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For More Information, Contact:

Joy Margheim (503) 873-1201
Charles Sheketoff (503) 873-1201
Juan Carlos Ordóñez (503) 873-1201

New Law Makes More Oregonians Eligible for Unemployment Benefits

Additional improvements to the system are still needed, says OCPP

(Silverton) — Laid-off Oregon workers who recently entered or returned to the labor force will be more likely to qualify for unemployment benefits as a result of a new law signed today by Oregon Governor Ted Kulongoski.

“It’s great news for Oregon’s economy and workers,” said Joy Margheim, policy analyst with the Oregon Center for Public Policy, who advocated on behalf of the legislative change. “Let’s hope the Governor gets to sign other bills that will fully bring our unemployment system into the 21st century and better meet the needs of unemployed workers.”

Until now, Oregon’s unemployment insurance (UI) rules disregarded up to six months of recent work experience in determining whether an applicant met hours and earnings requirements. These outmoded rules excluded many low-income workers, according to Margheim.

Senate Bill 462 allows workers who don’t qualify under the traditional formula to count more of their most recent work experience.

The alternative formula will extend UI benefits to more than 6,000 Oregon workers each year, Oregon’s Employment Department estimates.

“Unemployment insurance helps stabilize the economy and working families by putting some money in the pockets of laid-off workers,” said Margheim, “so all of Oregon benefits when we expand the pool of workers covered.”

Legislators had extra incentive to pass SB 462. With its enactment, Oregon’s unemployment insurance trust fund qualifies for about \$91 million from the federal government, which has been encouraging states to modernize their unemployment insurance systems. That money can be used only to improve the unemployment system that is seeing record numbers of claimants, not to address the state’s revenue shortfall, said Margheim.

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Oregon still has “much room for improvement” in its UI system, according to Margheim. She urged lawmakers to adopt pending bills that would eliminate barriers for part-time workers, allow workers to get their unemployment benefits without having to wait a week, boost benefits for workers who have dependent children and permit low-wage workers to complete a job training program while they collect unemployment benefits.

“There’s no good reason to deny unemployed Oregonians these benefits,” said Margheim, noting that other states have implemented those reforms.

“With so many families affected by unemployment and with federal funds to help pay for changes, there’s no better time than now to make the necessary improvements to the system,” said Margheim. “Enacting SB 462 was a great first step, but the legislature still has work to do.”

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax, and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.