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# A STRONG VOICE FOR OREGON'S WORKERS

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TO: Chair Holvey  
Vice-Chairs Grayber and Bonham  
Members of the House Business and Labor Committee

FR: Jess Giannettino Villatoro, Political Director, Oregon AFL-CIO

RE: Oregon AFL-CIO Opposition to HB 2609, Recovery of Overpayments during the Pandemic

March 22, 2021

The Oregon AFL-CIO represents 300,000 workers across the state and is a voice for all workers in the legislative process. HB 2609 in its base form and with the -2 presents challenges for workers who have seen overpayments through likely no fault of their own. We can appreciate Rep. Gombert's intent, but at this unprecedented time both in the broader economic challenges, several rule changes that led to confusion for unemployed workers, and challenges at the agency, the approach this bill attempts to take would have unintended consequences for workers who are on their last lifeline. We are working with the agency and the Oregon Law Center on a -3 that we hope can garner support from this committee and the chief sponsor.

Broadly speaking there are three categories that UI overpayments fall into. Fraud, non-willful misrepresentation, and erroneous error or non-claimant fault. We are only concerned about solving for the workers who fall in the non-fraud categories. Writ-large unemployed workers have borne the brunt of the pandemic and many have just begun to receive overpayment notices. Those overpayments are more challenging now than they have been before for a few reasons. Unlike during the last peak during the Great Recession, which pales in comparison to workers needing access to UI workers needed unprecedented access to this benefit almost overnight. This led to an onslaught of claims to the agency at once, which as we all know created a bottleneck of pending claims. This problem led to larger payments being paid to workers to make up for lost weeks, which made noticing an overpayment more difficult. Coupled with wait times at OED on the phone lines that were almost impossible to get through led to problems not being solved on the front end like they typically could have both been attempting to file and had questions, or when they got their payments and noticed a problem. For these reasons this is not the time to increase the collections authority of OED for overpayments that are likely not the fault of the worker, especially when there isn't currently a process in place to means test.

The approach taken in the base bill and the -2 would allow the agency to collect payments from workers as soon as they go back to work. Many workers desperately need that income and given the challenges workers are facing getting hold of the agency - our worry is that they will not know that they can opt to have the payments taken out of their future benefit. We care deeply about the solvency of the trust fund and would never advocate for provisions that put it's solvency into jeopardy. For now, this approach is one that puts the workers that have the least to lose in an even more precarious place.