



OEC

NEWS

Summer 2005



Oregon Employer Council Newsletter

President's Message

Message from President Dave

There is much good news to share in this mid-summer message.

First, let me thank the OEC legislative committee and the full board for the effort that went into the passage of HB 2127, the legislation that reduces employer tax burden while maintaining an acceptable level of Oregon Employment Department services.

This bill modifies the trust fund solvency formula, reduces new employer rates, and rounds the taxable wage base to the nearest \$100 rather than \$1000. It also stabilizes the funding of the Supplemental Employment Department Administrative Fund (SEDAF), used to provide business and employment services to our members and job seekers.



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Employment Department Director Debbie Lincoln and her executive team have expressed their appreciation to OEC many times over the spring and summer. Your voice was heard!

One of the critical elements of a successful project is celebrating its success. The Employment Department has realized amazing achievements over the past three years in its implementation of the strategic plan. Oregon Employer Council members have worked with Department staff every step of the way to develop and fine tune the massive undertaking. It is important that we recognize and celebrate this accomplishment. It is a time to help the Department celebrate the implementation of the Strategic Plan, and look to the future.



In September, there will be a week-long celebration titled "Celebrating Our Success."

The purpose is to recognize the effort that has resulted in the successful implementation of the Employment Department Strategic Plan and the continued partnership between OED staff and OEC members. Watch for your chance to participate as plans gel.

Also in September is our annual state conference. Please register early for this event and encourage your business colleagues to attend as well. As you know, this conference is always well-planned, well-priced and fun! This year is no exception. Six local councils have been working together in harmony over the last nine months to bring you a solid educational event with many opportunities to socialize and network. You will find everything you need to register at www.workinginoregon.org/oec

Our thanks to these local councils for producing this year's event chaired by Jennifer Reasoner, (Douglas County Employer Council), Mercy Medical Center, Roseburg and co-chaired by Ree Ayres (Jackson County Employer Council), BOLI: Douglas County EC, Jackson County EC, Josephine County EC, Klamath-Lake EC, Lane EC, and South Coast EC.

And finally, speaking of conferences, there is very exciting news for west coast - especially Oregon - employers. The venerable organization known to us as UWC (Strategic Services on Unemployment and Workers' Compensation) will bring its national conference to Portland in May 2006. OEC will act as host for this important education opportunity and we could not be more pleased. This event will be the major employer education offering to OEC members in 2006, so we hope to see each and every member in Portland next May. We'll share more information with you as it becomes available from UWC.

A message from Debbie Lincoln Director, Oregon Employment Department

As I write this, the 2005 legislative session is winding down. The Employment Department did well this session. All the bills we proposed (mostly tax-related “housekeeping” bills) made it through to the Governor’s desk for signature. A bill to improve the always-contentious independent contractor law has been passed and signed; and our budget emerged pretty much as we had requested. And the best news of all: HB 2127 passed with flying colors! As you’ll recall, this piece of legislation included a \$200 million employer tax cut over the next two biennia, and changed the mechanism through which we fund services to businesses and job seekers. The result? Employers across the state have \$200 million more to invest in their businesses, and the Employment Department’s services continue at the current level.

I particularly want to express my thanks to the OEC board and President Dave Brydson for their support of the legislation. Dave, along with Rob Diesel, Gwyn Harvey and representatives from Safeway, testified in support of the bill at the hearing. At the bill signing ceremony, Governor Kulongoski stated: “One

of my guiding principles is to strengthen Oregon’s business climate, and HB 2127 helps achieve that goal. Not only does it cut unemployment taxes for employers while protecting benefits for workers, it is an example of government accountability and fiscal responsibility - by making smart management decisions, we can maximize the return to both employers and those looking for employment.”

As we look ahead to the 2005-07 biennium, we see an improving economy, job creation that is nearly the hottest in the country, and increasing job growth everywhere in the state. We look forward to working with our employers in every community to get Oregon back on track.



A handwritten signature in cursive script that reads "Debbie".

The following is an update of Employment Department sponsored legislation

All Employment Department sponsored bills have been signed into law. An update of additional legislation related to the Employment Department will be distributed by Tamara Brickman.

HB 2124 – This bill brings Oregon into conformity with federal law regarding the prohibitions against unemployment insurance tax rate manipulation, commonly referred to as SUTA Dumping. The bill clarifies circumstances under which an employer’s experience may be acquired by or transferred to another employer. HB 2124 imposes penalties on employers for manipulating experience to avoid high tax rates and on any person that advises an employer to engage in this practice. The measure clarifies that payroll tax rates are based upon the experience of the employing enterprise not the legal entity. Governor Kulongoski signed this bill on May 13, 2005. It becomes effective January 1, 2006.

HB 2125 – This bill is a technical bill that amends Oregon law to treat Indian tribes that pay Unemploy-

ment Insurance (UI) tax in the same manner as governmental entities that pay UI taxes for the Federal-State Extended Benefits program (EB). Currently, taxpaying governmental entities are charged one-half of EB, but taxpaying Indian Tribes are not. Governor Kulongoski signed this bill on June 8, 2005. It becomes effective January 1, 2006.

HB 2126 - Allows the Employment Department to combine and jointly issue overpayment decisions with decisions that disqualify previously paid benefits. The proposed change would improve due process for claimants by allowing disclosure of the full impact of the original denial, including the overpayment information and the type of recovery. Current law results in a thirty-plus day delay in informing claimants of the full impact of a decision denying previously paid benefits.

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Oregon Employer Council Annual State Conference for Business

September 21-23, 2005 • Seven Feathers Hotel & Conference Center, Canyonville

Agenda: (subject to change)

Day One - Wednesday, Sept 21

7:45 a.m.	Golf tournament – teams register at 7:45; shotgun start at 8:15 a.m.
10 a.m.	Registration opens at Seven Feathers Conference Center
Noon	Opening luncheon • Welcome from OEC President David Brydson
12:30 to 1:15 p.m.	Opening general session – Winning Combinations with Larry Helms... when people open their mouths to laugh, he shoves in food for thought.
1:15 to 1:30 p.m.	Break
1:30 to 2 p.m.	Bureau of Labor Statistics – Message from the Commissioner, Richard Holden
2 to 3 p.m.	Oregon’s economic forecast with Graham Slater and Tom Potiowsky
3 to 3:15 p.m.	Break
3:15 to 4:15	Regional economic roundtables and work session – one-on-one with the experts
4:30 to 6 p.m.	Business trade show - hors d’oeuvres, prizes, no-host bar, chair massage
6:15 p.m.	OEC executive board and local chairs appreciation dinner
7:15 p.m.	Third quarter board meeting
8 p.m.	Open evening

Day Two – Thursday, Sept 22

8 to 8:30	Breakfast and announcements
8:30 to 9 a.m.	UWC (Strategic Services on Unemployment Insurance and Workers Compensation) report from President Eric Oxfeld (invited)
9 to 10 a.m.	General session with Corbin Ball – Internet privacy and security
10 to 10:30 a.m.	Break
10:30 to 11:45 a.m.	Breakout sessions <ol style="list-style-type: none"> 1. Corbin Ball – Top tech trends transforming business and society 2. Graham Slater – Training & retaining your employees: what businesses say 3. Tod Schneider – Dealing with conflict constructively 4. Tamara Brickman – 2005 legislative session review
Noon to 1:30	Lunch and a message from Deborah Lincoln, Employment Department Director General session with Edree Allen-Agbro – Winning Combinations – Getting past “us-versus-them”
1:45 to 3 p.m.	Breakout sessions <ol style="list-style-type: none"> 5. Corbin Ball – Top tech trends transforming business and society (repeat) 6. Tom Olsen – Dependent care is a work force issue 7. Tod Schneider – Preventing violence in the workplace 8. Edree Allen-Agbro – Safe to collaborate: 7 steps to transforming the workplace battle zone
3 to 3:30 p.m.	Break
3:30 to 5 p.m.	Breakout sessions <ol style="list-style-type: none"> 9. Corbin Ball – Building a website that works 10. Tamara Brickman – 2005 legislative session review (repeat) 11. Roxanne McAnally – How can you and your employees afford health insurance? 12. OEC coordinator meeting
6 p.m.	Silent auction and networking reception, semi-formal awards banquet

Day Three – Friday, Sept 23

8 a.m.	Breakfast
8 to 9 a.m.	iMatchSkills computer lab
9 to 10 a.m.	General session – Dr. Will Keim - character driven leaders make ethical decisions, handle conflict creatively and take responsibility for their actions
10 to 10:30 a.m.	Break
10:30 to 11:30 a.m.	General session – Curtis Zimmerman - Fire-eating, empowered thinking, ethical decision-making, magic, leadership training, gut-wrenching laughter, risk-taking collaborations, team building, and of course...juggling
11:30 a.m to noon	Closing remarks – trade your completed evaluation in for a box lunch for the road

For information: 503 947-1305 or www.workinginoregon.org/oec



This is the same as SB 160 from the 2003 Legislative Session. Governor Kulongoski signed this bill on June 8, 2005. It becomes effective January 1, 2006.

HB 2127 – This bill modifies the trust fund solvency formula to reduce taxes (by 12%), reduces new employer rates, and rounds the taxable wage base to nearest \$100 rather than \$1000. Additionally, HB 2127 stabilizes the funding of the Supplemental Employment Department Administrative Fund (SEDAF), which is the fund that is used by the Employment Department to provide business and employment services to businesses and job seekers. Governor Kulongoski signed this bill on June 8, 2005. It becomes effective January 1, 2006 and will apply to tax years beginning in January 2007.

SB 35 – This bill gives the Employment Department authority to issue distraint warrants for the collection of money judgments awarded through court actions and for other amounts owed to the department under ORS Chapter 657. Currently the department can issue a distraint warrant and take collection action only for amounts owed for unpaid taxes under ORS 657.642 and benefit overpayments under ORS 657.396. This authority would enable the department to more quickly and efficiently collect certain amounts due to the

agency. Governor Kulongoski signed this bill on June 29, 2005. It becomes effective January 1, 2006.

SB 37 - This bill allows the Employment Department the authority to determine that, if a reorganized business is operating an employing enterprise that is substantially the same as it was while being operated as a previous entity, any unpaid Unemployment Insurance (UI) tax debt can be transferred and assessed against the reorganized business. This legislation will improve tax payments and collections by ensuring that a business can not simply close down to avoid tax assessments and then start operating the same business under a new name or as a new legal entity. Governor Kulongoski signed this bill on June 14, 2005. It becomes effective on January 1, 2006.

SB 93 – This bill is purely technical in nature in that it repeals ORS 657.072 as it relates to religious organizations, associations and ministers. This portion of the statute was ruled unconstitutional by the Oregon Supreme Court. Eliminating the statute will eliminate confusion among legal professionals and others who rely on the statutes to determine the law. The bill also alphabetizes the definition section of ORS Chapter 657. Governor Kulongoski signed this bill on June 14, 2005. It becomes effective on January 1, 2006.