

Date: March 3, 2017

To: Joint Committee on Ways and Means, Subcommittee on Transportation and Economic Development

From: Kay Erickson, Director, Oregon Employment Department

Subject: Follow-Up Information to House Bill 5007 Public Hearing

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Thank you for the opportunity to provide testimony February 27-28, 2017 on House Bill 5007, the Oregon Employment Department's program authorization and budget bill. We are pleased to provide additional information in response to questions that arose during our presentation.

### **Workforce Operations**

*Is there a terminus for help to DHS clients? Does Employment help with realistic assessment and referral or is it the seeker's preference?*

Yes, there is a terminus for help to Department of Human Services (DHS) clients. The terminus is set by DHS. DHS provides a dollar limit and timeline for each individual to whom the Employment Department provides supportive services. Employment Department staff have access to records which track the services provided to ensure these limits are not exceeded. DHS conducts annual audits of the services the Employment Department provides, to ensure compliance with these thresholds.

The Employment Department helps job seekers set realistic goals by evaluating the job market in the desired geographical area, as well as the job seeker's available skills. We use several evaluation systems that help individuals identify both their skills and the training available to improve those skills within their geographic area. If jobs and training goals are not realistic, or available within the job seeker's area, our staff assist the job seeker in rethinking their goals and job search.

*How long are the foreign labor certifications good for?*

Foreign labor certifications are generally valid for no more than ten months. The employer specifies the timeline for the workers requested when applying for the certification.

*What is the retention rate for Veterans?*

According to the most recent data available, 83% of the veterans served by our public labor exchange system were still working one year after they initially found jobs.

Are the job seekers included in the video played during the public hearing still employed?

Yes, all job seekers that volunteered to be part of the video are still employed as of the date of this response.

Representative Nearman requested follow up on SNAP customers served by Employment

We provide services to Supplemental Nutrition Assistance Program (SNAP) customers through contracts with DHS. DHS keeps the data on the services provided and placement of those served by the Employment Department. We have requested this data from DHS and will provide it to the Committee when received.

## **Unemployment Insurance**

What is the success rate of businesses using the Self Employment Assistance program? How many referrals does Employment make to the Small Business Development Centers (SBDC) and is feedback received from the SBDCs on the referrals?

While we do not have recent statistics showing the success rate of people who use the Self Employment Assistance program, several years ago we did review success rates. In February 2011, 54% of those who participated in the Self Employment Assistance program between 2004 and 2009 were still in business. While many of these people were sole proprietors, some of them have not just remained self-employed, but have also gone on to employ others. A voluntary survey of program participants in 2011 resulted in 373 responses. Of those, 53 reported having at least one full-time employee, another 28 reported having at least one part-time employee and 29 reported having occasionally having employees.

In February 2017, 202 people were participating in the Self-Employment Assistance program, all of whom were provided with information about using local Small Business Development Centers. These figures are updates to the rough estimates we provided during our testimony.

Please provide the next scheduled dates for the Interagency Compliance Network meetings.

The next meetings of the Interagency Compliance Network's (ICN) Steering Committee are April 19, 2017 and July 19, 2017. Both meetings are from 10:30 a.m. – 12:00 p.m. in the Employment Department's central office in Salem.

The ICN was created by ORS 670.700 which charges the group to:

- Work on consistency in agency determinations relating to the classification of workers;
- Gather and share information about people who pay workers in cash and do not comply with laws relating to taxation or employment;
- Gather and share information about the misclassification of workers, including misclassification as independent contractors;

- Develop investigative methods for auditing people who pay workers in cash, or who misclassify workers, and who do not comply with laws relating to taxation or employment;
- Conduct joint audits of people who pay workers in cash, or who misclassify workers, and who do not comply with laws relating to taxation or employment;
- Identify opportunities for and obstacles to improving compliance with the laws relating to the classification of workers, taxation or employment;
- Create a coordinated enforcement process for the laws about classification of workers that is efficient, fair and effective for the public and the agencies charged with enforcing laws relating to taxation or employment;
- Engage in public outreach to educate the public generally on the distinctions between independent contractors and employees and on the laws governing the duties relating to classification of workers; and
- Otherwise improve compliance with laws relating to taxation or employment that are administered by the member agencies.

While the Employment Department also works with other agencies on matters involving collections, most interagency discussions about collections issues and coordination of those efforts occur through the Statewide Accounts Receivables Management group led by the Department of Administrative Services.

*How often is the Department overturned at the Court of Appeals?*

Of the 32 Unemployment Insurance benefits cases that went to the Court of Appeals in 2016, only one reversed the decision that had been made by the Employment Appeals Board. Fourteen decisions affirmed the Employment Appeals Board decision and the remaining 17 cases were dismissed by the Court of Appeals.

**Public Testimony**

*What is the value of the Multnomah County contract? Would like to have an understanding of reporting metrics/deliverables in the contracts.*

During the testimony of Sherri Aytche and Jean Van de Merghel regarding the Rethinking Job Search program, there was some discussion about the dollar value of the contract with the facilitator providing the supportive services to Mr. Van de Merghel and others. We want to clarify that the grant used to support this work is a U.S. Department of Labor grant to Incite, a Local Workforce Development Board. The project is administered by Incite, not by the Oregon Employment Department. Although the project is not funded through the Employment Department, we regularly collaborate with Incite to jointly help people who are receiving unemployment insurance benefits reenter the workforce.