## 2008 Special Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER:HB 3606STATUS: A-EngrossedSUBJECT:Governor declare emergency and Governor's waiver of one-week period for payment of<br/>unemployment waiting periodGOVERNMENT UNIT AFFECTED:Employment DepartmentPREPARED BY:John F. BordenREVIEWED BY:Michelle DeisterDATE:February 11, 2008

<u>2007-2009</u>

<u>2009-2011</u>

## **EXPENDITURES:** See Comments

EFFECTIVE DATE: January 1, 2009

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** The budgetary impact of this bill was not reviewed nor approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

**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:** This measure provides that if the Governor declares a state of emergency, the Governor may waive the one-week waiting period required by statute for persons making a claim for unemployment benefits if they reside within the geographic area subject to the state of emergency proclamation and specified by the Governor. The measure's effective date is January 1, 2009. The measure's operative date is "...when federal law permits without penalty a waiver under section 2 of this 2008 Act of the one-week waiting period required by ORS 657.155."

The fiscal impact of this measure is indeterminate because the likelihood of extended unemployment benefits is dependent upon the passage of federal legislation, the occurrence and frequency of a state emergency declaration by the Governor, and the amount of claimants seeking benefits. This could lead to an unemployment assessment tax rate increase under the Department's Unemployment Trust Fund.

Employment also states that administrative costs associated primarily with programming changes to its computer systems would be minimal (\$15,000 Other Funds) and absorbed by the Department.