

SB 496 -2 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 2/2, 3/16

WHAT THE MEASURE DOES:

Removes prohibition on payment of unemployment insurance benefits to employees of educational institution providing school food preparation and services or services as employee of federal Head Start program for weeks of unemployment commencing during period between two successive academic years or terms. Declares emergency, effective on passage.

REVENUE: minimal impact

FISCAL: statement not yet issued

ISSUES DISCUSSED:

- Impact of current UI regulations on certain workers
- Importance of maintaining conformity with federal UI requirements
- Fiscal impact of policy change on school boards

EFFECT OF AMENDMENT:

-2 Replaces services performed as part of an employee of a federal Head Start program with early intervention services, prekindergarten services, and support for such services.

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, but provides greater flexibility on their application to people who perform other types of services, such as bus drivers, janitorial workers, and school nurses. Failure to maintain conformity with federal UI laws could compromise the state's receipt of federal UI administrative grants and lead to a denial of federal tax credits for businesses that pay Oregon's unemployment insurance tax.

Oregon law currently exempts individuals providing janitorial and operational or facilities maintenance services on behalf of an educational institution from the general prohibition of UI benefits for school workers for weeks of unemployment commencing between academic years or terms.

Senate Bill 496 adds workers providing food preparation and service and services performed as an employee of a federal Head Start program to the exemption, allowing those workers to seek regular UI benefits for any week of unemployment, even for weeks that begin during two successive academic years or terms. If the measure is enacted, and the U.S. Secretary of Labor serves notice that any provision of the state's UI law fails to conform with applicable federal law, the nonconforming provisions or rules will no longer have any force or effect.