

## Testimony before the House Committee on Business and Labor Senate Bill 41 A

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### **Introduction**

Senate Bill (SB) 41A updates and improves the Oregon Revised Statutes relating to workforce and labor market information. This bill updates the wording of the statute to reflect responsibilities currently assigned to the Employment Department's Workforce and Economic Research Division, and updates citations to controlling federal law. SB 41 A clarifies that the Employment Department may continue to share confidential information, for stated and limited purposes, with Oregon's public universities and may grant a similar status to the Oregon Health and Science University. The bill also affirms that home care workers are private sector employees for purposes of employment statistics, aligning Oregon statistical definitions with those used by other states and the nation.

### **Mission of the Employment Department Research Division**

The Research Division collects, analyses, and publishes data on Oregon's labor force, unemployment, employment, and wages. The Research Division publishes the unemployment rate each month; publishes information about which industries are growing and declining, all across Oregon; projects industry and occupational employment out ten years, advising colleges on what training programs might be most valuable and advising young people on what careers might be of interest to them. The Research Division publishes special reports on young people in the workforce, minimum wage, and – the one we're currently working on – employment in rural Oregon. The Research Division provides information and analysis not only for Oregon statewide, but also for all counties and workforce regions of the state.

The Research Division rarely requests legislative changes. Once every ten years or so, we find there are enough small changes, updates, and improvements that it's worth taking your time and ours to propose and consider a bill. That's where we are today.

The changes we're requesting relate to updates and clarifications, improving statistics and improving the way we can share information. We discussed our proposals with a variety of state, federal, and other partners and stakeholders, including other state agencies, the U.S. Bureau of Labor Statistics, and our Employment Department Advisory Council.

### **Updating Definitions and Citations**

SB 41A updates ORS 657.730, which is the statute that describes the duties and responsibilities of the Employment Department Director relating to workforce and labor market information. ORS 657.730 was originally put in place in the early 1990s, and some of the wording no longer reflects our assigned duties, nor does it reflect the priorities and needs of our customers. The statute also needs updating, to reflect newer federal legislation, the Workforce Innovation and Opportunity Act.

SB 41 A similarly updates ORS 657.734 (which relates to performance measures for Oregon's workforce system, simply eliminating outdated and irrelevant language) and repeals ORS 657.736 (which describes an occupational data system which has been made obsolete by the invention of the Internet and web-based tools).

## **Sharing Information with Publicly-governed Universities**

SB 41 A clarifies that we can continue to share confidential information, for stated and limited purposes, with Oregon's public universities and that we can grant a similar status to the Oregon Health Sciences University (OHSU). This is important because of the changing governance status of the universities and the unique status of OHSU. It also clarifies that we can share establishment level information about those university entities, the same way we can share information about other government agencies.

## **Counting Home Care Workers**

SB 41 A aligns the statistical definition of Oregon's home care workers – those who provide services to the elderly and people with disabilities – with that of other states and the nation, correcting an unintended consequence of an earlier ballot measure and subsequent legislation. In short, the ballot measure and legislation included statements that Oregon's home care workers are not state government employees “for any purpose.” Exceptions were then added, though, including “for the purpose of the payment of unemployment insurance benefits.” Wording for the latter reads, “The state shall be deemed an employer of home care workers for the purposes of ORS 657.” Because ORS 657 includes both unemployment insurance and workforce and labor market information, this resulted in home care workers being considered employees of state government for the purposes of unemployment insurance (which was intended) and for the purposes of employment statistics (which was not intended). SB 41 A would correct that unintended consequence, and make our employment statistics more meaningful and accurate.

## **A-Engrossed**

The original version of SB 41 would have slightly increased the Employment Department's ability to share information that is currently considered confidential with a wider range of customers. After conferring with the U.S. Department of Labor, it has been determined that this increased sharing is not permissible, based on U.S. Department of Labor interpretation of relevant federal law. SB 41 was amended by the Senate Workforce Committee, removing these proposals. This avoids the potential loss to Oregon employers of tax credits they receive against their Federal Unemployment Tax Act (FUTA) payroll tax obligations totaling approximately \$500 million per year and the potential loss of federal funding for administering the Unemployment Insurance program in Oregon.

In addition, SB 41 A includes a minor update to current statutes to clarify that the current data-sharing partnership between the Employment Department and the Public Employees Retirement System (PERS) applies across all of PERS' programs. The Employment Department shares data with PERS for the purpose of determining eligibility for the PERS Disability programs. PERS Tier One and Tier Two members are currently covered by ORS Chapter 238. SB 41 A-engrossed adds a reference to ORS Chapter 238A, which covers PERS Oregon Public Retirement Savings Plan members, clearly ensures the existing data-sharing partnership between Employment and PERS for all PERS members.

## **Recommendation**

The Employment Department recommends passage of SB 41 A to update and improve the statute relating to workforce and labor market information. The changes we're proposing are, we believe, useful and helpful, and not in any way damaging to Oregonians or Oregon businesses.

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