

HB 3206 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 5/11, 5/18

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 (LWAP) and other benefit programs. If Fund is used to reimburse the Federal Emergency Management Agency (FEMA) for overpayment of benefits under the LWAP, 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 LWAP if administratively impracticable to pursue. Declares emergency, effective on passage.

House vote: Ayes, 58; Excused, 1--Levy; Excused for Business of the House, 1--Speaker Kotek

Fiscal impact issued; no revenue impact

ISSUES DISCUSSED:

- Operation of LWAP
- State obligation to reimburse FEMA for overpayments under LWAP
- Special Fraud Control Fund comes from penalties and interest

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 or 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 is a temporary emergency program that provided an additional \$300 per week to people receiving unemployment insurance benefits and are out of work due to COVID-19 between July 26, 2020, and September 5, 2020. The 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 Fraud Control Fund to pay costs associated with the Lost Wages Assistance Program, which includes reimbursing FEMA for overpayments, and for administrative costs associated with other benefit programs.