

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**House Committee On Consumer Protection and Government Effectiveness**

**MEASURE: HB 2438**

**Fiscal:** Fiscal impact issued

**Revenue:** No Revenue Impact

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**Action Date:** 02/24/15

**Action:** Do Pass. Refer To Ways And Means.

**Meeting Dates:** 02/19, 02/24

**Vote:**  
Yeas: 7 - Buehler, Fagan, Gallegos, Holvey, Nearman, Rayfield, Stark

**Prepared By:** Wendy Simons, Committee Administrator

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**WHAT THE MEASURE DOES:**

Transfers Office of Administrative Hearings from Employment Department to Department of Administrative Services.  
Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Perception of bias in unemployment insurance contested cases
- Costs of transfer
- Whether Department of Administrative Services is good fit for Office of Administrative Hearings

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The 1999 Legislature consolidated separate hearing officer functions from a number of state agencies into the Office of Administrative Hearings (OAH). The consolidated OAH was located at the Oregon Employment Department (OED) since that department accounted for the majority of the OAH's work at that time. OED currently accounts for about half of the OAH's work, with the remaining half made up of contested case hearings from more than 50 state agencies, boards and commissions. Due to its location within OED, members of the public have expressed concerns about a perception of bias in contested case hearings that the OAH holds for OED.

House Bill 2438 transfers the OAH from OED to the Department of Administrative Services (DAS). While the OAH also conducts contested case hearings for DAS, the number of DAS-related hearings is much smaller than the number of OED-related hearings, which proponents of the bill argue will lessen the potential for perceptions of bias on the part of the OAH.