

# *Oregon* EMPLOYMENT DEPARTMENT

## Advisory Council Meeting Minutes May 1, 2003

### **Members:**

**Gary Barnes**

*Northwest Food Employers, Inc.  
Business*

**Vacant**

*Labor*

**Sam Brooks**

*S. Brooks & Associates  
Business*

**B.G. Cain**

*Gilliam County Community Development  
Public*

**Gwyn Harvey**

*Public*

**Paul Johnson**

*Victim Offender Reconciliation Program  
Business*

**Pat Maberry, Chair**

*Public*

**Tim Nesbitt**

*Oregon AFL-CIO  
Labor*

**Linda Rasmussen**

*Communications Workers of America  
Labor*

**Bob Shiprack**

*Oregon State Building and Construction Trades Council  
Labor*

**Lisa Trussell**

*Associated Oregon Industries  
Business*

**Sandra Morgen**

*University of Oregon  
Public*

### **Present**

Gary Barnes, Sam Brooks, Gwyn Harvey, Paul Johnson, Pat Maberry, Linda Rasmussen, Tim Nesbitt, Lisa Trussell

### **Excused Absent**

Sandra Morgen, Bob Shiprack

### **Employment Department Staff**

Debbie Lincoln, Greg Hickman, Art Ayre, Tamara Brickman, Tom Byerley, David Cooke, Larry Hanson, Annette Shelton, Rick Luthe

The meeting began at 10:30 am.

### **Minutes**

The minutes from the April 3, 2003 meeting were approved on April 23, 2003.

## **Trade Act of 2002 – Health Coverage Tax Credit**

The Trade Act of 2002 includes provisions to assist certain workers who lose their jobs due to the effects of international trade in paying for qualified health insurance. The primary mechanism is a federal tax credit (administered by the Dept. of the Treasury) equal to 65 percent of the amount paid by eligible individuals for such health insurance.

Changes made to Trade Act legislation on August 6, 2002, not only extend Trade Adjustment Assistance eligibility to more worker groups but also provide tax credits for health insurance coverage assistance. There are two ways for eligible individuals to access this tax credit benefit, 1.) as a refundable tax credit is claimed at the end of the tax year or 2.) advance money that will be implemented August 1, 2003.

The Council discussed the timelines and funding of the Health Coverage Tax Credit.

## **Employment Codes**

The North American Industry Classification System (NAICS) is a new industry classification system that is being used by most federal and state statistical agencies. It replaces the previous system, identifies many new industries and will be updated every five years. On a monthly basis, the Oregon Employment Department is now publishing industry employment data based on NAICS.

The Oregon Employment Department publishes more than 100 lines of industry detail on its monthly table. Some of the new industries include: semiconductor and electronic component manufacturing, software publishers, employment services, full-service restaurants, and management of companies and enterprises. Several industries have the same name as in the old system, but have different definitions so are not comparable to the old system. Examples include manufacturing and retail trade.

## **Legislative Update**

The department is currently tracking 265 bills. Of those, 52 are priority 1 bills.

Bills having recent action are:

SB 40 and HB 2649 modifying the independent contractor test;

HB 2161 allows domestic service employers to file unemployment insurances taxes quarterly;

HB 2163 allows UI hearing requests to be dismissed;

HB 2190 granting the department the authority to promulgate child care rules;

HB 2526 sunset on Hearing Officer Panel pilot;

HB 2824 disqualification from UI benefits for alcohol and drug use or violation of last chance agreement; and

HB 3564 providing child care assistance to low-income post-secondary students.

Tamara noted that the 2004 federal budget discussions are under way along with WIA reauthorization.

## **Strategic Plan**

Due to a \$14 million reduction in the funding of employment services (ES) and a \$10 million reduction in UI funding, the Exec Team has decided to develop strategies for the delivery of services in the 2005-2007 biennium. This plan outlines a new approach for administering the services provided by the department. Some staff will relocate or change jobs, offices may relocate with partners or incorporate partners in their facilities, and positions may be reclassified. There will be one-time infrastructure investments in retooling, which can be paid for by existing one-time federal revenues. In the future, many of our current UI services will rely heavily on technology with less emphasis in face-to-face interactions with claimants, but more opportunity for person-to-person (on the phone or by e-mail) contact.

The evolution to a new way of doing business will create a great deal of institutional challenges throughout the department. The four primary reasons for doing this are:

1. Refocus the ES program to meet the current economic challenges facing Oregon employers.
2. Supporting business and promoting employment involves increased partner relationships.
3. Take advantage of technology advancements in the administration of unemployment insurance.
4. Reexamining the ES and UI procedures and practices in light of the large attrition that will occur in the next two years due to staff retirements.

To use limited funding more efficiently and provide increased value, the Exec Team has made three decisions:

- UI services will move from the Field Offices to centers in Portland, Bend and Eugene;
- Collaborate and coordinate with workforce partners to eliminate duplication of services and better serve customers; and
- Enhance business and employment services to focus on employers needs to give job seekers better referrals and job opportunities.

The Council's contributions included provide business with an initial relationship, provide information related to their rights and responsibilities on the claim. Also have an individual to contact for help and pro-actively address rural vs. urban when locating the central UI offices.

Greg Hickman shared that the department will connect with employers to better understand their business and provide accountability. Tom Byerley noted that the pilot telephone initial claim program provides resource information up front, then after answering a few questions, the claimant will be transferred to a claims taker that will

provide at least one job referral prior to the end of the conversation. Greg also noted that the rural vs. urban issue was included in the feedback from business.

Further, the Council was concerned with the staffing impact of the strategic plan. Greg and Larry Hanson assured the Council that the plan does not call for layoffs but will be implemented through attrition (due to the large number of retirements expected over the next two years) and turnover. The department will do its best to relocate staff and move them into other positions and/or into other locations.

Overall, the Council approved of the strategic plan and praised the Exec Team in maintaining the “human touch.”

Assignment: Greg will provide the Council with an overview of employee reaction to the plan.

The September agenda will include an update on the iMatch system.

Greg will provide frequent updates on the strategic plan implementation.

The meeting adjourned at 12:10 pm.