



Oregon Employment Department Advisory Council

875 Union Street NE, Salem, OR 97311

June 8, 2009

Members:

Jinda Rasmussen, Chair
Communications Workers
of America
Labor

U Dorgan
United Steelworkers
of America
Labor

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Oregon Child Care
Resource & Referral
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Public

Kathy Nishimoto
Juckwall-Pooley Fruit
Co.
Management

Camara Russell
Farran Liebman LLP
Management

Patrick Smith
Lane, Coos, Curry,
Douglas Building
Trades
Labor

Mary J. Taylor
Freeman Marine
Management

Oregon Legislative Assembly
900 Court Street NE
Salem, OR 97301-4047

RE: Oregon Emergency Jobs Program

Dear Member of the Oregon Legislature:

On behalf of the Oregon Employment Department (OED) Advisory Council, I am writing to convey the Council's position on the proposed "Oregon Emergency Jobs Program" (OEJP).

Our last regular meeting was held last Friday, May 29, 2009. The OEJP was prominent on the agenda. Although a quorum of the Council was present, we did not reach a consensus position as only four members were present at the time of the vote. I directed staff to poll the seven members of the Council, including those not present, to get a better sense of the group on this issue. I asked that they indicate whether they supported, opposed or were neutral on the OEJP.

The vote of the Council was to oppose the OEJP by a vote of 5 (opposed) to 2 (neutral).

The five in opposition indicated they do not like the funding source, diversion of UI Trust Fund dollars. These Council Members believe employers are paying payroll taxes to create a safety net against layoffs. One Council member expressed that this appears to be "reactionary legislation, as opposed to a thoughtful plan of recovery."

The two who were neutral expressed deep concerns about diversion of UI Trust Fund dollars. Once the door is opened up, it will be hard to keep other parties from asking for a UI Trust Fund diversion for issues that will be just as important to them as the UI Trust Fund is to business and labor.

Also at Friday's meeting, the Council discussed UI Diversion/Surcharge Principles adopted by the Governor's UI Trust Fund Task Force on May 6, 2006. They discussed UI diversions in general and the discomfort by all on the Council. A motion was made to oppose any UI Trust Fund diversions without a high level of support from both business and labor (language from the principles adopted). The motion was seconded and passed unanimously by the quorum present.

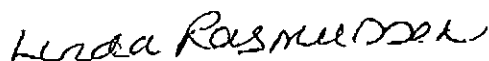
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Since our May 29th meeting, the Governor's Office has communicated to us about the negotiations that have been taking place with the Legislature. Furthermore the draft modified plan was also shared with the Council.

The result has not changed. The Oregon Employment Department Advisory Council still opposes the plan for the reasons outline above. Although the diversion is less than the \$90 million originally proposed, diversions from the UI Trust Fund, without a high degree of support from both labor and management, is bad business.

We know there are many challenges before you. Thank you for the effort you are putting into trying to solve Oregon's economic issues.

Regards,



Linda Rasmussen
Chair, OED Advisory Council

C: Al Dorgan, OED Advisory Council, Labor
Cynthia Hurkes, OED Advisory Council, Public
Kathy Nishimoto, OED Advisory Council, Business
Tamara Russell, OED Advisory Council, Business
Patrick Smith, OED Advisory Council, Labor
Mary J. Taylor, OED Advisory Council, Business
Laurie A. Warner, Director, Oregon Employment Department