

**Employment Department Responses to Sub Committee**  
**Questions and Information Needs**  
**March 13, 2015**

**1. Has OED been tracking at all any of the millennial attitudes towards the workplace, in any kind of scientific way, or are you aware of any literature or any literature searches?**

The Employment Department has not done any specific research on millennials and their attitudes to work. Our May 2014 report, "Endangered: Youth in the Labor Force" looked primarily at the decline in young people's participation in the labor force, and the reasons for that decline. It found that young people have high unemployment rates, were not benefiting from the at-that-time slow employment growth, were less likely to be participating in the labor force than in previous years, and were therefore not gaining valuable work experience. It also found, however, that young people are no more "idle" than young people of previous generations. Idle, in this context, is defined as not being in the labor force and not being enrolled in education.

There have been many studies and articles written on millennials and the workplace, far too many to analyze for or summarize in this response. However, here are some points we found particularly interesting, based on a quick scan of research.

- A study from Bentley University, as reported in Forbes magazine, found that
  - Three-fourths of non-millennials believe that millennials have a weaker work ethic than older generations.
  - About two-thirds of employers say their organizations struggle to manage millennials.
  - Business decision makers and corporate recruiters were 2-3 times more likely than college students or high school students to consider "work ethic" as crucial.
  - Millennials want to work for companies that are socially responsible, ethical, of good repute, and have a positive social impact.
- A Scout Exchange survey of 20,000 human relations professionals, reported in the Chicago Tribune, found that human relations professionals believe that young employees have over-optimistic expectations about how quickly they'll climb the corporate ladder, have a frustrating sense of self-entitlement, lack face-to-face communication skills, and have a troublesome work ethic.
- An analysis on PoliceOne.com, written by a long-time military and law enforcement officer and trainer, suggested, particularly in the context of law enforcement, that millennials are high maintenance, don't like hierarchy, like "train the trainer," are less concerned with privacy, don't always have the necessary people skills, are impatient for promotion, like to collaborate with peers before making a decision, and are more about "me" than "we."

There are alternate views, however, some coming from the millennials themselves, findings which "confirm a reality gap," according to Forbes.

- The same Bentley University study found that 89% of millennials believe they have a strong work ethic and 66% feel misunderstood by their elders.
- HR Morning.com, reporting on a recent survey by KRC Research, found that:
  - 51% of millennials say they prefer talking to colleagues in person rather than electronically.
  - 80% expect to work for four or fewer companies during the lifetime, suggesting they're not as likely to switch jobs as some believe.

It is certainly true that millennials prefer flexible working hours – 77% of them said so, in the KRC survey.

A March 2015 article in *The Police Chief*, written by Professor William Woska of Golden Gate University, noted that many police departments are struggling to find sufficient workers. Among the causes cited: many existing officers retiring, more young people completing higher education and seeking professional positions, negative publicity regarding police profiling and use of force, wars in Iraq and Afghanistan siphoning off public-service-minded young people, and young people's desire for a balance between job and family life (and the dual law enforcement pressures of 24-hour coverage and a dangerous work environment).

During the Sub-Committee hearing on March 11, Employment Director Nisenfeld noted that in her more than 30 years in workforce and economic development, she's consistently heard that "the youth of today lack work readiness skills, so some of this is just what we always say." Dr. Peter Capelli, director of the Center for Human Resources at the Wharton School, would likely agree with that point. He notes that older people complaining about younger people's work habits is nothing new. "You can find these complaints in ancient Greek literature, in the Bible," he says. "It reflects the way older people see young people." Capelli doesn't believe millennials are significantly different, "they're just younger."

**2. Please provide the members with list of members on all OED advisory boards, councils, or committees.**

See attached. There are currently three (3) advisory bodies - The Oregon Workforce Investment Board (OWIB); the Office of Administrative Hearings Oversight Committee; and the Oregon Employment Department Advisory Council (OAC).

**3. Please provide a list of contracts that Local Workforce Investment Boards have currently, along with any available public information summarizing the terms of the contract.**

*This information is still being gathered and will be forwarded as soon as it is available. The record of these contracts is with the individual LWIBs.*

**4. Please provide a general description of what OED plans to do with its Key Performance Measures (KPMs) during the 2015-17 biennium.**

During the 2015-17 interim, OED plans to review its KPMs before it develops a 2017-2019 Agency Request Budget. The purpose of the review is as follows:

- To be more consistent with the goals of Oregon's workforce redesign;
- To be more consistent with the new federal Workforce Innovation and Opportunities Act;
- To reflect changing priorities and operational improvements in Unemployment Insurance; and,
- To reflect – assuming it happens – the move of OAH out of the Employment Department.

OED tentatively plans to:

- Form a work group that will take several months to review existing KPMs and propose, define, operationalize new ones, as appropriate.
- Communicate the proposed new KPMs to OWIB and other relevant entities.

- Formally propose and discuss new KPMs to/with LFO and CFO.
- Include proposed new KPMs in Governor's 2017-19 Recommended Budget.

**5. Does OED have any data regarding success rates of people who participate in the Self Employment Assistance program?**

OED is working with the Department of Labor on better long-term data collection and analysis. Most of the information we currently have is from a survey done in 2010 – 2011 and from reviewing our quarterly employer wage reports. Because it was a voluntary survey, we believe the results are likely somewhat skewed to disproportionately reflect those whose businesses were successful.

261 of the 373 people who responded to the survey (70%) reported successfully launching their business. While many of those that launched did not have employees, some of them did report hiring other employees:

- 53 had one or more full time employees (14% of those that responded)
- 28 had one or more part time employees (7.5% of those that responded)
- 29 had occasional employees (7.8% of those that responded)

17 of the businesses reported having annual payroll of at least \$100,000:

- 10 reported annual payroll of \$100,000 - \$199,999
- 6 reported annual payroll of \$200,000 - \$599,999
- 1 reported annual payroll of \$1.4 million

These figures do not include people the business may have employed using temporary staffing agencies.

Of the people who launched their business between 2004 and 2009, as of February 2011, 77% of those businesses were still operating.

**6. Please confirm the amount of unemployment insurance overpayments that are outstanding.**

There is a total of \$118.7 million in overpayments that are owed to the department. Some of these are recently assessed overpayments while others are from many years ago. In calendar year 2014, a total of \$25.5 million in overpayments was assessed. During that same time period, the department recovered \$25.4 million of owed overpayments.

**7. Please provide a list of all open contracts that OED has for services (where OED does not directly perform the work). If possible, please include contractor identification, amount, general description of the services, and a contact person.**

*This information is being gathered and will be forwarded as soon as available. We plan to meet the March 20, 2015 deadline for this submission, as indicated in LFO's March 12, 2015 email.*

## 8. Please provide more information on seasonal employees and impact on Employer UI Taxes

Oregon's self-balancing UI tax system has eight tax schedules: higher tax schedules have higher average tax rates. We move between tax schedules annually based on the health of the UI trust fund. Regardless of which tax schedule is in place, employers with higher experience ratings have higher UI tax rates. A business' experience rating is based on the amount benefits paid to its employees compared to the business' total taxable payroll.

In general, the more stable a business' workforce, the lower its experience rating and so the lower its UI tax rates. There is a maximum UI tax rate of 5.4%, regardless of how high a business' experience rating becomes. Federal law requires states to use an experience rating system, designed to allocate the risks and costs of unemployment among employers.

Although Oregon's UI system does not explicitly distinguish between seasonal and non-seasonal workers or employers, there are implications for how the UI system applies to them. There are many variables involved in whether someone receives UI benefits and in determining an employer's specific UI tax rate. Because of that, there is not a single answer to the question of whether seasonal employers have higher UI tax rates than other employers. Below are some of the factors that are likely to impact seasonal employers:

- Seasonal layoffs means more people potentially receiving UI benefits – When work slows down for the season, more workers are unemployed. This means more workers may receive UI benefits so more benefits may be charged to an employer's experience rating, tending to increase the employer's UI tax rates.
- Some seasonal workers may not be eligible for UI benefits – To receive any UI benefits, workers must have worked at least a minimum number of hours or earned at least a minimum amount of wages. These are relatively low thresholds, but some seasonal employees may not meet them, especially if they work for just a short part of the year or work part-time in a seasonal position. If someone becomes seasonally unemployed, but did not have enough wages or hours to receive UI benefits, there would be no negative impact on the employer's experience rating.
- Many seasonal workers have multiple Jobs – When they are seasonally laid off from one job, they may still have work at another. That work could mean the person is not eligible to receive some or all of their UI benefits. In many situations, however, the seasonally unemployed worker has no job at all and receives their full UI benefits each week.

If the person worked for multiple employers, any UI benefits that worker receives are allocated proportionally to their employers. For example, if a worker earned 75% of their wages from ABC Company and the remaining 25% from XYZ, Inc., then when computing ABC Company's experience rating, only 75% of the UI benefits the worker received would be considered.

Some states have tried to address seasonality and UI insurance by restricting the ability of seasonally unemployed workers to receive UI benefits. Because the seasonal workers are less able to receive UI benefits, it has a lesser impact on the seasonal employers' experience ratings.

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**Oregon Employment Department Advisory Council (OEDAC)  
Membership List**

Robin Bitrick Confederated Tribes of the Umatilla	01/31/2016 Management Member
Barbara Byrd Oregon AFL-CIO	10/18/2015 Labor Member
Clif Davis International Brotherhood of Electrical Workers	10/18/2016 Chair of the Council and Labor Member
Thomas G. Kelley Business Psychology Associates	11/30/2014 Management Member
Bill Kluting Carpenters Industrial Council Legislative Affairs	06/30/2014 Labor Member
Mary J. Taylor	02/14/2014 Public
Aniel Yates Food Front	11/30/2014 Management Member

## OWIB Members

Name	Category	Company Name	Industry Distribution	City
Bolken, Trygve	Business	Bend Research	Pharmaceutical Manufacturing	Bend
Brown, Susan	Business	Susan Brown Project Development	Consulting	Gold Beach
Chaffee, Carrie	Business	OUS Federal Credit Union	Financial Services	Corvallis
Dull, Kevin	Business	Kaiser Permanente	Healthcare	Portland
Fallt, Maureen	Business	PGE	Utilities	Portland
George, Joni	Business	CLIMAX Portable Machining & Welding Systems	Manufacturing	Newberg
<b>Gomez, Jessica, Co-Chair</b>	Business	Rogue Valley Microdevices, Inc	Manufacturing	Medford
Halligan, Bob	Business	Willamette Valley Company	Manufacturing	Eugene
Hopewell, Charles	Business	Sunset Manufacturing Company	Manufacturing	Salem
Luchak-Olund, Lori	Business	Miles Fiberglass	Manufacturing	Clackamas
<b>Madden, Ken, Chair</b>	Business	Madden Industrial Craftsmen, Inc.	Staffing	Beaverton
Rodriguez, Barbara	Business	Sulzer Pumps (US), Inc	Manufacturing	Portland
Wall, Frank	Business	Plumbing and Mechanical Contractors Assn	Construction	Beaverton
Weber, Joe	Business	ESCO Corp	Manufacturing	Portland
Baker, Dave	Labor	IBEW	Construction	
Elana Pirtle-Guiney	Governor's Representative	Office of the Governor		
Byrd, Barbara	Labor	Oregon AFLCIO		
Caldwell, Krissa	Required Partners by Feds	CCWD		
Helzerman, Megan	Youth Activities	Clackamas ESD		
Howard, Jessica	CC's & CBOs	Portland Community College		
Johnson, Dacia	Required Partners by Feds	Comm. Blind		
Kelley-Siel, Erinn	Required Partners by Feds	DHS		
Krolick, Jeffrey	CC's & CBOs	Options for Southern Oregon Inc.		
Lee, Trina	Required Partners by Feds	Voc Rehab		
McGough, Andrew	Local WIB Representative	Worksystems Inc.		
Millard, Matt	Labor	OHSU - AFSCME	Healthcare	
Nisenfeld, Lisa	Required Partners by Feds	OED		
Oliver, Kathy	Youth Activities	OutSide In		
Unger, Al	Local Elected Official	County Commissioner/AOC		
Vacant Position	Local Elected Official			
Holvey, Paul	Legislator	Representative		
Huffman, John	Legislator	Representative		
Dembrow, Michael	Legislator	Senator		
Vacant Position	Legislator	Senator		
Goddin, Karen	Invited by Governor-Ex-Officio	Biz OR		
McKinney, Laura	Invited by Governor-Ex-Officio	OUS		