

To: Chair Grayber, Vice-Chair Elmer, Vice-Chair Muñoz, and members of the House Committee on Labor and Workplace Standards

From: Bridget Budbill, Legislative Advocate at the Oregon Law Center

Re: House Bill 3024 – Unemployment Insurance disqualification changes

Date: January 27, 2025

Dear Chair Grayber, Vice-Chair Elmer, Vice-Chair Muñoz, and members of the House Committee on Labor and Workplace Standards:

Thank you for considering <u>House Bill (HB) 3024</u>, which removes a penalty related to prior disqualification from receiving unemployment insurance (UI). The Oregon Law Center (OLC) supports this bill. We are a legal aid organization that provides free, civil legal services to low-income people all across our state.

What HB 3024 does:

OLC helps our clients navigate, among other things, state and federal administrative systems, including Oregon's UI system. In Oregon's UI system, workers become disqualified from receiving UI if they are terminated, quit, or don't take a new job without a sufficiently good reason. Workers can become "requalified" to receive UI in the future by working at a job long enough to earn four or more times their weekly UI benefit amount from their last job.

Under current law, after a previously disqualified worker has worked long enough to earn at least four times their weekly UI benefit, requalifying them for UI, their maximum UI benefit amount is still reduced by eight times their weekly benefit because of their previous disqualification.¹ This reduces the total length of time that a worker may receive UI by about eight weeks, from a max of 26 weeks to a max of 18 weeks. HB 3024 would remove this benefit reduction penalty. Oregon workers previously disqualified from UI would still be subject all other UI eligibility requirements.

Impacts to Oregon workers:

The current disqualification penalty of reducing a UI benefit by eight times a worker's weekly benefit amount shortens the period of time an Oregonian can rely on UI as a bridge to the next job. Sometimes, starting the next job takes longer than folks would hope, even when workers are hustling to get something lined up. UI acts as a critical stabilizing program for Oregon workers, both those that qualify for legal aid, and those that are over-income for our services but are still struggling to pay the bills. All of us have seen things become more expensive lately, and having a

¹ See ORS 657.176(4).



few more weeks of UI available to workers trying to get back to work would go a long way in keeping people housed, fed, and in a position to land the next job and get working again.

Impacts to Oregon employers:

It is important to acknowledge that changes to UI impacts our Oregon employers, too. We see HB 3024's changes as a meaningful way of maintaining stability in our workforce so that people in our communities need less help from other safety net systems, overall. Instability in our communities hurts workers and employers, alike. Once a person misses a mortgage or rent payment, it becomes all the more difficult to focus on landing the next job. And if someone's life has completely destabilized, it takes much more than the UI system to get a person, and their family, back to level again and back to earning wages.

Impacts to Oregon's UI system:

UI is necessarily a complicated system. There are lots of inputs, calculations, and data to manage and maintain. We hope that removing the disqualification penalty contemplated by HB 3024 will reduce one piece of the complexity of the UI system. If the Oregon Employment Department is no longer spending staff time calculating this benefit reduction penalty, we hope it will give agency staff a little more time to help employers and employees navigate other parts of the UI system.

Thank you very much for your time, please reach out anytime with questions, and we hope you will support passage of HB 3024.

Sincerely,

Bridget

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The Oregon Law Center's mission is to achieve justice for low-income communities in Oregon by providing a full range of the highest quality civil legal services.