



OREGON
EMPLOYMENT
DEPARTMENT
WORKSOURCE OREGON

SB 461, 462 & 463
UI Modernization

Date: 2/10/09

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PURPOSE: To provide unemployment benefits to additional workers.

WHAT ARE THE BILLS TRYING TO DO?: This package of legislative proposals updates Unemployment Insurance eligibility law to allow additional workers to obtain benefits. Program requirements are realigned to acknowledge the increasing importance of part-time and intermittent workers and changing nature of the skills required for the modern workforce.

- 1- Use an alternative method (called Alternative Base Year (ABY)) to calculate wages for determining UI benefits (i.e. use the most recent 4 complete quarters of work history to determine eligibility).
2. Provide UI benefits to part-time workers seeking part-time work. Currently, claimants must be seeking and be available for full time work to receive benefits.
3. Expand the program which allows workers to collect UI benefits while in approved work training programs (in lieu of job search requirements).

SUMMARY: The nature of the labor force and economy has changed, relying on more part-time and intermittent jobs and workers. The UI system includes several roadblocks to obtaining benefits for these workers, despite their employers paying into the UI system to cover them. The proposal removes barriers which block UI benefits to part-time or intermittent workers.

Many low-wage workers lack skills which allow them to advance in the workplace. This proposal would provide UI benefit payments while in training. This will not only help the individual worker improve their life, but also provide a better skilled labor force for Oregon employers. The proposal would focus on training for high wage jobs that are forecast to be in high demand. Also, the program would be designed to include training at both traditional sites (such as Community Colleges) as well as “on the job” training with employers.

IMPACT TO OREGON GENERAL FUND DOLLARS: No impact to Oregon General Fund.

OTHER FISCAL IMPACT:

(cost-Millions of Federal Dollars)	2009-11	2011-13	Claimants/yr
Alternative Base Year	13.6	19.3	6,000
Work training	9.6	20.5	4,000
Part-time work	23.8	34.1	7,000

Implementation of the proposal is contingent on receipt of new federal funds. The federal stimulus proposals would grant states supplemental funding for their UI programs. The estimate of Oregon’s share, if passed, would be about \$90 million over 2.5 years.

IMPACT ON EMPLOYMENT DEPARTMENT OPERATIONS:

The operational impact, once fully implemented, would require 70 FTE to service the additional claims and the new processes caused by passage of the bill.