

HB 3206 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/17, 3/29

WHAT THE MEASURE DOES:

Expands permissible use of Employment Department Special Fraud Control Fund to include payment of costs associated with federal Lost Wages Assistance Program. If Fund is used to reimburse the Federal Emergency Management Agency for overpayment of benefits under the Lost Wages Assistance Program, amounts collected from the benefit recipient shall be deposited in the Fund. Allows the Department to collect overpayments in same manner overpayment of regular benefits are collected. Allows Department to waive collection of overpayments in the Lost Wages Assistance Program if administratively impracticable to pursue. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Unique provisions of federal Lost Wages Assistance Program require FEMA be reimbursed
- Payment of \$400 million to 270,000 recipients through Lost Wages Assistance Program
- Consistency with House Bill 2609
- Whether balance of Special Fraud Control Fund is adequate for future needs

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Employment Department Special Fraud Control Fund consists of interest and penalties collected from individuals who received unemployment insurance benefits to which they were not entitled due to false statements of misrepresentations. The Fund also consists of any gifts to, interest on, or profits earned by the Fund. Amounts in the Fund are to be used for administrative costs associated with the prevention, discovery, and collection of unemployment insurance overpayments.

The Lost Wage Assistance Program was administered by the Employment Department through a grant agreement with the Federal Emergency Management Agency (FEMA). The agreement requires Oregon to reimburse FEMA for overpayments made to benefit recipients when those overpayments are not recovered.

House Bill 3206 allows amounts in the Employment Department Special Fund Fraud Fund to pay costs associated with the Lost Wages Assistance Program.