

**SB 143 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Meek

**Senate Committee On Finance and Revenue**

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**Action Date:** 05/21/25

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 4-0-1-0

**Yeas:** 4 - McLane, Meek, Patterson, Starr

**Exc:** 1 - Taylor

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Michael Doughty, Economist

**Meeting Dates:** 5/19, 5/21

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**WHAT THE MEASURE DOES:**

Increases the amount diverted from unemployment insurance payroll tax to the Supplemental Employment Department Administration Fund from 0.109% to 0.135%. Applies the increase to quarters beginning on or after April 1, 2025. Modifies the amount required to be transferred in odd-numbered years, from the Supplemental Employment Department Administration Fund to the Unemployment Compensation Trust Fund, to amounts in excess of 1/8th of the Employment Department's legislatively approved budget. Applies the modification to transfers for biennium ending on or after June 30, 2025. Takes effect on the 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Purpose and structure of the Supplemental Employment Department Administration Fund
- Potential service impact to the Oregon Employment Department
- Stability of Oregon Employment Department funding
- Reimbursing employers do not pay into Supplemental Employment Department Administration Fund

**EFFECT OF AMENDMENT:**

Replaces the content of the measure.

**BACKGROUND:**

The Supplemental Employment Department Administration Fund (SEDAF) is used by the Oregon Employment Department to pay administrative expenses associated with unemployment benefit programs. SEDAF is funded by a portion of unemployment payroll taxes.

Currently, as determined on June 30th of odd-numbered years, money in the SEDAF account in excess of 150% of SEDAF collections for the first quarter of the previous year is transferred to the Unemployment Compensation Trust Fund.