

**HB 3389 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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**Employment Department  
2021-23**

PRELIMINARY

**Budget Summary\***

	2019-21 Legislatively Approved Budget <sup>(1)</sup>	2021 - 23 Current Service Level	2021-23 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 500,845	\$ 500,845	100.0%
Total	\$ -	\$ -	\$ 500,845	\$ 500,845	100.0%

**Position Summary**

Authorized Positions	0	0	17	17
Full-time Equivalent (FTE) positions	0.00	0.00	2.75	2.75

<sup>(1)</sup> Includes adjustments through January 2021

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

HB 3389 increases the Oregon Employment Department’s Other Funds expenditure limitation by \$500,845, to implement business process changes necessary to extend the “look-back” period used to determine the Unemployment Compensation Trust Fund solvency level.

**Summary of Transportation and Economic Development Subcommittee Action**

HB 3389 extends the look-back period used to determine the Unemployment Compensation Trust Fund solvency level from 10 years to 20 years. The bill specifies that employer experience ratings used for determination of 2020 Unemployment Insurance (UI) tax amounts can be used to determine rates for tax years 2022-2024. Finally, the bill provides for deferral of UI taxes in certain circumstances for qualifying employers.

The Subcommittee recommended an increase of \$500,845 Other Funds expenditure limitation for 17 limited duration positions (2.75 FTE) associated with documenting changes to business processes for incorporation into its UI modernization IT project; programming changes for the Department’s existing technology system; setting up, monitoring, and processing refunds for accounts eligible for deferral; and determining continued eligibility.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Employment Department  
 Tamara Brickman - (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 47100-010-05 - Shared Services</b>									
Personal Services	\$ -	\$ -	\$ 42,568	\$ -	\$ -	\$ -	\$ 42,568	6	0.18
Services and Supplies	\$ -	\$ -	\$ 6,574	\$ -	\$ -	\$ -	\$ 6,574		
<b>SCR 47100-010-10 - Unemployment Insurance</b>									
Personal Services	\$ -	\$ -	\$ 359,191	\$ -	\$ -	\$ -	\$ 359,191	11	2.57
Services and Supplies	\$ -	\$ -	\$ 92,512	\$ -	\$ -	\$ -	\$ 92,512		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,845</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,845</b>	<b>17</b>	<b>2.75</b>
<b>SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,845</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,845</b>	<b>17</b>	<b>2.75</b>

PRELIMINARY