

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 470 - A**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Date: 4/21/2015

Measure Description:

Allows payment of unemployment insurance benefits to certain individuals performing services in other than instructional, research or principal administrative capacity for educational institutions for weeks of unemployment commencing between two successive academic years or during established and customary vacation period or holiday recess.

Government Unit(s) Affected:

Department of Education, Employment Department, School Districts, Education Service Districts (ESD)

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:

The bill amends ORS 657.221 and permits classified school employees who leave their jobs for good cause and without reasonable assurance of returning to the position in the subsequent academic term to receive unemployment insurance (UI) benefits.

The expansion of UI benefit eligibility will result in an increase the Employment Department's workload that is estimated to be minimal, and will likely increase the amount of UI benefits paid. The cost of the unemployment insurance benefits will be covered by the payments made to the UI trust fund by school districts, universities and community colleges. The number of UI hearings referred to the Office of Administrative Hearings (OAH) as a result of this change is expected to be minimal. The fiscal impact to the Department of Education for the Oregon School for the Deaf is minimal.

The bill will likely have an indeterminate fiscal impact to school districts, universities and community colleges that reimburse unemployment benefits into the UI trust fund for their eligible employees. The statewide impact to these institutions has been estimated at roughly \$800,000 per biennium based on 93 total eligible education employees per year, however this determination is not absolute as actual costs will be driven by the number of employees that are eligible for benefits and that actually apply for such benefits.

The Legislative Fiscal Office notes that the bill does not define "good cause" nor "reasonable assurance" which is the basis for permitting an employee to be granted UI benefits. The lack of definition may complicate determinations of employee eligibility and may lead to benefits being awarded beyond the intent of the bill.