

w	Oregon Employment Department Advisory Council Quarterly Meeting (3 rd Quarter) DRAFT Minutes						
Date/time:	August 22, 2022 1:30-4:00 p.m.						
Location:	Zoom platform						
Attendees:	P – Present		A- Absent				
P	Paloma Sparks	P	Tom Cusack	P	David Gerstenfeld	P	Karen Humelbaugh
P	Haley Alves	P	Kenechi Onyeagusi	A	Jeannine Beatrice	P	Bob Uhlenkott
P	Kurtis Baker	P	Catie Theisen	P	Rebecca Nance	P	Lori Graham
P	Robert Camarillo	A	Laurie Westenberg	P	Anne Friend		
P	Marc Chrismer	P	Royce Williams	P	David Genz		

MINUTES - DRAFT

	Topic	Desired Outcome	Presenter
1.	Welcome, self-introductions of OED Advisory Council (Council) members & staff	At 1:33 pm the meeting was called to order; self-introductions were made by Council members and OED staff.	Paloma Sparks
2.	Meeting Minutes Approval Feb 4 & 18, March 18, & May 2, 2022	Marc moved and Royce and Catie seconded the motion to approve all the past minutes. Motion passed unanimously.	Paloma Sparks
3.	Election of Vice Chair <i>Must be Public or Employer Member</i>	OED Acting Director David Gerstenfeld opened the floor for nominations for the vice-chair of the OED Advisory Council. This must be an employer or public representative. Robert nominated Kenechi, Paloma seconded, Tom seconded – passed unanimously. Rebecca Nance will follow up with Kenechi.	David Gerstenfeld
4.	Acting Director’s Update	David gave a high level overview of the critical things happening with the agency. Frances Online go-live is two weeks away, staff are working overtime to make sure everything goes as smoothly as possible. David gave an overview of the timeline for the different rollout phases for Frances, he also mentioned that modernizing the workforce operations program is underway. Unemployment Insurance (UI) performance is going well, the program is meeting most targets. David gave a breakdown of the different targets and the status of each target. Office of Administrative Hearings (OAH) still has a backlog and they are working to get caught up, some OED staff have transferred over to help with the backlog. Should see that ramping up soon. There is still a backlog of UI claims with flags for various issues, staff are working through these as quickly as possible. Fraud is still prevalent, we are doing our best to detect and prevent fraudulent claims from being paid. Equity Grants – two UI equity grants were awarded to the program. The first grant is for outreach to communities with	David Gerstenfeld

historically underserved communities. The focus is on education and outreach in order to identify, track and report in order to learn how we may better serve these groups. The second is the UI Navigator grant. The purpose of this grant is to provide assistance to those who need help navigating the UI program in order to gain access to benefits they may be eligible to receive.

Teresa Rainey is the Director of Equity and Inclusion, this is now a director-level within the agency. She was formerly the Equity and Inclusion officer for the department. Equity and Inclusion work, under Teresa's direction will have a programmatic focus. She will be hiring a team focused on this body of work.

The tight labor market has brought out the creativity of our workforce staff. They have been looking for jobseekers in both conventional and unconventional ways – focusing on finding those individuals who want to work, and getting them ready. These efforts include virtual, in-person, and drive thru job fairs, and working on re-entry work preparedness for adults in custody.

Continuing to monitor the budget closely, federal administrative funding grants, for UI and Wagner-Peyser, are anticipated to decrease. The grant funding is not keeping pace with the needs of the public we serve as we make huge strides to make important program changes; in order to do this, adequate funding is imperative for success. If the next recession is extraordinary (e.g. pandemic) full funding will be essential for success. If the next recession is "normal," we should be okay, the biggest concern is retaining experienced staff.

We continue to process new UI claims quickly. The biggest challenge is with first payment timeliness. Oregon still ranks high in UI performance as compared to other states.

Tom Cusack: How does a budget process work when there are revisions to the budget?

David Gerstenfeld explained the budget process, agency request budget is developed (it includes general fund requests), next step is Governor reviews, then the governor recommended budget is created and goes to the legislature. This year the Governor's recommended budget will come out later than usual because it is election year and there will be a new Governor in January.

5.	Recent Secretary of State Audit	<p>David gave a high level overview of the performance audit, and he indicated he was pleased with the outcome. The auditors looked at UI during the pandemic and focused on the adjudication program. It was well written to depict the agency challenges correctly. There were no surprises and we had been communicating about the same issues. A key part of the audit was the highlight that states that were modernized were having challenges as many challenges as those states (such as Oregon) who were not modernized. There were positive comments also about us being faster than other states.</p> <p>Audit Recommendations:</p> <ol style="list-style-type: none"> 1. UI policies and procedures updates – this is complete 2. Modernization – identified discreet things to include in the new modernized system, continue our language access to ensure sure access to our systems 3. Explore with other states about how they use texting – we are looking at this, including the risks of using text. In Oregon there was a recent text scam – we got the word out that this was a scam and the texts were not sent by OED. We want to be careful to protect people as much as possible. 4. Consolidate into one website, this should be done by the end of the year – we had to create an additional site at the start of pandemic because the original website could not be formatted to meet the needs of the customers. 5. Establish a central repository for guidance for staff, especially adjudicators and ensure it is updated frequently. This is underway and it should be done by next June. 6. Consider creating an ombuds office so claimants have a neutral party to represent them - this is being considered. During the pandemic we pulled together a resolution team that was very effective. Currently we are talking with other states about their experiences with an ombuds – we would need to set clear expectations for this function; even if we had had a perfect system, it still would have been an issue during the pandemic given the overwhelming volume of claims that came in over a short period of time. 7. Auditors found some disparities based on income, race, on how quickly some issues were adjudicated. They could not find the cause, but asked that we continue to work on addressing disparities. David reiterated we are committed to this and identifying unequal outcomes and addressing those we have control over to overcome to the extent possible. <p>There have already been many changes done to better meet the needs of the public.</p>	David Gerstenfeld
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		<p>Catie Theisen – curious on the texting and would like follow up on this. One problem was different answers after long waits on the phone. The ombuds office is a great idea and has been successful in other areas of state government.</p> <p>David invited Council members to bring forward ideas and insights.</p> <p>Tom Cusack – there was significantly more potential for fraud with the federal pandemic programs, is there information about program to program or is all lumped together. David will look and Lindsy will send the 2021 UI Fraud Report once it is finished.</p> <p>Even with the end of federal programs, there are still people trying to get benefits. The self-attestation created issues.</p> <p>Kenechi – commented that it would be helpful to have a place for small employers to get information and assistance. Where do small employers go to get information and assistance?</p> <p>David – employers have two connection points: 1) when a worker files a claim; and 2) when they submit their quarterly payroll reports and payments. The upcoming contribution modernized system rollout will have support functions such as online chat, and short video aids. We would like feedback about what is most difficult for employers so we can help mitigate as much and as soon as possible.</p>	
8.	Paid Leave Oregon	<p>Karen gave an update of Paid Leave, January 2023 contributions to the program will begin; September 2023 benefits payments will begin. Gave a funding update noting that the general fund loan to stand up the program needs to be paid back in June of 2023.</p> <p>Karen talked about the change in the hiring process to look more closely at the candidates that were otherwise being eliminated.</p> <p>Karen talked about onboarding and the passion staff has about this program and the excitement they have to be part of such a cutting edge program for Oregonians.</p> <p>Rule update – one hundred rules have been written and batches 1, 2, and 3 are all permanent and filed with the Secretary of State. Karen gave a shout out to Anne for her hard work on Paid Leave rules.</p>	Karen Humelbaugh

		<p>Phone lines went live on August 1, so we have practice when the equivalent plans can start being accepted; need to ensure customer service is as great as possible. Language access is being approached with internal staff to help make sure the information is being translated correctly. Doing everything possible to create the best experience as possible for customers.</p> <p>Outreach and engagement sessions are held three times per week. Once a week in Spanish, twice a week in English – over 2,500 folks have participated since May. Outreach teams are working with communities all over the state to do individualized outreach for each community.</p> <p>Launched the new interactive website, there will be another upgrade by the end of the year. Posting videos in 11 different languages and one page fact sheets. Encouraged everyone to subscribe to the updates so they know right away what is going on.</p> <p>Robert – thanked Karen for getting as much information out to workers as possible. Is there an app available for OED to use? That would be very convenient. Is this being discussed? There needs to be an alternative if possible. Trying to navigate on a phone can be a challenge.</p> <p>Karen indicated that everything on the site will be mobile friendly so functionality will be fully available on mobile devices. Working to make it as accessible as possible.</p> <p>David – have been looking into this, however there are constraints like maintaining the many different platforms and security. The mobile friendly platform allows you to adjust what you are looking at.</p> <p>Haley – asked about how to reach out for someone to present at our organizations?</p> <p>Karen – provided contact information for the Paid Leave Oregon Outreach Team.</p>	
9.	HB 3389 Employer Tax Relief Update	<ul style="list-style-type: none"> • There were 89,606 employers eligible for some type of UI tax relief. • Of these, there are 19,381 employers that qualify for some tax UI forgiveness reimbursement. That means that they paid at least two thirds of their taxes, submitted their quarterly reports on time, and that the payments made were in excess of what they owed under the provisions of HB 3389. 	Lori Graham

		<ul style="list-style-type: none"> • Roughly, 70,225 were eligible for deferral only, with forgiveness of interest and penalties, if all deferred amounts were paid by 6/30/2022. 8,700 employers have taken advantage of the deferral. • 15,466 accounts required manual review. • There were 1,774 employers that fell out of compliance in Q4 either by not submitting reports or by non-payment, or both. • Of those that fell out of compliance in Q4, 431 would have otherwise been eligible for forgiveness. • As of the morning of 8/22/22, 19,381 employers are entitled to forgiveness reimbursement • The estimated total payment of forgiveness reimbursements to employers for the entire program is \$43,582,983.45. • Forgiveness payments have been processed for 13,497 qualifying employers who have already received payments or will very soon. • This totals \$30,533,143.82. • There are 5,844 employers that still have not had forgiveness reimbursement issued, totaling a little over 13 million. <p>Teams are working to be ready for the Frances rollout in a couple of weeks. January will begin working with Paid Leave and taking in the contributions for that program.</p> <p>Rebecca commented about what a heavy lift this has been for Lori and her team.</p> <p>Paloma – is there staff dedicated to help employers use the system?</p> <p>Lori – there are staff available for employers to call for help as well as a video to help employers as well as. Other options are also being explored. Want to make sure we can get as many people as possible into the system and get registered before they have to file third quarter taxes.</p> <p>David – lots of discussions, talking with other states on these rollouts to gather info. on what is helpful, made several layers of contingency plans. Working to get materials created and out for people who need additional assistance. Trying to spread the registration out amongst the 130,000 employers. Will be watching closely how this works and how to make sure it is as easy as possible to get through for employers and claimants.</p>	
10.	Economic Update	Bob presented an economic update and work share analysis. August 17, 2022 was the most current economic report. Last	Bob Uhlenkott

	<p>time unemployment rate was at 3.5% was in March 2020. For every unemployed person there are two jobs. Bob overviewed the monthly changes over the last month. Overall for the last six months there has been steady job growth and that will help with inflation. Overall we are about 94% recovered from the pre-pandemic levels of employment.</p> <p>Bob talked about how we tell if a recession is looming. Also reviewed was the average hourly wage, trying to keep people in their jobs and in the state. Will have more information in October when the next reports come out.</p> <p>Bob talked about interest rates and how they are on the rise. The median age in Oregon is 40 years old and the more rural areas have a higher age range. The next several decades we are going to have a tight workforce with high demand, high earning occupations and will need to keep people in the vital industries and within the state.</p>	
11.	<p>Work Share Findings</p> <p>Work Share has been vital to keeping people in jobs and employers from losing employees during business downturns. Bob reviewed the work share claims data including the payments that were paid out. Oregon is one of the biggest users of Work Share in the USA. A slide was presented that showed the work share claims and how there were more in 2020 for education services than in 2022, but in manufacturing there were more in 2022 than in 2020. Manufacturing is still a major user in 2022.</p> <p>Next in Research:</p> <ul style="list-style-type: none"> - Report – Re-employment of Oregon 8/24/22 - November – Long term projections for new jobs by 2031, industries and occupations that are growing and declining the fastest. This helps people determine where the training should be focused. <p>Tom – workforce expansion, are there any concepts or discussion occurring to make the workforce work without the additional funding?</p> <p>David – there is a legislative concept help address this but it won't be significant. In order to be fully funded it would have to be done on a federal level.</p> <p>Tom – is the Paid Leave program going to be a part of the Work Share?</p> <p>David – it is based on the hours worked, and explained how the Work Share and paid leave would work together.</p>	Bob Uhlenkott

		<p>Paloma – stats for working at home, is that everyone or?</p> <p>Bob – it’s everyone, evidence that the percentage of work from home is decreasing, looks like right now one in four people work from home but will look more into it.</p> <p>Discussion about interest rates occurred.</p>	
12.	Legislative Concept Update – What’s next?	<p>All four legislative concepts have been approved to move forward. Have received one of the drafts and are awaiting the last three. Have until the end of November to provide more information to DAS before they go the legislature as bills.</p> <p>Working to create resource packets for the new legislators and new governor. Anticipate the legislative team will be busier than normal with all the new legislators.</p>	David Genz
13.	Council Round Table Updates	No updates were given.	Council Members
14.	Public Comment Period –	None were present.	Members of the Public
15.	Adjourn	<p>Kenechi moved and Marc seconded the motion to adjourn early. Motion passed unanimously.</p> <p>Meet adjourned at 3:37 pm</p>	Paloma Sparks

ACTION ITEMS

Action	Assigned	Date Due	Completed
Send information re: Work Share program to Council Members	Rebecca	June 1, 2022	6/9/2022
Send draft minutes and presentation documents to Council Members	Rebecca	June 1, 2022	6/9/2022
Input from Council members on UI legislative concepts	Council Members	TBD	None Rec’d

FUTURE MEETING TOPICS

Action	Assigned	Date Due	Completed
HB 3389 Impact – update at next Council meeting	Lori Graham	August 2022	8/22/2022

Minutes submitted by Anne Friend 9.12.2022