

U.S. versus Oregon Trust Fund Solvency

Based on the U.S. Department of Labor's 2015 Trust Fund Solvency report and state data:

- Since the 2007-09 recession, 36 states depleted their UI funds completely and needed Federal advances to pay regular benefits;
- These 36 states have collectively borrowed over \$134.5 billion since December 2007.
- Federal legislation waived interest on these loans for two years. Interest charges began to accrue again in 2011.
- As of January 2015, 18 states still owe a combined \$13 billion in Federal advances plus another estimated \$9 billion in private loans.
- Borrowing states accrued \$439 million in interest charges for FY2014 alone.
- Only 25 states (of 53 funds) are eligible for interest-free federal loans (if needed) in 2015.
- Only 17 states have met or exceeded a minimal level of adequate solvency (as defined by DOL.)

- Oregon's trust fund was ranked in the top tier among states for solvency, based on DOL's 2015 report.
- Oregon is eligible for an interest-free federal advance, if needed.
- Oregon *earned* \$49 million in interest paid into the trust fund in 2014, reducing the amount employers need to pay.
- Oregon's trust fund is defined as adequate when it is sufficient to cover 18 months of benefits during a high cost period (recent recession). ORS chapter 657 governs annual tax schedule adjustments to achieve and maintain this level of solvency.