



Senate Interim Committee on Labor and Business

Oregon Employment Department Response to COVID-19 Pandemic

David K. Gerstenfeld, Acting Director

September 2, 2020



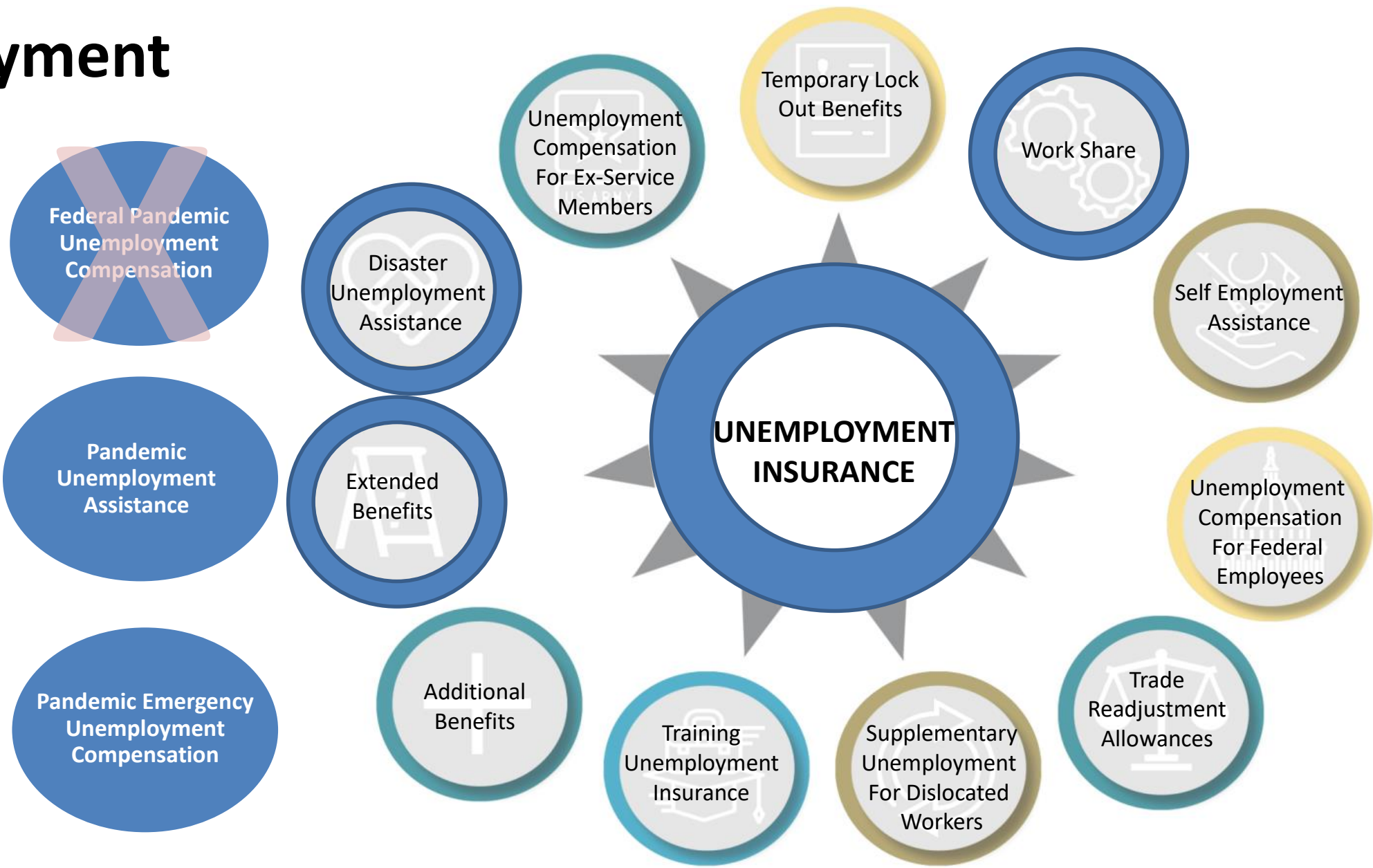
Benefits impact during pandemic

- **March 15 – August 22: over \$4 billion in benefits paid including**
 - Regular unemployment: \$1.3 billion
 - FPUC: \$2.4 billion
 - PUA: \$127 million
 - PEUC: \$58 million
 - Work Share: \$54 million
- If the benefits paid are looked at as payroll, the Employment Department would be the *largest employer*, the *largest industry*, and the *third largest industry sector* in Oregon.

Unemployment Insurance Programs

During the Pandemic

Lost Wages Assistance



Benefits Available in 2020

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Regular Unemployment Insurance - 26 weeks of benefits (available all year)

Pandemic Emergency Unemployment Compensation (PEUC) - 13 weeks (March 29 - December 26)

High Extended Benefits (EB) - 20 weeks (May 10 - indeterminate)

Pandemic Unemployment Assistance (PUA) - 39 weeks (February 2 - December 26)

Work Share benefits federally funded - not charged to employers (March 15 - December 26)

50% of benefits chargeable to reimbursing employers are federally funded (March 15 - December 26)

Federal Pandemic Unemployment Compensation – additional \$600 per week March 29 – July 25



Federal Pandemic Unemployment Compensation (FPUC)

- Part of federal CARES Act, benefits are federally funded
- Additional \$600 per week with any other benefit payment
- Oregon started paying benefits April 10, 2020 – just 2 weeks after it was enacted
- Covered benefits for the weeks of March 29 - July 25, 2020
- Still available for people who get a benefit payment for a week in that covered time period
- Paid over \$2.4 billion in benefits

Pandemic Emergency Unemployment Compensation (PEUC)

- Part of CARES Act, benefits are federally funded
- Extension of 13 weeks more benefits for those who exhaust regular UI benefits
- In effect March 29 through December 26, 2020
- Implemented May 21, 2020
- Federal law requires an “application” to start PEUC – we streamlined this as much as possible
- Requires quarterly review of anyone getting PEUC to see if they can get regular UI benefits

Extended Benefits (EB)

- Preexisting extension program providing 13 weeks additional benefits for those who exhaust regular benefits and PEUC
- Triggered by formula around increase in unemployment rate – Oregon “triggered on” effective May 10, 2020; do not know when it will end
- CARES Act provides full federal funding of benefits (instead of usual 50%)
- Changed to High Extended Benefits (HEB) because Oregon’s unemployment rate continued to increase; it now provides 20 additional weeks of benefits
- Requires quarterly review of anyone getting EB to see if they can get regular UI benefits

Pandemic Unemployment Assistance (PUA)

- Part of CARES Act, benefits are federally funded
- Covers those ineligible for regular UI
 - Independent contractors
 - Self-employed
 - Insufficient work and earnings history
 - Work is not covered by UI system
- Implemented April 28, 2020

Pandemic Unemployment Assistance *cont'd*

- In effect February 2 through December 26, 2020 (was retroactive when enacted into law)
- Up to 39 weeks of benefits (46 weeks now because Oregon “triggered on” to High Extended Benefits)
- CARES Act law sets out eligibility criteria. The initial claim and each weekly claim must show the person is unemployed due to a federally defined COVID-19 impact
- Federal law prohibits paying PUA until after the person is confirmed to not be eligible for regular UI
- Requires quarterly review of anyone getting EB to see if they can get regular UI benefits

Federal Oversight

- Frequent formal guidance from U.S. Department of Labor
 - FPUC: April 4; May 9; June 15
 - PUA: April 4, 27; July 21; August 27
 - PEUC: April 10; May 13
 - Other pandemic related: March 12, 22; April 2, 27, 30; May 3, 5, 10, 11, 14, 15; June 15; August 12, 17, 31
- U.S. Dept. of Labor reviewing state operations, requiring us to make changes to bring existing programs into compliance with subsequently issued guidance
- U.S. Dept. of Labor can cancel CARES Act programs in states that do not administer the federal programs as directed

Educational employees

- Federal law requires states to have extra restrictions for people who work for educational institutions – private and public sector
- If you have “reasonable assurance” of doing the same work after a school break period as before the break, you cannot get benefits during the break
- Requires us to adjudicate even if you normally are not off for school breaks and if you have already been receiving benefits.
- States have to do this for people who do teaching, research, and principal administrative work. States can, but do not have to, apply it to other educational employees.
- Oregon state law applies it to other employees, except those who do facilities maintenance or janitorial work

Work Share

- Oregon has a nationally admired Work Share program
- Strict federal guidelines
- Workers' hours reduced, they get partial UI benefits
- Plan must cover at least 3 employees (federal law permits reducing this to 2)
- Hours must be reduced 20-40% (federal law permits expanding this to 10-60%)
- Employees must have worked for employer for six months – state law requirement
- CARES Act provides federal funding of benefits March 15 – December 26, 2020. Not charged to employers
- Manual keying of each weekly claim; people can switch weekly between Work Share and regular UI in some circumstances

**March 15 –
August 22, 2020**

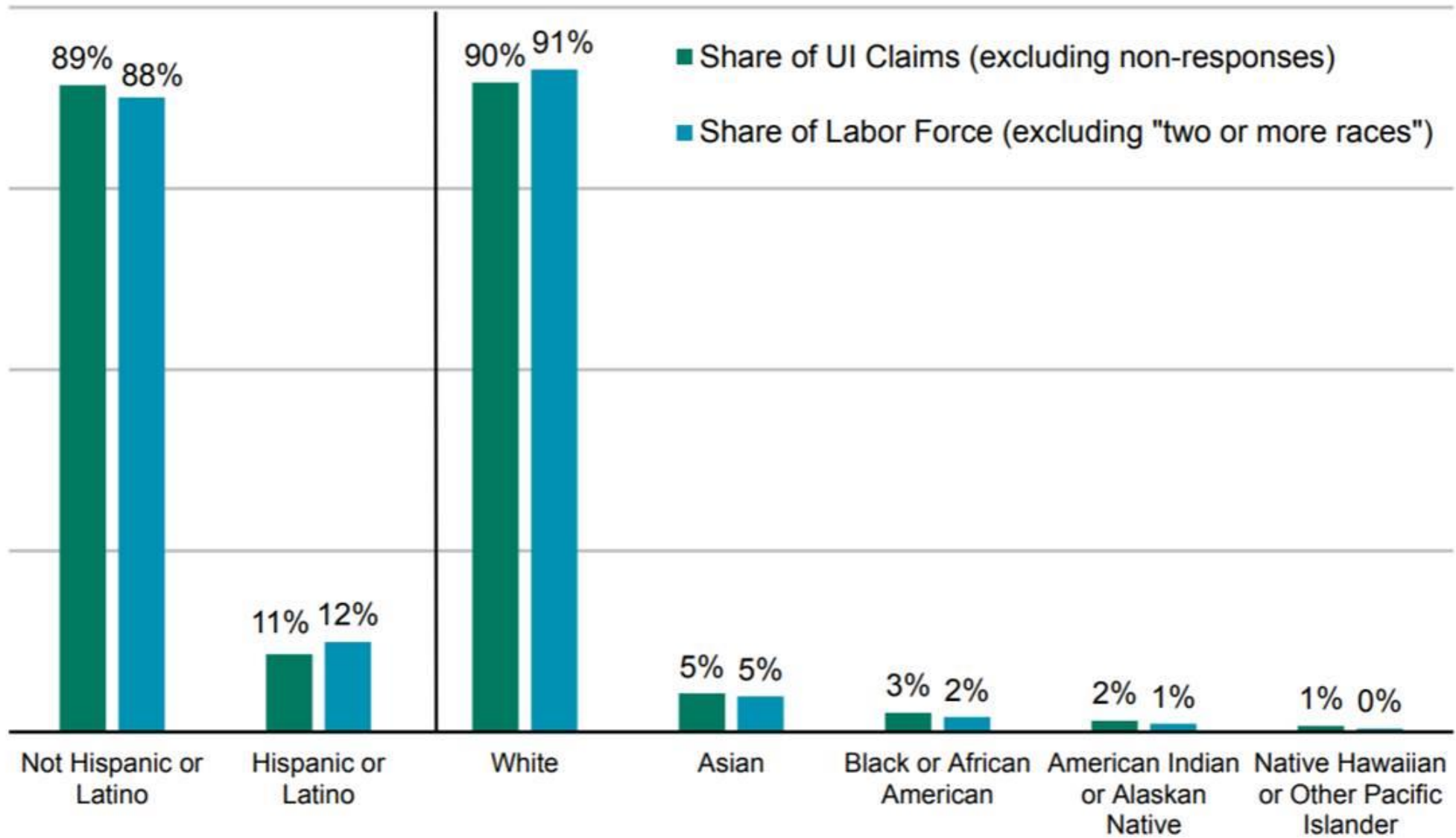
Employers using: 1,557
Workers covered: 63,975
Benefits paid: \$54 million

Prior 12 months

Employers using: 168
Workers covered: 3,018

Lost Wages Assistance program

- Different than any other program ever administered; FEMA grant-based. Cannot use UI resources to administer these benefits
- Additional \$300 per week for people getting other benefits and who are unemployed as a result of COVID-19
- Oregon approved for the grant last Friday, has been approved for funds for the first 4 weeks (July 26 – August 22)
- We will get additional weeks until the program stops – December 26 or when federal funds are exhausted
- Uncertainty about obligations for uncollected overpayments
- Hope to start issuing payments late September – still a rough estimate



Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the nine weeks ending May 16, 2020.

After COVID-19, Black, Indigenous, and People of Color (BIPOC) made up a larger share of continued claims for regular unemployment insurance than they did on average in January – March 2020

Share of Continued Claims by Race and Ethnicity, Oregon

	January - March 2020 Average Share of Continued Claims	April 2020 Share of Continued Claims	May 2020 Share of Continued Claims	June 2020 Share of Continued Claims	Total Oregon Labor Force	Share in Oregon's labor Force
Race					2,060,919	
American Indian or Alaska Native	2.0%	1.3%	1.3%	1.2%	21,976	1.1%
Asian	2.4%	4.4%	4.6%	4.9%	93,949	4.6%
Black or African American	2.9%	2.1%	2.5%	2.9%	39,148	1.9%
Native Hawaiian or Other Pacific Islander	0.7%	0.6%	0.6%	0.7%	8,969	0.4%
White	81.4%	74.1%	73.6%	72.9%	1,749,217	84.9%
Two or More Races	0.0%	0.0%	0.0%	0.0%	78,447	3.8%
Information Not Available	10.7%	17.5%	17.3%	17.4%	-	
Ethnicity					2,060,919	
Hispanic or Latino	12.3%	9.9%	10.2%	10.3%	256,063	12.4%
Not Hispanic or Latino	87.7%	90.1%	82.7%	82.6%	1,804,856	87.6%
Information Not Available	0.0%	0.0%	7.2%	7.1%	-	

Source: Oregon Employment Department and Bureau of Labor Statistics, American Community Survey

Increased language access

- Old approaches of multi-lingual employees; dedicated phone queues for Spanish, Russian, and Vietnamese, using interpreters; and access at WorkSource Oregon centers could not meet the need
- Translated program applications, instructions, guides, FAQs, videos and other materials into 15 languages
- New website soon to be available in 15 languages
- Created OED_LanguageAccess@Oregon.gov mailbox to request contact in a language other than English
- Contracted through HECC with WorkSystems, Inc., to operate statewide language access phone system: 503-606-6969

Goals during and post-COVID

- Get all benefits to people eligible
- Reach and maintain prompt benefit program service levels
- Help workers find new jobs, careers, and skills
- Help businesses recruit in the new business environment
- Inform policy makers and communities using newly available data, analyzing impact of the recession for informed planning and recovery efforts

Goals during and post-COVID

- Stabilize agency staffing and infrastructure – provide more training and support, adjust processes
- Ensure ongoing quality progress of Modernization
- Continue building Paid Family and Medical Leave Insurance program
- Strengthen community engagement ties and communication reach

Coming our way

- Increase focus on helping people find jobs and build skills – reopening of WorkSource Oregon Centers
- Increase work on overpayments and collections
- Prepare for increased claims during winter season and in the event of COVID-19 resurgence
- Significant expanded training of our employees
- Adjust programs and processes based on pandemic experience
- Lots of “clean up” – of reports, data, claims, and more

Very rough timeline

Lost Wages Assistance

Extra \$300 per week
for most people
getting benefits

Goal is to start
payments by late
September

Waiting Week payments

Pay people for the
“waiting week”

Goal is to start
payments by late
November

SB 1701

Increase weekly
earnings allowed
before reducing
payments to \$300
for most people

Goal is to start
retroactive
payments by mid
December

- Very preliminary estimates
- Any new programs or other program changes would change this timeline
- Unexpected system needs could also impact these estimates

WorkSource partners are increasing their online training offerings

We continue to increase virtual training offerings, working with our partners to facilitate virtual access to our customers for training. We recognize that there are still many job seekers with limited access to the technology, but we continue to search for solutions to increase accessibility such as recent efforts to have major internet service providers offer free services to low income families.

WORKSOURCE OREGON August 2020: Virtual Workshops
Register here:
https://www.surveymonkey.com/r/Workshops_OED



Interview Workshop

Monday 1:30-3:00pm

Are you landing interviews, but not your dream job? Are situational questions keeping you up at night? How do you answer a question about your last employer if you were terminated? Let us help answer all these and more.



Virtual Interview Workshop

Tuesday 3:00-4:00pm

Are you ready to take on a virtual interview? Is your lighting, dress, background, voice and tone ideal for the virtual setting? Do you know what it's like to pre-record your interview questions? Are you adept at moving about in a virtual space? If not, let us help you build skill and confidence for your next virtual interview!



Soft Skills Workshop

Wednesday 1:30-3:00pm

It's been said, "You're hired for your hard skills and fired for your soft skills—but what is a soft skill and why is it important in finding, and keeping, a great job? In this workshop, we will introduce soft skills, as well as help you discover which of these soft skills are your strengths.



Resume Workshop

Thursday 10:30-12:00pm

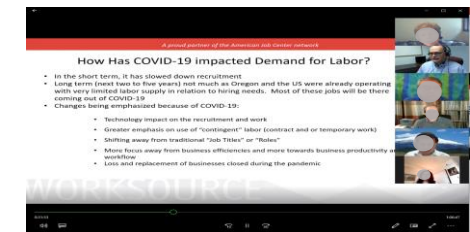
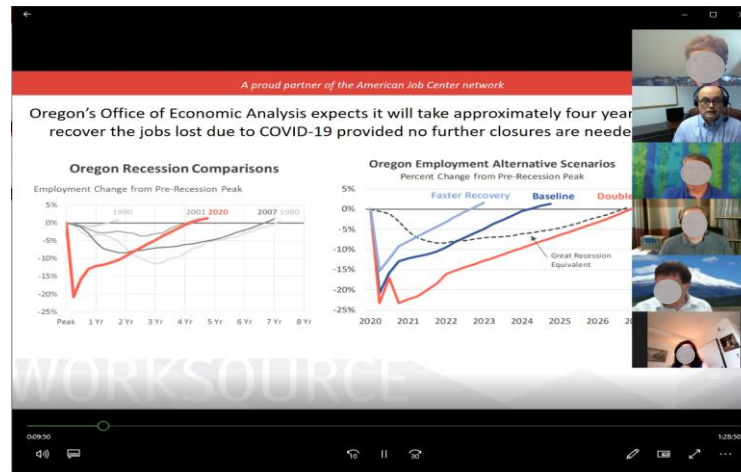
Learn techniques and strategies to create or refurbish your resume for industry specific, job tailored, and unique to you uses. Discover tricks snag the hiring teams attention. Understand how to pass the ATS system from robot to human eyes and more!



Networking Workshop

Friday 10:30-12:00pm

Branding, an elevator speech and LinkedIn—how will they support your job search? Let us help you discover and navigate the new, virtual networking environment, while reinforcing your in-person networking skills.

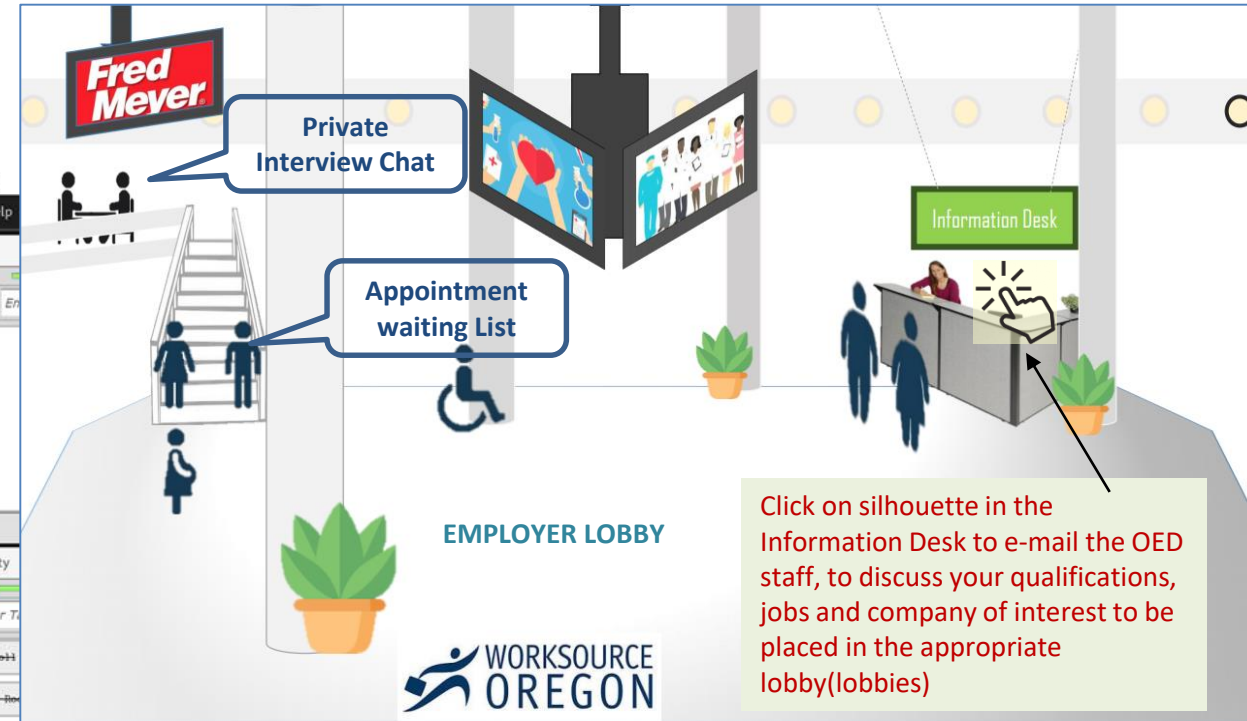
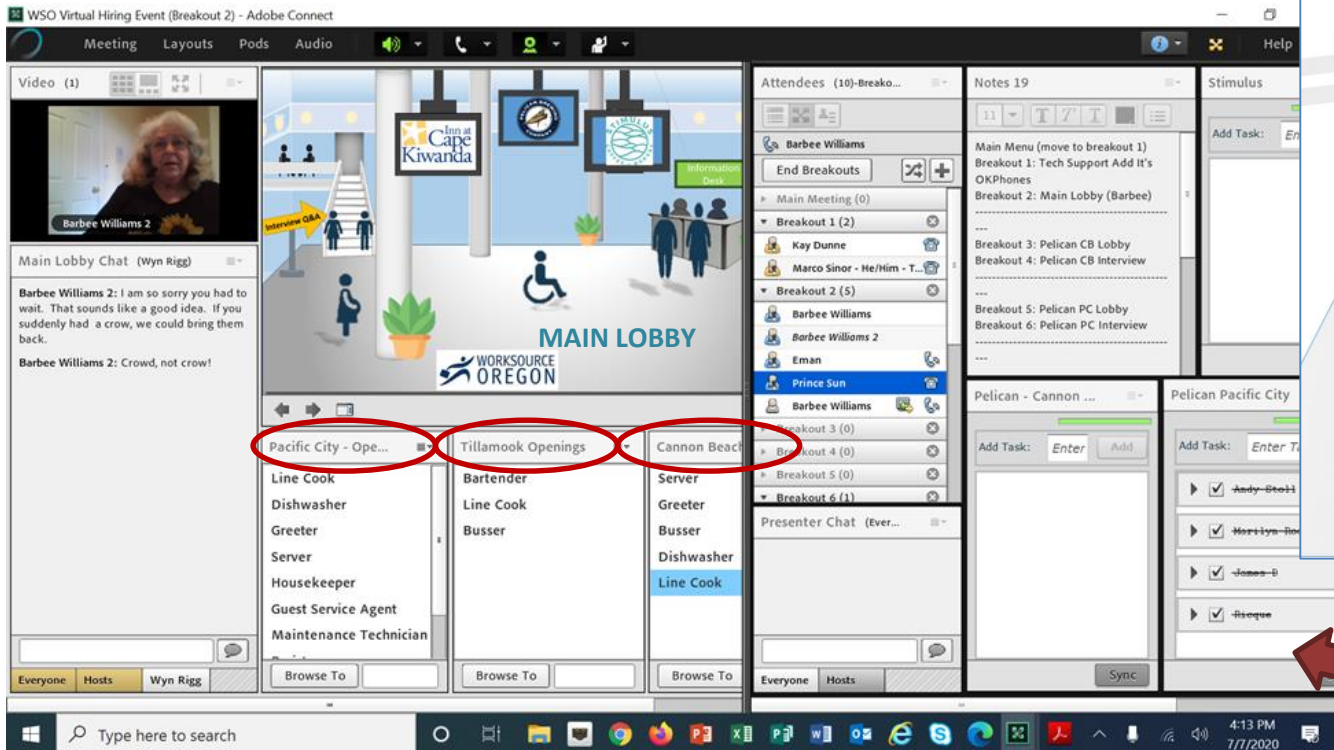


For more information on training opportunities, especially during COVID-19 please call any local WorkSource Center. A list of offices can be found at our main website:

<https://www.oregon.gov/employ> (in the "JOB SEEKER" Menu)

Virtual Hiring Events (VHE) are being piloted and evaluated as an alternative to in person hiring events by our Regional Business Services team, with the support of our employment specialist and other partners of the WorkSource system. We are training more staff to be familiar with the tools we use and managing the flow of people through the many screens and chat boxes associated with the event and the individual employers. We have already hosted four events with great reviews while awaiting results.

For more information on Virtual Hiring Events and how to participate contact:
Barbee Williams at Barbee.A.Williams@oregon.gov or
(503) 257-HIRE (4473)



Behind the scenes management of the Virtual Hiring Event

Concerns and disagreements

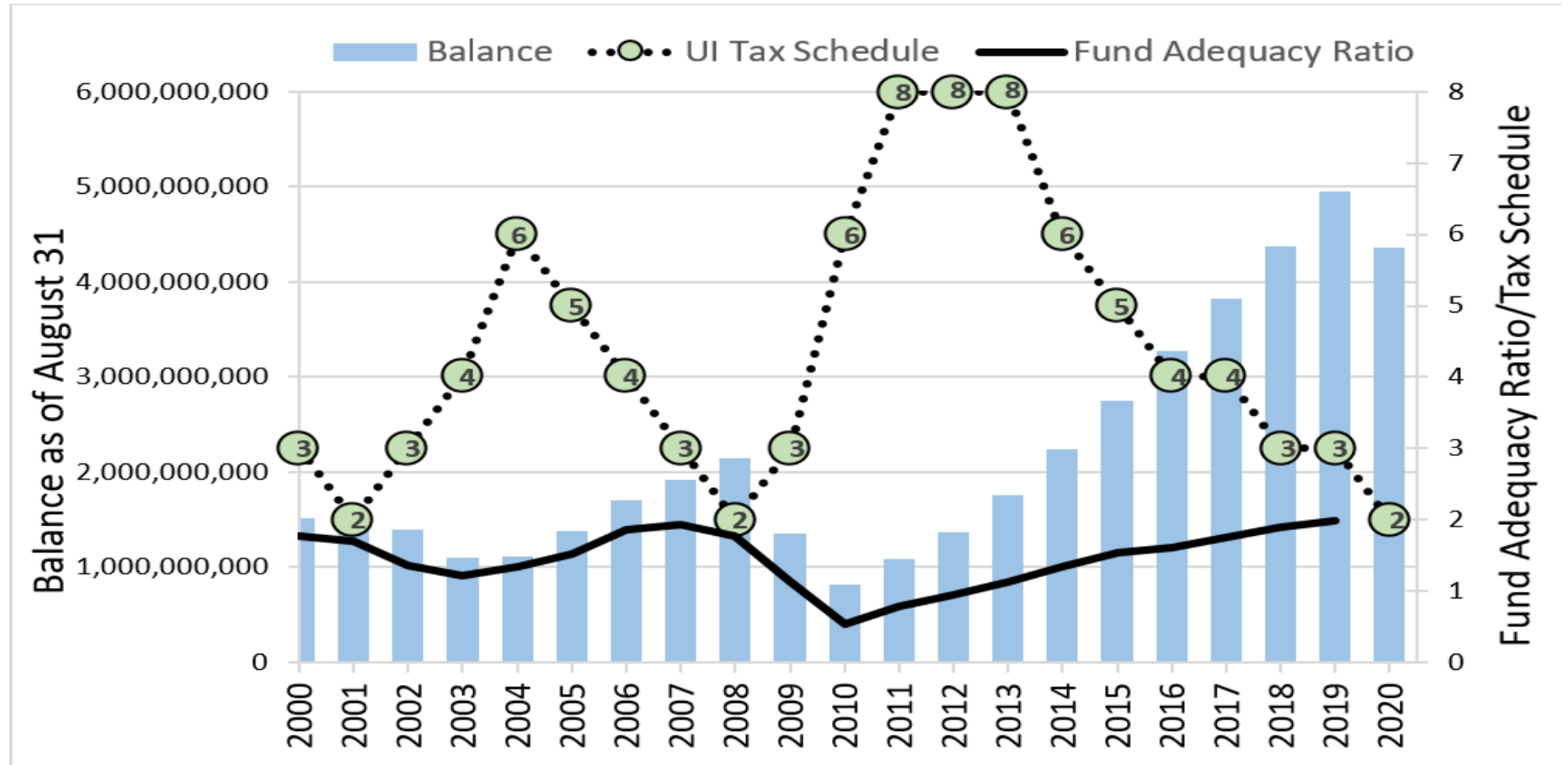
- Decisions we make about people's benefits can be appealed for an independent review
- Concerns about discriminatory treatment can be raised through our independent Equal Opportunity Officer, U.S. Dept. of Labor Civil Rights Center, Bureau of Labor and Industries
- We want to know about concerns or dissatisfaction

UI Trust Fund Basics

- Oregon's statutory, self-balancing formula plans ahead for economic downturns to avoid tax increases during recessions
- An “adequacy ratio” determines which of 8 tax schedules apply for a particular year
- Within each tax schedule, employers' tax rates depend on their use of the UI system
- Federal and state law only permit the UI Trust Fund to be used for specific purposes – primarily paying UI benefits
- Oregon's UI Trust Fund is viewed as a model for other states

Trust Fund Balance, Schedule, and Fund Adequacy Ratio

Federal and state law restrict the use of funds to Unemployment Insurance



Employment Department COVID-19 response

- Regular guidance to employees beginning March 2, 2020
- Cleaning buildings per CDC protocols daily, hygiene items available, public health signage in all worksites. Ongoing workplaces safety enhancements.
- Job Centers open by-appointment-only on March 24, then closed to all in-person on April 6
- Implemented staggered shifts March 25 at UI contact centers until more space became available
- Six foot social distancing practiced and monitored, virtual meetings
- Telework for eligible positions; expanding telework opportunities

Employment Department COVID-19 response *cont'd*

- Get the most benefits to the most people as quickly as possible
- Update guidance for people on how to file claims – on line, and information with claim related documentation
- Modified systems to increase automation, and stop some automation that does not fit pandemic situation
- Reassigned hundreds of employees from across the agency, and other agencies, to help with UI
- Working weekends and more hours of the day

Employment Department COVID-19 response *cont'd*

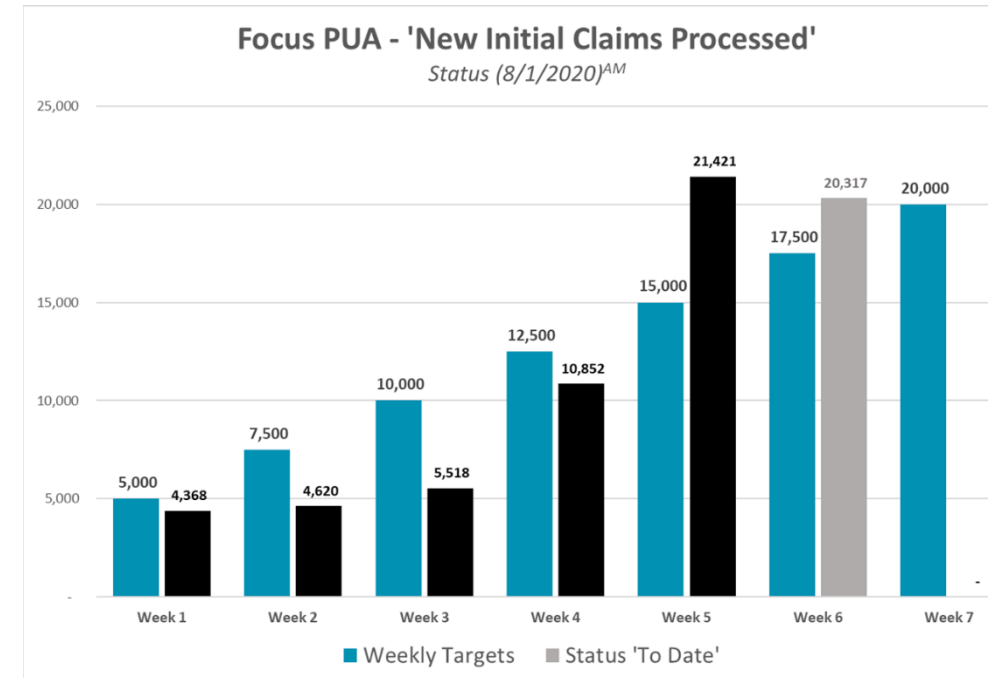
- Rapid hiring of hundreds of employees
- Retired experts called back to help out with claims and technology
- Rapid training – will take time to build capacity for increasingly complex UI programs
- Opened new contact centers
- Added phones and phone lines
- Expanded phone hours from 7:00 am to 6:00 pm

Project Focus 100

- Project Focus 100, May 29 – June 12
- Process 38,000 oldest claims backlog as quickly as possible
- Continue hiring surge
- Focus all experienced employees on oldest and most complex claims
 - Increase outbound calls to individuals waiting longest
 - Time away from answering phones to focus on outreach and resolution

Focus PUA

- June 19 – July 8
- Process 70,000 then unprocessed PUA applications
- Increase weekly claims processing under 5,000 per week to 20,000 in seven weeks
- Applied lessons of Project Focus 100
- Met goal on August 3



Lessons learned - successes

- Strong connections between programs and agency leaders allowed very rapid reassignment of employees
- Amazing dedication and adaptability of our employees
- Created new programs, new contact centers, teams of new employees, and paid out record amounts of benefits
- Increased focus on serving BIPOC communities
- Strong engagement with fellow states and National Association of State Workforce Agencies

Lessons learned - opportunities

- Cannot underestimate how early or how much to communicate
- Start experimenting sooner
- Strong succession planning
- Hire more managers and support positions early, even while focusing on hiring those who provide front line service
- Instincts for good customer service need to be examined
- Need for stronger long-term engagement with communities we serve
- More robust internal governance and administrative support capacity
- Ask for external help sooner
- Engage with policy makers earlier

Future actions

- Increase communication channels and effectiveness – with those we directly serve, with worker and business groups, policy makers, our own employees, and others
- Strengthen service to BIPOC communities and others facing increased barriers to accessing our services or in the general economy
- Determine what technology work should be done even prior to Modernization
- Reexamine best structure and use of the Employment Department Advisory Council

Help for the future

- Adequate long-term funding to administer the program
- Stabilization from the impacts of this pandemic
- Support for Modernization
- Support for Paid Family and Medical Leave Insurance

Help for the future

- Additional limitation and position authority to support ongoing agency staffing needs
- Ability to have temporary rules extend more than 180 days
- Flexibility to use Fraud Control Funds for potential Lost Wages Assistance program obligations
- Increased flexibility to waive some customer deadlines
- Increased flexibility around overpayment collections and waivers
- Long-term approach to waiting week

Thank You

