

Oregon Employment Department Advisory Council Quarterly Meeting (4th Quarter)					
Date/time: November 7, 2024 1:00 p.m. to 5:00 p.m.					
Location: Zoom platform					
Attendees: A – Absent P – Present					
P	Kurtis Barker, Chair	P	David Gerstenfeld	P	Lindi Leahy
P	Robert Westerman	P	Rebecca Nance	P	Karen Humelbaugh
P	Robert Camarillo	P	Perla Brambila Arechiga	P	Rebecca Jensen Craven
P	Kathy Nishimoto	P	David Genz	P	Gail Krumenauer
A	Catie Theisen	P	Sravya Tadepalli		

MINUTES - DRAFT

	Topic	Minutes	Presenter
1.	Welcome, self-introductions of Advisory Council members & OED staff	Meeting called to order at 1:03pm. Council members and OED staff introduce themselves.	Kurtis Barker
2.	Meeting Minutes Approval July 30, 2024	Kathy Nishimoto moved to approve the minutes of the July 30, 2024 meeting; motion seconded by Robert Westerman. Motion carried. 4 yes votes; 1 member absent.	Council Members
3.	Director's Update	<p>Director Gerstenfeld reported that the agency has been working on stabilization of the agency since the pandemic. Most of the agency is back to normal. Some parts have not gotten close to stabilization; we are still being audited by the United States Department of Labor (USDOL) for pandemic programs.</p> <p>We are working on stabilizing the new Frances system and continue to provide training to our employees. Our systems and processes are changing rapidly as we find what pain points are and adjust. Stabilization and customer service is our focus for the foreseeable future.</p> <p>We are making progress with staffing levels and with workflows while adjusting the technology.</p> <p>We are working on the department's piece of the Governor's Requested Budget. We continue to communicate with elected officials about our customer service levels, what they can be, and what we believe is sustainable. We may be asking for additional administrative funding and have a placeholder to look at SEDAF. We will be talking to this council about it as things move forward.</p> <p>Federal highlights for the UI program - we are in the federal fiscal year that started October 1, 2024. Many proposals of the UI budget are supported by state agency administrators. The most positive for states is the Presidents' budget. Other federal budgets are more concerning, they are essentially flat with a dollar amount doesn't take increased staff costs into consideration; however, workload is projected to be</p>	David Gerstenfeld, OED Director

		<p>higher based (on economic conditions) without taking into consideration inflation.</p> <p>Trade Adjustment Act (TAA) is a federal program that focuses on workers impacted by international trade. Our TAA team has met with U.S. Secretary of Labor to talk about how we have been effective helping people get retrained when their jobs go away because of impacts of foreign trade. TAA will sunset with no new trade petitions being approved. There were attempts to reinstate the program, but they have not yielded any results at this time.</p> <p>There is talk about reauthorizing the Workforce Investment and Opportunities Act (WIOA). This is the workforce side of what we do and WIOA also impacts several other agencies. There is a bipartisan push, at the national level, to authorize changes. This program not in sunset, so we would continue as we are if there are no changes.</p> <p>There were no questions by council members.</p>	
4.	UI Program Update	<p>We recently completed our eighth month of using Frances Online for Unemployment Insurance (UI) benefits. In this time (through Saturday, November 2), we have distributed over \$499 million dollars to over 88,000 customers. Recently, we saw our one millionth week claimed using the new system!</p> <p>At the last council meeting in July, I noted the steady increase in the percentage of people who file their weekly claims using Frances Online. After starting out between 82-88% in March, usage rose with each month before reaching 97% by early July, indicating that people were learning how to use the new system.</p> <p>For the past four months, we've been encouraged to see that rate has held steady at or above 97%, so Frances Online is still working for the majority of our customers.</p> <p>There are challenges for some of our customers, and we are continuously working to improve the system. It is an iterative process that includes using employee and customer feedback to inform the updates we make.</p> <p>In June UI, Paid Leave Oregon, and Contributions & Recovery changed our regular phone hours and temporarily closed our inbound support phone lines on Mondays.</p> <p>We took that bold step to give our teams more time to focus on resolving claim issues and get caught up on other critical workloads, like responding to electronic messages and resolving issues that were holding up getting people their benefit payments.</p>	Lindi Leahy, UI Director

That effort proved to be successful, as we made enough progress to resume taking inbound support calls on Mondays starting on September 9.

Since mid-June, one of our top priorities in UI has been resolving claim issues that are holding up one or more weeks of payment to our customers, also known as hold-pay issues.

Due in part to seasonal demand, the total number of hold-pay issues peaked roughly at 12,000 in early July.

Thanks to the focused work time provided by the temporary phone closure on Mondays and the hard work of the UI team, we reduced our total to about 4,600 by mid-September, which is a 62% decrease.

We also made it our goal that at least 80% of the time we would resolve hold-pay issues within three weeks. When we started in mid-June, we were doing that roughly 60% of the time.

By the time we resumed inbound phone support on Mondays in early September, we had improved to 74%. In the past two months, we have continued to make gains, and our current rate sits at 78.5%

Due to the success of the temporary inbound phone closure on Mondays over the summer, we rolled out a plan last month to periodically schedule days when our phones will be closed to inbound calls.

These scheduled phone closures will help us manage the seasonal increase in our workload that we start to see this time of year and reduce delays in benefits.

To start, UI, Paid Leave, and Contributions and Recovery have scheduled four such closures this fall and winter.

The first occurred on Indigenous People’s Day, Oct. 14, and the second will tomorrow, Friday, Nov. 8. The third and fourth days will be in December and January, respectively.

As a reminder, we will still be working these days, just not answering inbound phone lines.

Like we did over the summer, we will use the time to focus on workload priorities like processing claims, addressing customer requests, and making outbound calls to customers when we need more information for their claim – things that we know help improve customer service.

Lindi also shared with that the UI division has seen some improvement in our call wait times.

In August, we answered 56% of calls within 15 minutes on average, which was an improvement over June and July.

		<p>We have continued to make strides in this area since we resumed inbound phone support on Mondays in early September.</p> <p>For the past seven weeks (back to the week of September 16), we have answered 67% percent of calls within 15 minutes on average, including a 73.7% rate last week.</p> <p>We are encouraged by this progress, and Lindsay proud of the entire team for the work they have put in to get us to where we are today.</p> <p>But we aren't satisfied yet, and we know that we must continue to improve to provide the level of service that we want to, and that our customers expect.</p> <p>Question: Is the department reaching its staffing levels?</p> <p>Answer: We did hit the staffing goal of 476; however, some staff move to other areas or promote out of these positions. We cannot currently maintain this, but we did hit the goal. We have found an efficiency in hiring in cohorts and other than the normal impact of attrition, we are at our cadence of being fully staffed, then when we have enough vacancies from attrition, we hire another cohort of employees.</p>	
5.	Economic Outlook & Recent Workforce Report	<p>Gail Krumenauer provided an economic overview and talked about the recently released workforce report. When she talked about Oregon's labor force, she is referring to individuals who are 16 years of age and older. Whether or not an individual has applied for, is receiving, or has ever received unemployment benefits is not a factor in the statistical definition of being unemployed.</p> <p>Unemployed share of the workforce was 4% in September. It is rare for Oregon's unemployment rate to be under 4%.</p> <p>Oregon's labor force participation rate was 63% in September. The largest share of those who aren't in the labor force are those who have retired.</p> <p>Oregon employers added 800 jobs in September, an average of 900+ jobs which is slow compared to Oregon's past job growth numbers.</p> <p>One in four jobs in Oregon is held by a worker who is at least 55 years old. Healthcare and social assistance has the largest number of workers ages 55+, who may be looking towards retirement in the coming decade. Population growth is projected to be slower in the coming years than historical norms.</p> <p>Employers are trying to attract and retain workers by providing more benefits, perks, or job flexibility. Reducing previous work experience requirements and increasing recruitment intensity are also considerations.</p>	Gail Krumenauer, State Workforce Economist

	<p>Aging workforce and slower labor force growth could impact job growth.</p> <p>Question: Because of the recent election, do any of these forecasts take that into consideration?</p> <p>Answer: Looking at something that is more likely related to revenue forecasts. We do think about it in terms a policy. The office of economic analysis and the legislative revenue office are the ones that really tackle the tax related ones. We look at them once they are signed into law.</p>	
6.	<p>Paid Leave Oregon</p> <p>Karen Humelbaugh reported that we are moving rapidly in reaching our customers service goals. We've met the correct staffing compliment. We are caught up on claims, so we no longer have significant backlogs. Timeliness is starting to fall into place. October 10, we hired a new group of folks, front end, able to answer questions such as claim status. Went through a lot of training and started on 10/28. Our call wait times are about 18 min, but this week out call wait time was 5 minutes and 22 seconds. Still places where were working on, such as written communication and appeals.</p> <p>Entering the first season of renewal of equivalent plans. We are getting those in. We don't have the data yet and can share that next quarter.</p> <p>Have a variety of legislative reports that were due. Rebecca Nance will be sharing slides with information to the council.</p> <p>Our trust fund is reliant on contributions. We are looking at our forecast, we are not under or over. Are doing the research to make sure we are receiving all contributions. Have paid out about \$740,000,000.</p> <p>Demographics, we have done outreach to many different communities to make them aware of this program. Demographics information, in the slides.</p> <p>We are trying to reach folks at lower income levels. We are getting closer, there was a time where primarily the top 3 earning groups used the benefits. We are focusing on outreach to lower- and middle-income groups.</p> <p>We have statutorily the ability to set the contribution rate, up to a maximum of %1. We are keeping it at %1 for 2025. Letters will come out soon.</p> <p>Question: How do you outreach? For lower income folks?</p> <p>Answer: We have a whole outreach team. Working with different workforce groups. We are working with community organizations, cultural and language groups that have folks in lower income jobs.</p>	<p>Karen Humelbaugh, Paid Leave Oregon Director</p>

Commented [DG1]: All of this belongs in Gails update section, I believe

	<p>Doing outreach to healthcare providers in 2025 to help them understand their role in the program.</p>	
7. Modernization Update	<p>Rebecca Jensen Craven reported on the department’s modernization initiative. The State of Oregon’s Modernization vision: Optimizing essential services that the people of Oregon rely on through resilient, adaptive, secure, and customer-centered digital transformation.</p> <p>We are focused on two programs now: 1) the UI project that implemented the Frances Online system (this project is nearing completion); 2) we are getting ready for the implementation of the workforce modernization project.</p> <p>The workforce modernization project will replace the technology systems that support employment services and federal programs (iMatchSkills). We will also work to transform business processes to use the new system capabilities and their benefits.</p> <p>Rebecca has been traveling to office to talk to the folks who are working at the WorkSource centers, including our partners and watching and learning from the ways that our customer come in and use WorkSource services. She has visited 14 offices around Oregon. These visits have informed business requirements, the things that we’ll be asking our vendor to do for us and that will be asking a system to provide.</p> <p>We are in the early stages, in the process of finalizing our business requirements in preparation for a release of our request proposal. Still anticipating the final rollout will conclude in 2027.</p> <p>What we are intending with the proposals is to have a multi-step, multi-round evaluation process, and long-term approach to maintenance and support.</p>	<p>Rebecca Jensen Craven, Modernization Director</p>
Legislative Update	<p>David Genz and Sravya Tadepalli provided an update on legislative activities that the agency has been engaged in during the interim.</p> <p>During September legislative days we provided updates to the Senate Labor and Business Committee and House Labor and Workplace Standards Committee. We presented on our customer service efforts to improve claims processing and answering customer calls. Both presentations went smoothly. Members expressed some concerns about wait times and delays, but they appreciated the process and would like to continue to be updated.</p> <p>We are preparing for December legislative days, three presentations in all: customer service follow up (to House and Senate substantive committees); and an update on SB 489 (2023) to the House Education Committee. SB 489 allowed school employees to receive UI benefits during breaks for those non-teacher and administrator positions. We found that while there is only a comparatively small impact on the UI</p>	<p>David Genz and Sravya Tadepalli, Senior Legislative Advisors</p>

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	<p>trust fund. the impact on schools is significant because they are required to reimburse the UI trust fund dollar-for-dollar for UI benefits paid to their workers.</p> <p>The legislature received all required reports requested, both for July 1 report and September 15.</p> <p>Last time we provided updates to the council on a bill that would have provided tax credits to employers who were negatively impacted by the pandemic tax relief legislation that passed and was implemented during the height of the pandemic. This bill did not move forward because the scope was broad, and impact would have been significant on UI trust fund. Things are now moving in a positive direction. We will have a conversation with the bill sponsor next month. HB 4005, a bill presented by Representative Paul Holvey, outlines requirements for professional employer organizations (PEO) as their reporting relates to the UI and Paid Leave programs. The bill did not move forward because there were already provisions in existing law, and the agency committed to work with the PEOs during the interim. No final conclusions have been reached about what changes will be implemented and what the process will look like. We will be preparing and sharing a one pager in the future.</p> <p>We have been having conversations with other key groups and legislative offices about potential pieces of legislation for 2025. We look forward to providing more information at the next update.</p> <p>There are several legislative concepts that are currently on the table: LC479, relating to changes that align state law with existing practices, no fiscal impact; update gender-based terminology to describe composition of the council; LC 483, relates to information sharing with other state agencies (there was a bill in 2023 about information sharing with others, it created a fiscal impact for DOR, this concept does not include a fiscal impact); there are a couple of Paid Leave specific concepts, LC 486 and LC 488. These would align the authority for of Paid Leave Oregon program, with the UI program to waive employer penalties and interest. Another concept would repeal the reduction to unemployment insurance claimants' benefits, due to a disqualification, with the total amount of money they receive by eight times. Additionally, we have a placeholder in case the legislature decides to adjust funding. One pagers of all concepts will be forthcoming.</p>	
Public Comment	No comment from the public.	Members of the Public
Adjourn	Adjourned at 2:56pm.	Kurtis Barker

ACTION ITEMS

Action	Assigned	Date Due	Completed

FUTURE MEETING TOPICS

Action	Assigned	Date Due	Completed
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Minutes submitted by Perla Brambila Arechiga and Rebecca Nance.