

Oregon Employment Department Advisory Council
Approved Meeting Minutes

Thursday, January 24, 2013
1:30pm to 3:30pm

The meeting was called to order at 1:30pm by Clif Davis, Chair. Chair Clif welcomed all present. The two new members of the Council, Thomas Kelly and Aniel Yates introduced themselves.

Members Present:

Robin Bitrick (via telephone)
Barbara Byrd
Clif Davis
Thomas Kelley
Bill Kluting
Aniel Yates (via telephone)

Staff to Council:

Melissa Leoni

Members Excused:

Mary Taylor

Others Present:

Laurie Warner, OED Director
David Gerstenfeld, UI Administrator
George Ostertag, Financial Analyst

Approval of Minutes

A motion was made by Robin Bitrick to approve the minutes from the November 16, 2012 meeting. Motion seconded by Clif Davis. No discussion. Minutes approved.

Advisory Council Roles and Responsibilities

Laurie Warner described the Council's statutory role to advise the Director on unemployment insurance and employment service policies and programs and to assist the Director in oversight of the unemployment insurance fund, including making recommendations to the legislature.

Melissa Leoni gave a presentation to the Council on general advisory board roles and responsibilities and provided links to additional resources, including the Governor's Membership Handbook and Oregon Government Ethics Commission Guide for Public Officials. The Council briefly discussed public meetings law, parliamentary procedures, and conflict of interest.

Melissa Leoni then reviewed a memorandum from the Bylaws Committee and described the committee's recommendation to discuss potential updates to the bylaws but postpone action until the Council's next meeting. The Council agreed that the committee should come back with proposed language for Articles 1 and 3 (mission statement and meetings). There was general agreement to continue the practice of having the chair position rotate between labor and business, but that more conversation is needed about the recommendation to either add a vice-chair or provision for how to handle absences of the chairperson in meetings.

Election of Chair

Robin Bitrick made a motion to nominate Clif Davis to continue as Chair of the Council for 2013. Motion was seconded by Barbara Byrd. There were no other nominations. Clif was unanimously elected Chair.

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UI Rulemaking Advisory Committee

David Gerstenfeld provided a handout describing a request to have the Advisory Council assist the Department as a rulemaking advisory committee for anticipated rulemaking from the Unemployment Insurance Division. The Council can help the Division by providing more informed input on the policy and fiscal impacts of proposed rules, especially to small businesses. David described how the rulemaking committee functions could coincide with existing council meetings with written materials provided in advance. The Council discussed the procedures for taking on this role and the list of potential rulemakings. The Council had no objections to the proposal.

Federal Update and Emergency Unemployment Compensation Expiration

David Gerstenfeld updated the Council on the federal extension of unemployment insurance benefits. On January 2, 2013, Congress extended benefits through 2013. The extension permitted about 30,000 people to continue receiving federal extension of over \$8 million per week. The extension did not contain any changes to the program other than extending the timeframe for collection. Now people can receive up to 63 weeks of benefits in Oregon (26 weeks of regular state-funded benefits and 37 weeks of federally-funded benefits). The Council then briefly discussed unemployment rates, tracking persons who exhaust benefits, and the Department's coordination with other agencies.

Supplemental Employment Department Administrative Fund (SEDAF) Overview

Laurie Warner distributed a draft SEDAF handout and asked the Council for feedback to help improve the document. George Ostertag reviewed the document and provided a brief description and summary of SEDAF history, use, and revenue projections. SEDAF revenue varies with employment and economic cycles because it is based on taxable payroll levels. It is currently recovering after a steep decline due to the recession. Future revenue levels are expected to be far below pre-recession forecasts. SEDAF and federal revenue levels are below ongoing expenditures for the Department's Business & Employment Services and Research programs. The Governor's Balanced Budget contains a proposed program reduction plan to begin to close this gap. SEDAF revenue has been diverted for other state purposes and is proposed in the Governor's Balanced Budget to be transferred to fund workforce initiatives in the Community Colleges and Workforce Development budget.

The Council discussed their history of formally opposing diversions of SEDAF funding and the limited impact of previous letters on the legislative process. The Council discussed drafting and sending a letter to the 2013 Legislature that would be similar to past letters. Barbara Byrd made a motion for a letter to be drafted and signed to protect trust fund revenues. Bill Kluting seconded the motion. The motion was approved by consensus.

2013 Legislative Session

Laurie Warner summarized the Department's 2013-15 Budget Proposal and distributed a "Talking Points" handout. Melissa Leoni provided a handout describing the agency's four proposed bills:

- HB 2242 – Alternate Base Year
- HB 2243 – Single Officer Exemption
- SB 191 – Unemployment Insurance Overpayment and Fraud Changes
- SB 192 – Unemployment Insurance Federal Conformance

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Melissa Leoni also provided one page handouts on two additional bills proposed by the Department, but sponsored by the Senate Interim Committee on Business and Transportation:

- SB 252 proposes to replace the current penalties for late filing of payroll reports with a more compliance-driven penalty.
- SB 259 allows the Department to participate in the Federal Treasury Offset Program to intercept federal tax refunds to recover overpaid benefits.

The Council discussed teleconferences during the session and agreed to 30 minute calls early or late in the day, as needed. Melissa will send out queries to schedule these teleconferences.

2013 Meeting Dates

The Council discussed establishing a meeting schedule for the year. Melissa Leoni will also send out a query to schedule future meetings.

Follow Up Items

1. Send out copies of previous Advisory Council Letters with draft letter
2. Schedule future presentation on different types of unemployment rates

Meeting Adjournment

Meeting adjourned at 3:20 pm.