

Oregon Employment Department Advisory Council Quarterly Meeting (4th Quarter)							
Date/time:	January 12, 2024 1p.m. to 5p.m.						
Location:	Zoom platform						
Attendees:	A – Absent P – Present E - Excused						
P	Kurtis Baker, Chair	P	Robert Westerman	P	David Gerstenfeld	P	Renee Royston
P	Robert Camarillo			P	Jeannine Beatrice	P	Karen Humelbaugh
E	Tom Cusack			P	Rebecca Nance	P	Lindsi Leahy
P	Kathy Nishimoto			P	Monica Reyna-Dunigan	P	Lisa Schriever
P	Catie Theisen			P	Bob Uhlenkott	P	Justin Freeman

MINUTES - DRAFT

	Topic	Minutes	Presenter
1.	Welcome, self-introductions of Advisory Council members & OED staff	Chair Kurtis Barker welcomed attendees, council members, and presenters who introduced themselves.	Kurtis Barker & Attendees
2.	Approval of July Minutes	A motion was made by Catie to approve the July 2023 minutes. Motion seconded. Rebecca commented that these minutes had been discussed via email and all corrections and edits were made. Motion passed.	Council Members
3.	Vice-Chair Election	Nominations were open for the Vice-Chair vacancy. Catie nominated Robert Westerman for the position of Vice-Chair. Motion seconded. Motion passed.	Kurtis Barker
4.	Director's Update	<p>OED Director David Gerstenfeld provided an agency-wide update:</p> <p>Organization is suffering from burnout, since the pandemic OED has been operating on high alert on multiple fronts.</p> <p>With Modernization there are many simultaneous projects with a high level of complexity.</p> <p>Staff is doing an exceptional job and pushing themselves.</p> <p>The next focus for 2024 is a successful UI benefits rollout in Frances Online for the March 4, 2024 "go-live". The UI roll-out will help us successfully navigate a more sustainable pace and how we operate and evolve as an agency.</p> <p>UI is strained due to funding. Although federally funded, Oregon is not fully funded, the Supplemental Employment Department Administrative Fund (SEDAF) helps offset underfunding. We had previously discussed and had support for expanding SEDAF with the council.</p> <p>A SEDAF increase is not a tax increase, but rather a re-apportionment of existing tax amounts for the purpose of getting closer to the desired customer service levels.</p>	David Gerstenfeld

		<p>We presented on the SEDAF legislative concept on January 11, 2024, before the House Revenue Committee. It was introduced as a committee bill for the upcoming legislative session.</p> <p>There is not federal budget for 2024, we are still operating through federal continuing resolutions (CR). While we have not had to face the impacts (so far) of a federal shutdown. When a budget is ultimately passed, historically the United State Department of Labor (USDOL) applies the fully passed budget amounts to see what it does to federal reimbursements for that federal fiscal year. The federal fiscal year began October1, 2023.</p> <p>This means that we do not yet know how much we will be reimbursed for the work we are currently doing. We are effectively being reimbursed at the same rates as last year, but that may retroactively change and is almost certain not to change for the better.</p>	
5.	Economic Outlook	<p>Workforce and Economic Research Director Bob Uhlenkott offered a look at the November employment situation.</p> <p>Benchmarking to the tax figures will be happening soon, typically this is the best universe data, most of the data we published are survey based. The survey is based on employers and households.</p> <p>The Federal reserve has been raising interest rates to slow the economy down to have a soft landing without a recession.</p> <p>Talked about the future of jobs and the aging workforce, impacting jobs of the future. The 2032 long-term industry and occupational projections are produced every 10 years will be published soon.</p> <p>Inflation & interest rates of the December Consumer Price Index (CPI) was released yesterday, it increased to 3.4% from 3.1%. The Federal Reserve was targeting a change no more than .2%. Previously the Fed had signaled three decreases if continued progress was shown, no news on rate hikes, they have not been publicly talking about rate hikes.</p> <p>Oregon’s unemployment rate was 3.6% in November. Still at record low unemployment numbers in Oregon.</p> <p>The U.S. unemployment rate was 3.7% in November. Oregon is mirroring the national rate closely.</p> <p>Oregon non-farm payrolls decreased by 7,300 jobs in November.</p> <p>Monthly losses were largest in professional and business services (-2,900 jobs), construction (-1,700), leisure and hospitality (-1,500), financial activities (-1,300), and information (-1,000).</p> <p>The news reflects the national economy in recent months has been positive, Oregon economy is reflected negatively.</p>	Bob Uhlenkott

Graphs reflect record low unemployment rates based on Counties.
Individuals looking & finding employment is positive.

The only industry growing substantially in November was health care and social assistance, which added 2,400 jobs.

The “Quality Info” projection front page slider (available at www.qualityinfo.org) is a great resource on long term employment growth projections on Oregon 2022-2023.

There are an additional 9,400 self-employed Oregonians (7%)

Information Technology (IT) is projected to grow the fastest (+20%), +7,400 jobs.

Health care and social assistance and leisure and hospitality are projected to grow the second fastest (+17% each).

Growth in leisure and hospitality is driven by recovery from the pandemic.

Health Support leads occupational growth, the healthcare support occupational group is projected to grow the fastest 20% The growing elderly population, which typically has increased healthcare needs compared to younger groups, will in turn increase demand for caregiving and therapy services.

Computer and mathematical occupations are the second fastest-growing occupational group at 20.0%.

Job openings by occupational groups in Oregon, 9 out of 10 job openings are replacement openings.

Service occupations (which include food preparation and serving workers, personal appearance workers, protective services, and building and grounds cleaning) rank first in most job openings. The fast growth in service occupations is mainly caused by the job losses incurred in 2020.

A quarter of all industries will retire in the next 10 years.

Long-Term employment growth led by Portland Tri-County and Central Oregon regions, the two areas projected to grow faster than Oregon's rate of 10% are the Portland Tri-County (12%) and Central Oregon (11%).

Updates to qualityinfo.org: Standard industry & occupational projection tables, Occupation profile, career explorer, Industry Profiles, 2018 SOC coding structures implemented across all tools such as job finder and iMatch skills.

Question: Report from WalletHub did not rate Oregon very well, concern with the growth and where will they go?

Answer: The report was based off of last year's information, so some sites can be misleading with incorrect data.

	<p>Question: Are we seeing an increase in retirement in comparison with the past?</p> <p>Answer: Yes, it is increasing with the aging workforce, Oregon is the 2nd oldest & median age west of the Mississippi.</p> <p>Education ties to job quality, the trends with workforce investments in apprenticeships that ties to the most in demand needs to coordinate to the 10-year plan is interesting.</p> <p>There is currently General Fund investment through Future Ready Oregon, priority populations & industry, healthcare, manufacturing & tech, special focus areas.</p>	
<p>6. UI Program Update</p>	<p>UI Director Lindsy Leahy provided a program update.</p> <p>It has been a busy year for unemployment insurance (UI), Oregon paid \$730 million in benefits to more than 123,000 individuals.</p> <p>Improving equitable access outreach to underserved communities, collected over 1100 surveys from these communities.</p> <p>Braille printer was purchased, with one time grant funds and OED partnered with the Commission for the Blind to help ensure the documents are accurate.</p> <p>Federal congressional staffers from other states reached out to hear more about our Self Employment Assistance (SEA) program because they repeatedly heard that Oregon’s is the best in the nation.</p> <p>The U.S. Department of Labor gave us a nod for our successful process improvements that we have been implementing prior to Modernization.</p> <p>Members of the UI and Contributions and Recovery (C&R) teams attended the National Association of State Workforce Agency’s (NASWA) Integrity Symposium in December.</p> <p>NASWA provided funding for states to travel to the Symposium which really helped increase participation in the event in a time of decreased federal funding.</p> <p>The event was focused on fraud in the UI system, and it was a great opportunity to learn what other states are seeing, to share best practices and feedback on tools that are being used and the innovative ways states are using data and working together to address this national problem.</p> <p>Our team was part of a panel on about data analytics to detect fraud and ran a group activity to find suspicious items in a fake data set. It was fun (and pretty funny) to see a large conference room of people pouring over spreadsheets and audibly “ooing and awwing” and excitedly leaning over to the tablemates and sharing what they found – with ‘look at that’ and ‘tricky,</p>	<p>Lindsy Leahy</p>

	<p>I missed that one.’ Such a great concept to really drive home some of the clever tactics that bad actors are using to defraud the UI system.</p> <p>This was a unique symposium because it is specifically focused on frontline staff, data folks, and UI subject matter experts, along with UI directors and state workforce agency administrators so you have a great variety of perspectives that were able to share and networking at a variety of levels.</p> <p>Rollout is in full force, with a “go live” of March 4 in Frances Online. This will be the third rollout in the Frances Online system.</p> <p>We have updated hundreds of documents and created language for e-screens. Using plain language and an equity lens.</p> <p>There is much testing & training happening.</p> <p>UI has joined the monthly media briefings to share updates and to help inform the public about what they can expect as we get ready for the rollout of UI benefits in Frances on March 4th.</p> <p>Rollout is focusing on minimizing disruption in payments to claimants currently receiving benefits; preparing current claimants for what to expect with the transition; and supporting new claimants on how to use Frances Online.</p> <p>Oregon has an extensive oversight process; however, we do expect there will be bumps in the road; it is impossible plan for everything that will arise. We are ready to adapt quickly to problems that will arise.</p> <p>Frances will automatically process simple claims, which will free up the Unemployment Insurance team to focus on more complex claims.</p> <p>The new system will allow claimants to better “Self-Serve,” meaning customers will be able to do more things online instead of waiting for a letter in the mail or calling us. In Frances Online they will be able to: access their own online account; see claim status, view letters and decisions; and respond to eligibility questionnaires.</p> <p>UI Staff is being increased to be prepared for the roll-out; 60 additional temp staff are being hired; and 20 claims specialists, adjudicators, and investigators have been onboarded since January 2nd. We are working to onboard 40 public service representatives in early February.</p>	
<p>7. Paid Leave Oregon Program Update</p>	<p>Paid Leave Oregon Director Karen Humelbaugh gave a program update.</p> <p>Paid Leave has done some pivoting to accommodate the UI program rollout and expect some bumps in the road.</p> <p>We are working on the September 3, 2023 “go live”, when customers could start taking leave, we now have a quarter of data to review. In a year we will see more trends.</p> <p>There are currently 54,000 active claims and 12,000 in process.</p>	<p>Karen Humelbaugh</p>

	<p>Staffing is continually shifting to accommodate where the work is needed more urgently. We continue to hire.</p> <p>We are receiving about 1,200 calls a day, the average call wait time is roughly 50-60 minutes, this is not where we want to be, so adjustments continue to be made.</p> <p>Bonding leave is the most common leave type, other states have been seeing a higher number of medical claims. We believe we will see an increase in medical leave claims as the program continues.</p> <p>Overall, the payout for 2023 was lower than projected.</p> <p>Contributions are on par with what was projected. The Paid Leave Trust fund is currently stable.</p> <p>Senate Labor and Business committee introduced a long-term sustainability was introduced. Providing us with levers to be prepared for any unexpected trust fund issues that may arise.</p> <p>There has been some negative press about claimants getting stuck in the ID verification process. This process is very important as it protects the trust fund from fraud.</p> <p>Although we hear negative press, overall picture is positive, to date there has been \$180 million paid in benefits. This is a very positive outcome.</p>	
<p>8</p> <p>SEDAF and Upcoming Session</p>	<p>David spoke about the SEDAF rate increase legislative concept – this is not a tax increase, but rather a re-apportionment of existing tax contributions and the need to get closer to the customer service levels we want in the UI program. No legislative push back or concerns being currently voiced.</p> <p>Data shows we were underfunded pre-pandemic and now we are back to post-pandemic underfunding.</p> <p>UI service delivery model has identified barriers to accessing benefits and we’ve gone from a passive delivery model to actively seeking out individuals who may have barriers to accessing UI. It takes more resources, more language work, and more communication efforts.</p> <p>Our Legislative priority is stability and sustainability. There may be more concepts during the short session that may impact UI and Paid Leave.</p> <p>We are going live with the UI benefits system during the short session. David is convinced that there is never a good time to “go live” with a major technology change.</p> <p>Rebecca talked as background for this session’s SEDAF as it was lost in the shuffle at the end of session for a permanent fix. OED was granted general funds as a stop gap measure.</p> <p>The SEDAF one-page document was updated, and we will send this to the council. No objections from the council in continuing to support SEDAF.</p>	<p>David Gerstenfeld and Rebecca Nance</p>

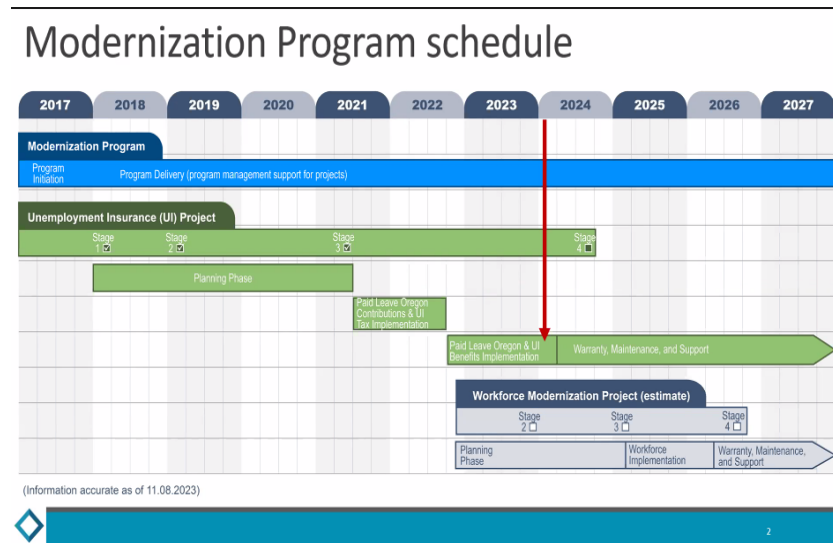
The department has been hitting it hard with legislative concepts, meeting with members, legislative staff members, Governor’s Office. We are as prepared as we can be for the short session.

Kurtis asked if we still have visual measures of the department. David explained that has changed some as we found there are federal measures that are not meaningful (e.g. there is no federal call wait time measurement). The dashboard we now use is: [Dashboard : News and Media : State of Oregon.](#)

9. **Modernization Program Update**

Modernization Director Renee Royston gave an update on the Modernization program at the department.

Renee Royston



There is progress on the UI benefits modernized system in Frances Online.

The project continues to be on time and under budget. A major focus is usability by customers and refining system processes to better combat fraud.

Staff have been engaged in training including mock conversations. We have also engaged with partners in training.

The team is actively working on data conversion and purification as well as end-to-end testing. Cutover preparations and finalizing the communication plan are well underway.

Frances Online will be a benefit for Oregonians as well as OED staff with the ease of one application versus the several current systems.

After the modernized UI benefits system is underway, we will begin on the workforce modernization project. This project will replace the computer systems supporting the delivery of employment services and administration of federal programs.

10	Rules Advisory Council (RAC)	<p>Rebecca Nance prefaced Lisa Schriever, UI Operations, that council input on these draft rules is critical.</p> <p>Lisa is responsible for UI rulemaking.</p> <p>Three rules to be discussed:</p> <ul style="list-style-type: none"> ➤ Definition of equity & good conscience ➤ HB3331 Implementation ➤ Informed Consent <p><u>Overpayment Waiver</u></p> <p>OED can waive or offset the recovery of claimant fault non-fraud, claimant non-fault overpayment if it goes against “equity and good conscience.”</p> <p>Two listening sessions were held November 1 and 2 to solicit feedback on these rules.</p> <p><u>HB3331 Implementation</u></p> <p>The workshare program allows employers to reduce the hours of work for a group of workers rather than moving to laying off workers.</p> <p>This rule would make permanent the temporary rules implemented in September.</p> <p><u>Informed Consent</u></p> <p>This rule would allow customers to give informed consent online.</p> <p>Catie: Would like to see written draft rules.</p> <p>Rebeca will send this follow-up in a separate communication path to receive feedback on this topic.</p>	Lisa Schriever
11	Public Comment	No public comment	Members of the public
12	Adjourn	Meeting adjourned at 1:47pm.	Kurtis Barker

ACTION ITEMS

Action	Assigned	Date Due	Completed
SEDAF One Pager, OLIS Link, link to aging and Oregon demographics, Leg. Concepts spreadsheet	Rebecca		
Email presentations to council	Rebecca		
Email draft UI rules to council	Rebecca		

FUTURE MEETING TOPICS

Action	Assigned	Date Due	Completed
Rulemaking promulgation at quarterly meetings	Rebecca Nance	Ongoing	

Respectfully submitted,

Monica Reyna-Dunigan
Executive Assistant to the Director

Rebecca Nance
Senior Legislative Advisor