

KATE BROWN
GOVERNOR



April 14, 2021

TO: Chair Riley
Vice-Chair Hansell
Senate Committee on Labor and Business

FROM: Jenn Baker, Workforce & Labor Policy Advisor to Governor Kate Brown

RE: Support for HB 3178

My name is Jenn Baker, and I serve as Governor Kate Brown's Workforce and Labor Policy Advisor. In that capacity, I work closely with the Oregon Employment Department (OED).

Thank you for the opportunity to lend Governor Brown and Oregon Employment Department's support of House Bill 3178. OED has worked with Commissioner Hoyle and her team on this important policy. We recognize that it's urgent and we applaud Commissioner Hoyle for her leadership on the issue, and thank Director Gerstenfeld for his and his team's expertise throughout this process.

This temporary change to our Unemployment Insurance (UI) system will help some of the most vulnerable Oregonians and Oregon businesses. This is a policy that is targeted towards the lowest wage earners who have been hardest hit by the pandemic to allow for their gradual return to the workforce as some of the hardest hit sectors of our economy begin to gradually reopen, making it easier for employers to bring workers back on a part time basis. It's a win-win.

While this policy stands to make a significant difference in the lives of many working Oregonians, in context of the level of benefits Oregon's UI system has paid out as a result of this pandemic, the impact to the UI trust fund will be relatively minimal, approximately \$75 million, while also leveraging millions of dollars in additional federal funds, providing an estimated nearly \$95 million in benefits.

As you know, there are a number of competing priorities in terms of UI benefit distribution at OED. That being said, the agency stands ready to take this on and work to ensure smooth implementation as timely as possible, which we expect to take approximately 4 weeks if uninterrupted by federal requirements. If capacity limitations become an issue, OED is committed to prioritizing implementation of programs that stand to serve the most Oregonians as quickly as possible.

Your support of HB 3178 will provide critical support to Oregonians who are eager to go back to work, but need help making ends meet while our economy is in recovery.

Sincerely,

Jenn Baker