

Oregon Employment Department Advisory Council Quarterly Meeting (2 <sup>nd</sup> Quarter) Minutes							
Date/time:		May 2, 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	P	Jeannine Beatrice	P	Sara Cromwell
P	Kurtis Baker	A	Catie Theisen	P	Rebecca Nance	P	Lori Graham
P	Robert Camarillo	P	Laurie Westenberg	P	Anne Friend	P	Lisa Schriever
P	Marc Chrismer	P	Royce Williams	P	David Genz		

MINUTES - APPROVED

	Topic	Desired Outcome	Presenter
1.	Welcome, self-introductions of Council members & staff	At 1:31pm the meeting was called to order; self-introductions were made by council members and OED staff.	Paloma Sparks
2.	Director’s Update	<p>David Gerstenfeld gave departmental highlights on the agency, saying “the state of the agency is exhausted,” going quite well, daily work and transformal work is being done. He specifically touched on the following:</p> <ul style="list-style-type: none"> <li>• There are two to three audits being conducted at the agency at any given time. Typical for post-recession recovery time period.</li> <li>• Performance of UI program is going quite well. We are in the top ten nationally, with most of the federal metrics being met. Still having challenges with 1. backlogs with fraud investigations and clean up of fraud attempts, and 2. handling the appeals which is a pain point with the Office of Administrative Hearings (OAH). These are national trends, not just in Oregon.</li> <li>• Contacted by an auditor from another state because they saw reports and thought Oregon did quite well; they wanted to hear about our approaches during the pandemic; we shared our thoughts and approaches with them.</li> <li>• Federal funding for UI is on our minds. During normal recessions funding increases, and when the recession ends, funding declines. The normal cycle has changed with the pandemic recession and both scale and speed were exaggerated. We are now working on clean-up – during normal recessions it can be done gradually. The federal gov’t did not fully fund pandemic administrative work so we are working to clean up the last of the pandemic claims, and engaged in transformational work at the same time. We will need a federal fix – working on a federal fix for how feds fund states for administrative work – a big risk if there are not fixes made at the federal level then no states will be prepared for the next recession let alone a severe pandemic recession.</li> <li>• 125 days until initial modernization roll out in FRANCES. Both UI and Paid Leave Oregon contribution systems will be up and running statewide in January of 2023. The first</li> </ul>	David Gerstenfeld

		<p>Paid Leave benefit payments will be made in September 2023.</p> <ul style="list-style-type: none"> <li>• Re-employment work through the Workforce Operations division is working to help employers find workers in this tight labor market.</li> <li>• Research division is providing invaluable information to many as well as research that is guiding internal decision-making within the agency.</li> <li>• Federal System Modernization system is a multi-year effort that is currently underway but it will be several years before it is up and running. Currently working on a three tier approach: 1. a break fix – emergency work that needs to be done to support – gave the ICON network as an example of the decades old system that enables states to share data; 2. National solutions being looked at across the states; and, 3. Transformational efforts to build technology that all states can use – looking at central model for all states to use for positive identity verification; data repository; claim status. There are pilot programs for various functions with this system currently (e.g. New Jersey – plain English for UI; Arkansas – log in for indenty verification). It will be many years before significant changes are realized.</li> <li>• No questions or discussion.</li> </ul>	
3.	Proposed Legislative Concepts	<p>David Genz talked about the four legislative concepts the department is requesting, and explained there are two concepts that will impact the UI work of the department, and two concepts that will impact Paid Leave Oregon (PLO). The PLO concepts have already been presented to the PLO advisory council.</p> <p>The two UI legislative concepts are: 1. Data gathering and sharing information; and, 2. Expansion of the Work Share Expansion.</p> <p><u>Data Gathering and Sharing</u>      The concept for data sharing is with the department of revenue. The desire of the department is to make data sharing is permanent; currently the data sharing agreement in place is temporary. This concept impacts both UI and Paid Leave Oregon.</p> <p><u>Work Share Expansion</u>      This concept will expand eligibility of the Work Share program in Oregon. It will allow workers, who have worked for an employer less than a year, to be considered for program eligibility. It would also expand the percentage of reduced hours, potentially allowing more employers and workers participation.</p>	David Genz & Council Members

		<p>Kenechi would like to float this concept around to her network.</p> <p>Tom expressed interest in the demographics of work share participants vs. regular UI claimants (e.g, location, race, etc.).</p> <p>David Gerstenfeld commented that Oregon is close to New York State in terms of the actual number of people eligible for Work Share. Work Share was a huge tool during the pandemic, it is also one of the most manual benefit programs we administer. We had to scale up staff numbers significantly during the pandemic to administer this highly manual program. He also indicated that data tracking of Work Share will be possible once Frances (modernized system) is fully implemented.</p> <p>Robert indicated that he had never heard of the Work Share program and would like to learn more about it. He asked if companies with union agreements may be considered for Work Share – the answer is yes. Robert wants to float this idea with his network.</p> <p>Rebecca will send follow up information to the committee about the Work Share program along with meeting minutes.</p> <p>The two Paid Leave Oregon concepts address technical corrections and housekeeping to the law, as well as overpayments and penalties.</p>	
4.	Paid Family and Medical Leave Insurance (Paid Leave Oregon)	<p>Karen gave an update on her first 6 months as the director for the division. Oregon is one of 12 states in the United States that have a paid leave program that have either been implemented or is in process. Karen gave program, modernization, and rulemaking updates. She expects all, administrative rules in place by September. Staffing is ramping up, including management team, outreach team, and others.</p> <p>Kenechi congratulated Paid Leave Oregon on the organizational development efforts and change management work. She followed up with additional comments and questions about the future plans to ensure that change management continues as does equity and inclusion work.</p> <p>Karen noted that the change management and equity and inclusion officers report directly to Karen. This structure is intended to help align this work so it is embedded into all of the workstreams moving forward.</p> <p>Haley asked about advance notice for Paid Leave Oregon claims. Karen explained that we are trying to set the program</p>	Karen Humelbaugh

		<p>to allow for flexibility around notices when possible taking into consideration the situationality of different types of claims (e.g. maternity leave vs. unexpected accident or illness).</p> <p>Karen and David Gerstenfeld both explained the intent of the flexibility of the language and how employers will be in charge of that.</p> <p>Paloma – In all likelihood, people will want to plan it out in advance, and employers will want 30 days notices. Still working around the edges about how notice can be provided to your employer on your behalf.</p> <p>Paloma commented that while she appreciates the simplicity of the rebranding, she is concerned that people may think Paid Leave Oregon is something that it is not, and it covers more situations than it does.</p>	
5.	SB 172 UI Waiver Update	<p>Sara gave an overview about the need for this legislation (2021 Legislative Session) and ease the burden to claimants. OED has been working on implementation, including the administrative rules being adopted and/or amended. Sara shared the Oregon Law Center’s request of changes to the rules, including some of the changes in the final rulemaking language. OED will be adjusting the waiver form to work better for claimants, working on looking other benefit programs for tested waivers that are working.</p> <p>OED is working on policy paper to consider feasibility of presumptive means tested benefit programs.</p> <p>Paloma has concerns about creating a bright-line rule on equity and good conscience. That feels like a significant change to statute, and she would like to be part of these conversations moving forward. Sara indicated that current definition would stand, and those who met the means tested criteria would not have to go through the more extensive waiver application process.</p> <p>David Gerstenfeld mentioned that we define equity and good conscience using the IRS guidelines for their hardship. We are happy to include you and others interested as we explore this issue.</p>	Sara Cromwell
6.	HB 3389 Implementation Update	<p>Lori presented a PowerPoint presentation outlining House Bill 3389 (2021), regarding the UI tax relief for employers, deferral and forgiveness information. The estimate is \$160 million are deferrable for quarter 1 through quarter 4 of 2021. All 2021 fourth quarter UI taxes were due Jan. 30, 2022. Currently processing those accounts and any refunds that need to be issued without employers having to request the refund. Lori described the manual process for determining eligibility for</p>	Lori Graham

		over 18,000 accounts, we are doing this review to make sure to include as many employers as possible; employer have until June 30, 2022, to pay any deferred amount <sup>6</sup> that will not be forgiven. Lori further explained what the consequences are for employers that don't make the payment by June 30, 2022. Any interest or penalites that have been deferred will be due if the payment is not made. Will not know the total impact until early July.	
7.	Council Roundtable Discussion	Royce recently went to work for Trimet as senior deputy general council.	Council Members
8.	Public Comment Period	No public members were in attendance to provide comment.	
9.	Adjourn	Meeting adjourned at 3:14pm	

## ACTION ITEMS

Action	Assigned	Date Due	Completed
Send information re: Work Share program to Council Members	Rebecca	June 1, 2022	
Send draft minutes and presentation documents to Council Members	Rebecca	June 1, 2022	
Input from Council members on UI legislative concepts	Council Members	TBD	

## FUTURE MEETING TOPICS

Action	Assigned	Date Due	Completed
HB 3389 Impact – update at next council meeting	Lori Graham	August 2022	