

SB 42 STAFF MEASURE SUMMARY

Carrier: Rep. Barreto

House Committee On Business and Labor

Action Date: 05/15/17

Action: Do Pass.

Vote: 9-0-0-0

Yeas: 9 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey, Kennemer

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Jan Nordlund, LPRO Analyst

WHAT THE MEASURE DOES:

Reverses amendments to statute made by Enrolled Senate Bill 1534 (2016) subsequently determined by U.S. Secretary of Labor to be out of conformity with federal law.

ISSUES DISCUSSED:

- Ramifications of not complying with federal law
- December 2016 guidance from U.S. Department of Labor on issue of providing benefits to school employees
- Oregon Employment Department's adoption of temporary rules
- Timeline for adopting permanent rules

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The unemployment insurance (UI) program has special provisions that apply to people who work for educational institutions, generally restricting employees from receiving UI benefits during school breaks, including summer break. Federal law affords little flexibility to states in applying those laws to employees performing instructional, research or principal administrative work (“instructional work”), but provides more flexibility on their application to people who perform other types of services, such as bus drivers, janitorial workers and school nurses.

In 2016, the Legislative Assembly adopted Senate Bill 1534, providing that the federal special school recess provisions do not preclude employees who do not perform instructional work and who voluntarily leave their job with good cause from receiving UI benefits. However, SB 1534 (2016) did not become effective because guidance from the U.S. Department of Labor (DOL) suggesting the measure did not conform with federal law was received before the measure's effective date and triggered an escape provision. SB 42 reverses the substantive provisions of SB 1534 (2016) to avoid having language in the statutes that is not in effect.

In December 2016, the DOL issued new guidance on school recess laws that actually requires all states to make the changes that were contained in SB 1534 (2016) and specifies that the change also applies to people who perform instructional work. Removing the substantive language of SB 1534 (2016) from statute allows the Employment Department to initiate rulemaking that explains more clearly that all education employees who have good cause to quit their jobs may receive UI benefits during school breaks.