

Westside LINK

Fall 2010

Western Washington County Employer Council Newsletter



Welcome to fall, an eventful season in Oregon tech

The last few months of the year could resolve a several major, unanswered questions in the regional tech scene.

From pending IPOs to new CEOs to mammoth construction projects, a number of milestone decisions are hanging out there that could have major consequences regionally. Here's a guide to what I'll be watching for:

Intel's new fab: Regional chip suppliers and labor unions say Intel is preparing to build a new research fab in Hillsboro. Intel won't comment and -- while a new fab is surely coming at some point -- it may not be now. The chipmaker is definitely planning to add capacity, though, and is negotiating for subsidies from the Israeli government to expand a fab there.

Linear, too? Linear Technology said last spring that it might build another fab in Camas, and that a decision could come by year's end. No word yet.

Tripwire's IPO: Oregon hasn't had an IPO since 2006. Fast-growing Tripwire is positioned to break the losing streak, if the markets cooperate. A filing could come any day.

Lattice's new CEO: Bruno Guilmart quit Lattice Semiconductor last month, amid a turnaround he'd engineered. The Hillsboro company faces a major decision as it seeks a replacement who can maintain the markets' confidence in Lattice while building a vision for the future.

Carl Icahn & Mentor Graphics: The billionaire corporate raider has taken an acute interest in Oregon's largest pure tech company, which is trying to reverse years of uneven results. If it stumbles, it will have to answer to Icahn.

Google Fiber: Remember this? Portland and more than 1,000 other communities across the country -- including 14 in Oregon -- want the search engine company to swoop in and build and open fiber network to provide faster (and maybe cheaper) Internet access. The odds are long but hope, and beer, spring eternal. We should know who made Google's shortlist within a few weeks.

Portland Seed Fund: A new investment firm, Bridge City Ventures (formerly, and briefly, known as JH Ventures), is preparing to put \$500,000 in city money to work helping companies get out of their very earliest stages. They're still putting their fund together, though, and it's not clear just how much additional money they'll have to play with.

From The Oregonian

Increase to the Minimum Wage Effective January 1

On September 20, 2010, the Oregon Bureau of Labor and Industries released a statement announcing that Oregon's minimum wage will be increased from \$8.40 per hour to \$8.50 per hour effective January 1, 2011.

Oregon's minimum wage was last increased on January 1, 2009, and this 10-cent increase is said to mirror a 1.15 percent increase in the Consumer Price Index (CPI) since August 2009. (The CPI measures changes in the prices paid by consumers for goods and services over time and is an indicator of inflation.)

Like Oregon, Washington State reviews its minimum wage annually based on changes to the CPI. It is expected to announce an adjustment to its current minimum wage of \$8.55 per hour on September 30, 2010.

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Questions? Comments? Suggestions? Would you like to submit a piece to the Westside LINK?

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Oct 5 – Effectively Managing Employees Seminar

Oct 11-13 - OEC State Board Retreat

Oct 15 – WWCEC Board Meeting

Nov 17 – Negotiating Resolutions Seminar

Nov 19 – WWCEC Board Meeting

Dec 17 – WWCEC Board Meeting



Health Care Reform Begins: Checklist for Plan Sponsors

True: The age of Health Care Reform begins for employers and group health plans on September 23, 2010.

False: All of the seminars attended, the guidance studied, and the meetings with consultants, attorneys, and subject matter experts have readied employers to implement health care reform into their group health plans.

True: Many employers have been overwhelmed by the onslaught of information related to the Reform and are focusing only on what is required in the next few months and whether the plan is remaining grandfathered, hoping they meet compliance.

This guidance provides a quick outline of what employers must do in the current enrollment period for health care reform based on the answers to the True/False quiz.

Grandfathered Health Reform

Regardless of grandfathering status, all plans must be amended for the following before or during the next plan year:

- Remove all lifetime limits for essential health benefits and prepare for restricted annual limits
- Amend to provide for dependent coverage through age 26, and amend qualifying relative, qualifying individual, and Code Section 152 references
- Remove all preexisting condition exclusions for those under age 19

Employers must take note of who has compliance responsibility for their documents and take care to amend plan documents, summary plan descriptions, and any wrap documents.



Non-Grandfathered Health Reform

If your plan is not grandfathered, you must also amend the plan to provide for the following:

- Add new appeal procedures and an external appeal level
- Provide for preventative care coverage with no cost-sharing for in-network services
- Add coverage for clinical trials for qualified individuals
- Allow direct access to in-network OB/GYN
- Remove prior authorization requirements for out of network emergency services
- Allow for broad ability to designate primary care physician if plan requires or provides for designation of primary physician

Impact of Health Care Reform on Insurance Rates

Clients going through renewals for plan years beginning October 1 and November 1 are seeing minimal rate increases directly attributable to health care reform at this time. Based on current information, we expect the impact of health care reform to be around 1-2 percent for the 2010-2011 plan year and health care trends to continue at approximately 10 percent. Your specific plan may differ based on your covered population's experience and specific benefit levels.

Notice Requirements

Health care reform requires employers to provide certain notices, which may be distributed as part of the plan documents referred to above, distributed during open enrollment, or provided in a separate form. As with the plan amendments, employers must confirm whether a consultant or service provider is responsible for providing the notices and in what form they will be distributed as the employer is ultimately responsible for compliance. In some cases, the notices must be provided at enrollment and must be "prominently" stated.

- Disclose grandfathered status, if plan intends to remain grandfathered, or provide notice of plan changes, if plan is not grandfathered
- Provide notice and an enrollment opportunity to dependent children
- Provide notice and an enrollment opportunity to participants and previous participants who reached lifetime limits under the plan, as these limits will have been removed

In addition, employers must comply with 2010-2011 plan year notice requirements outside those required by health care reform:

- Children's Health Insurance Program Reauthorization Act notice of enrollment rights
- Michelle's Law notice
- Mental Health Parity notice

We continue to see expanded guidance and clarification related to health care reform. Employers should comply with the above amendments and notice requirements and continue to operate the plan in good faith compliance in the areas where the legislation or regulations have not been clarified.



On the Outs: Effectively Managing Employees who are "Stressed Out", "Burned Out", and "Freaked Out"

Don't miss this great seminar presented by Jil Freeman a Communications Consultant at Portland State University. It is scheduled for Tuesday, October 5, 2010 at the PCC Willow Creek Center 241 SW Edgeway Drive Room 108 in Beaverton, Oregon and it's right on the Willow Creek Max Station.

This seminar is designed to help employers improve communication to improve employee engagement and performance in this stressful and changing economy. Specific topics include:

- Managing "Stressed Out" Employees
 - Understanding the different "stress types" of employees
 - How to effectively communicate with the different "stress types"
 - How to use the "stress types" to improve team dynamics and productivity
- Managing "Burned Out" Employees
 - Communication strategies that help motivate employees in times of change
 - Using stress management techniques to minimize burn out
 - Effectively communicating with the disengaged employee
- Managing "Freaked Out" Employees
 - Communicating effectively in times of change and uncertainty
 - Successful communication techniques to stabilize changing teams

To register contact Marti Spinks at 503-526-2706, marti.e.spinks@state.or.us or fax this registration to 503-586-2757
Visit us at www.wwcec.org or on Facebook "Western Washington County Employer Council"

ECotality outlines plans for Oregon EV charging infrastructure

ECotality Inc., the company managing the federally funded EV Project involving six states and \$250 million, announced Wednesday its plans to roll out 1,100 of its Blink charging stations in Portland, Salem, Corvallis and Eugene, based on the expected density of electric vehicles.

Working with stakeholders, including Portland General Electric, PacifiCorp, Portland State University and others, San Francisco-based ECotality developed deployment guidelines and maps showing potential charging site locations and density.

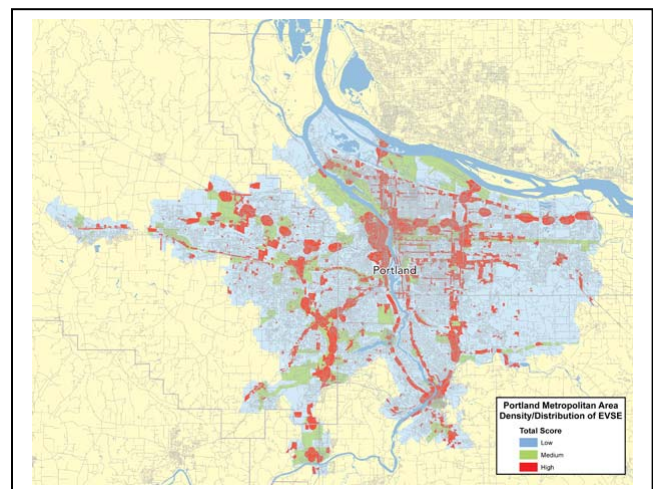
"Oregon was a challenging market," said Jonathan Read, CEO of ECotality. "Everyone there is really switched on and knowledgeable. Our stakeholders meetings are raucous affairs." Read called the 1,100 charging stations, expected to be installed by the end of 2011, a "good start."

"It's by no means the end of what we'll do in the region," Read said. "We're firmly committed to being part of the EV scene for a long time to come."

While the density maps don't show specific locations of public and private chargers, they provide information about neighborhoods most likely to be dotted by the sleek, black chargers.

ECotality is offering classes to electricians who aim to become certified installers. David Mayfield, who runs the five-employee Portland office of ECotality, said there are already five certified installers in the network, with more expected to become certified as the rollout gets underway.

ECotality has a Wednesday morning press conference planned to unveil the charging station plan. Specifics about the charging station infrastructure are expected to ease "range anxiety" on the part of new electric vehicle owners.



Oregon is a launch market for a number of electric vehicles, the first of which are expected to hit streets by the end of the year.



The disconnect between productivity and hiring

Generally employers hire more employees to boost productivity. There are reasons why, despite dropping productivity numbers, it's not happening this time around.

The latest recession forced many U.S. companies to cut costs and run leaner businesses. Executives dramatically slashed headcount and even held off on replacing old and aging equipment, software and other capital. The measures generally worked for a while, but the recent unexpected dip in U.S. productivity has begun to cast doubt that companies could go on like that much longer.

After growing last year at an average annual rate of 6.2%, productivity, as measured by output per worker, slowed during the first three months of this year and fell by 1.8% the following quarter ending in June, the U.S. Labor Department reported. The drop, to some economists, signaled that perhaps companies have maxed out their slim line of workers.

The Wall Street Journal reported the drop might finally compel companies to start hiring more. This would be a huge relief as joblessness hovers at nearly 10% and many companies are reluctant to take on more employees even while sitting on record cash balances.

But relative to most other downturns, the scars of this latest recession run deep and it's no secret that we're in for a slow recovery. The fall in productivity certainly could prompt companies to hire more, but other economic factors still weigh heavily on the minds of executives deciding whether to take on new hires.

Even for lean companies, there might not be substantial hiring anytime soon because of the many "unknowns" in the economy, says Sean Snaith, economist and director of University of Central Florida's Institute for Economic Competitiveness. For one, it's still unclear how much health care reform legislation, which Congress passed earlier this year, could end up costing employers. Also, it remains to be seen what percentage of income will go toward taxes next year.

"When you don't have all those answers and you don't have tremendous growth and demand, there just isn't the urgency to hire more," he says. "Even if you're on the cusp of hiring, these unknown factors might be keeping folks from pulling the trigger."

During the early part of an economic recovery, it's typical for productivity to rise. Business tends to pick up faster than employers can add workers. And it's also typical to then see those gains fall some as hiring ramps up.

But the latest drop in productivity was particularly surprising. Economists say it could be read another way: During the second quarter, hours employees worked increased 3.5%, outpacing the rise in output of only 1.6%. This could mean that companies earlier this year hired more workers on the expectation that GDP would continue to rise, but the economy has slowed since the first quarter as stimulus spending fades. If that's the case, the fall in productivity is more worrying news for job seekers.

Executives probably won't ramp up hiring significantly unless the economy continues to grow. "Companies can get away with pausing because the pace of the recovery is pretty slow and demand has been pretty weak," says Snaith.

From CNN.com

US Department of labor WEB Portal Links to the National Labor Exchange (NLX)

The U.S. Department of Labor's Employment and Training Administration has launched a Web portal to help jobseekers match their current skills to new careers and find out what training is needed to transition from one job to another. This new online tool is called "mySkillsmyFuture" and can be accessed at <http://www.myskillsmyfuture.org>. Users are able to view local job postings and locate training and education providers. They also will be able to find descriptions, salary information and common job tasks associated with a new occupation.

The tool "mySkills myFuture" includes an integrated help system with page-by-page instructions and videos to enhance the user experience. The online program is based on data from the U.S. Department of Labor's Occupational Information Network, known as O*NET, and the National Labor Exchange. Data from O*NET includes the required knowledge, skills and abilities for more than 900 occupations, which helps identify transferable skills and skill gaps among different occupations.

The National Labor Exchange is a jobs network provided by Direct Employers Association, a nonprofit consortium of more than 550 leading U.S. corporations, in partnership with NASWA. Links to the NLX allows jobseekers using mySkillsmyFuture to access over 730,000 unduplicated and currently available job opportunities.