.50	0.83

Summary of Revenue Impact

	2013-15 Biennium	2015-17 Biennium
Other Funds - NL	587,253	1,018,908
Federal Funds-NL	14,035,745	1,800,000
Total Funds	\$14,622,998	\$2,818,908

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:

While this bill will implement many changes to programs within the Oregon Employment Department (OED), most are estimated to be minimal and absorbable to the department. SB 192 results in changes to the Work Share program to reflect new Federal guidelines for the program; these changes are estimated to significantly impact the funding source as well as the size of the program. SB 192 directs that employers participating in the Work Share program not be billed while full federal funding for the program is available. There are currently 238 employers participating in the Work Share program and OED anticipates that these changes will result in at least a doubling of program participation while federal funding is received.

OED anticipates an additional workload to be generated from over two-hundred additional participants and sees the need for three, 2.50 FTE, limited duration Compliance Specialists positions. Additionally, OED forecasts the need for 150 hours of temporary IT programming and testing required for tax specific requirements related to these new federal funds. The Ways and Means Committee will be reviewing

information systems staffing expenditures in the context of the OED's total budget. The total administration costs for these temporary and limited duration positions are estimated to be \$542,138 for 2013-15 biennium and \$178,502 for 2015-17.

The transition from partial employer based funding to full federal funding will mean a decrease in special payments in the Unemployment Insurance Trust Fund by an estimated \$14,035,745 for 2013-15 biennium and \$1,800,000 for 2015-17. Inversely, Federal Funds-Non Limited special payments will increase by the same amount. Interest on the increase in the UI Trust Fund balance is estimated to increase by \$587,253 for 2013-15 biennium and \$1,018,908 for 2015-17.

Calculations of Work Share related expenses are based on an assumed effective date of July 1, 2013. Certain passages of SB 192 will align the state statues with federal legislation; financial sanctions may ensue in the event of nonconformity with federal legislation.

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