



**Advisory Council Meeting Minutes
September 18, 2003**

Members:

Gary Barnes

*Northwest Food Employers, Inc.
Business*

Vacant

Labor

Sam Brooks

*S. Brooks & Associates
Business*

Vacant

Public

Gwyn Harvey

Public

Vacant

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, Pat Maberry,
Linda Rasmussen, Tim Nesbitt, Bob Shiprack,
Lisa Trussell

Absent

Gwyn Harvey, Sandra Morgen

Employment Department Staff

Don Brockhaus, Jan Dean, Tom Fuller, Larry Hanson,
Greg Hickman, Tracy Loudon, Frank Richey,
Alan Rogers, Ahmad Rostamizadeh, Carla Corbin

The meeting began at 9:10 am.

Minutes

On June 24, 2003, the minutes were approved as written.

Council Business

Due to time restraints, this agenda item will be scheduled during the December meeting.

Action: Each Council member will be prepared to present two objectives during the December meeting.

Director's Update

Greg Hickman explained that Debbie Lincoln was attending a NASWA meeting, therefore, unable to attend today's meeting. Greg shared that Debbie will be taking a three month leave of absence to attend to her health. Debbie is scheduled to return in January 2004. The Council expressed their best wishes to Debbie.

Service Employees International Union Resolution No. 5

The Council reviewed and discussed the Service Employees International Union (SEIU) Resolution No. 5. The title of the SEIU resolution is *Oppose Elimination of Community Unemployment Insurance Service Centers*. The resolution asks the AFL-CIO to oppose the regional call centers and petition the Governor, the department and others its opposition to regional call centers.

The SEIU resolution lists its objections to the Strategic Plan for regional call centers as limiting UI benefit communication to email and telephone contact; the inability of claimants with legitimate problems to receive personal assistance; preventing jobless workers from receiving UI benefits; and, causing the loss of a living wage in rural areas forcing several hundred union workers and their families to relocate or lose their jobs.

Tim detailed SEIU's concerns about the Employment Department's Strategic Plan. SEIU opposes regional call centers because they are concerned that claimants will be waiting extensively waiting for assistance and less responsiveness to claimant's needs. Further, a meeting is scheduled next week with Margaret Hallock from the Governor's Office acting as mediator, Debbie Lincoln, Greg Hickman and members of the unions to discuss Resolution No. 5.

Greg Hickman noted that the regional call centers will allow claimants to file initial claims by telephone, mail and the internet. Thus, no longer requiring a claimant to complete a paper form and return it to the field office. Greg further explained that customer service feedback about the telephone initial claim pilot program in Eugene revealed that UI claimants find the telephone initial claim process preferable when conducting UI business. The pilot program did have some initial issues but those are now resolved and the longest period a customer in the Eugene pilot currently waits is two to three minutes.

Oregon Employment Department staff have expressed their concern that job services have been put on the back burner to ensure that claims are paid first. With regional call centers customers will receive better service since staff will be dedicated to UI issues while staff in the field offices will be dedicated to business and employment services.

Greg further explained that all but 4-5 other states have committed to UI call centers to address federal budget reductions. The Oregon Employment Department anticipates a \$10 million reduction in UI administrative costs for the 2005-07 bienniums. Initiating regional UI centers will ensure that the department remains efficient, effective and within budget.

Pat Maberry stated that the department must continue to help the claimants with the least knowledge of the UI system. Greg noted that other states with call centers have noted increased UI claims since claimants that could not or would not come to a field office were more likely to file a claim by other means. Although some details are still to be worked out, Greg outlined that an entire claim will be filed by telephone and immediately matched for a correct Social Security number. Claims takers will be able to identify issues during the initial claim and resolve those that are not really UI issues. Thus, fewer claims will be adjudicated and the claimants' first check will not be delayed while the claims taker investigates whether an issue exists or not, as happens now with the paper process. Pat suggested that claimants should receive a referral to a person not an office.

Tim noted that Washington State had many difficulties when they went to regional call centers. Greg explained that Washington went live statewide into call center service delivery, and did not phase in the changes as we have planned. This is one reason that the department chose to implement a pilot prior to putting call centers into service, and phase in the changes.

In addressing SEIU's concerns about rural staff losing jobs Greg clarified that, at most, 72 UI FTE will be transferred from rural areas to the call centers. Each field office manager will complete an implementation plan for their specific office. Included will be goals to serve business and job seekers. The field offices may require more staff to address these goals.

Pat maintained that the field office managers must continuously talk to staff to calm their fears of job loss. To accomplish just that, Greg stated that communication with staff started in November 2002. The Exec Team has made three visits to field offices answering questions from staff and receiving their input on the Strategic Plan. After the first and second drafts of the Strategic Plan, staff was also asked for input.

Tim asked if the department was indeed cutting 120 positions with a shift in urban and regional offices. Sam shared that during an Oregon Employer Council meeting employers were asking why the department had chosen Portland Metro, Bend and Eugene for the regional call center locations. Greg noted that the sites were the most debated portion of the Strategic Plan. The discussions resulted in a need for redundant services in case one center wasn't operational, the other centers could handle the workload. Since the cost to train an adjudicator is approximately \$25,000, and it is difficult to recruit adjudicators in rural areas, Bend was chosen for its population base. 85% of staff, in responding to a survey, remarked that they would be coming from the metropolitan areas. During his September visit to field offices, Greg found that through retirements and promotions many staff will not be required to transfer. If hiring Limited Duration employees for a vacant position, the department is doing so with the understanding that the position may be used as a place for permanent staff.

Tim inquired about field offices that have Business and Employment Services (BES) staff with no UI connection. Greg explained that having “experts” in BES and UI will allow early reemployment and rapid response. Further, the departments other programs, child care and workforce research have a portion that is centralized.

Bob asked if calls to the call centers would be toll free. He also asked whether the three new offices would consume more of the department’s budget. Greg responded that telephone calls to the call centers will be toll free and the current Bend office would be a UI center, and we are working with workforce partners for a location for the B&ES office in Bend. The total square footage will not increase and the department is looking at co-location with partners. Greg assured the Council that the call centers will be brought up gradually - Eugene in July 2004 - Metro in January 2005 - Bend in July 2005.

Sam noted that he does all of his testing online. He has seen more participation and thought the department would find efficiencies and staff adjusting quickly. Tim expressed concern that business has progressed to having prisoners answer telephones and moving positions overseas. Bob stated that the department must have a person answer the telephone that can communicate with every caller. He also noted that some claimants will not use the internet to file a claim but will use the telephone. Greg outlined the process for telephone calls as an upfront selection for language and input of information that will speed up the claim taking process. Each UI center will have training rooms that will provide better staff training in providing customer service and communication.

Greg asked Jan Dean and Larry Hanson for a report of their recent visits to field offices. Jan noted that some staff was excited but apprehensive, asked some tough questions and provided honest feedback. Larry also said that staff was straight forward. They were concerned where they would end up. He assured them that they would have a job but it may not be in this office. Larry explained that the Medford office would see the most impact since 23 of the 72 positions being moved are from that office. However, staff was more inquisitive about the BES rather than the UI services.

Action: Carla will forward the Director’s Monday Messages to the Council.

UI Extended Benefits Programs

The department’s current unemployment benefit programs are:

- The regular benefits program is 100% funded by the UI Trust Fund, allows up to 26 weeks of benefits and precludes drawing benefits on an extension.
- Temporary Extended Unemployment Compensation (TEUC) is 100% federally funded and can pay up to 26 weeks. TEUC pre-empts EB and TRA and reduces TRA balance. Benefits are paid from March 2002 through March 2004. TEUC-A is up to 52 weeks of benefits for airline workers unemployed after September 11, 2001. TEUC-A is payable from April 2003 through January 1, 2005.

- Extended Benefits (EB) is 50% federally funded and 50% funded by the UI Trust Fund and can pay up to 13 weeks (50% of the regular claim). Expectations are that EB will be paid through November 8, 2003.
- High Extended Benefits (HEB) 50% federally funded and 50% funded by the UI Trust Fund. HEB increases EB from 50% of the regular claim to 80% of the regular claim, or 20 weeks of benefits, whichever is less. Oregon is the only state to trigger HEB.
- Oregon Emergency Benefits (OEB) is 100% funded by the UI Trust Fund and pays up to 19.5 weeks. Only payable after all other extensions are exhausted, benefits are payable from April 2003 through September 27, 2003.
- Temporary Additional Benefits (TAB) is 100% funded by the UI Trust Fund is payable for up to 6.5 weeks and is triggered on only if we trigger off EB. TAB will end on February 14, 2004.
- Regular Additional Benefits (AB) is 100% funded by the UI Trust Fund, may pay up to 6.5 weeks and may trigger on in early 2004.

Don Brockhaus shared a graph showing the different extensions and the length of each. Pat asked that staff regularly update the graph and share the updates with the Council.

New Kiosks

Tom Fuller, the Employment Department Communications Unit manager, shared the history of kiosks. In the early 1990's the Employment Department created a then "state of the art" system of remote Touchscreen computers encased in kiosk shells. The Department operated 156 kiosks around the state, including the 42 touch screens in Field Offices. Employment Department kiosks are located in malls, colleges, libraries, city halls, courthouses, and grocery stores. Over 70 percent of the users of these kiosks look for job openings; other services available on the kiosks include community information, career information, location of agency services, and Unemployment Insurance information.

In 2001, the Oregon Employment Department began developing a New Millennium Kiosk project, to replace the now outdated kiosks. A new interface was developed, along with a newly designed shell. The new interface is completely web-based. The computers used for the Touchscreen system use standard PC configurations and "off-the-shelf" parts. Alan Rogers explained that without a keyboard, the new kiosks are protected from hackers and work is in progress to protect them from a virus.

A location strategy was developed from talking with businesses. The strategy includes placing the kiosks in areas with high foot traffic, has long business hours, not near a field office and in semi-rural areas.

The kiosks were developed with maintenance in mind. The new kiosks are more reliable, printer paper can last up to six months and the kiosk transfers information allowing some repairs from by the staff in Central Office.

As of September 18th, approximately half of the kiosks have been installed – 46 in field offices, and 50 in remote locations. The entire deployment of the first wave of kiosks will be completed by October. A total of 166 kiosks will be placed. The department is looking at cost sharing with other state agencies to place more kiosks.

Tim suggested that the first screen advertise that an individual can look for jobs on the kiosk. Tom noted that after the final placement discussions will surround more attractive screens.

Legislative Overview

Tamara Brickman, the Employment Department Legislative Coordinator, shared the bills that passed both the House and the Senate. They are:

HB 2148 - Transfers \$15 million SEDAF, \$2.5 million JOBS Plus, and \$5.5 million P&I to the General Fund.

HB 2161 - Permits domestic employers to file tax reports annually.

HB 2163 - Allows dismissal of request for hearing on claim for unemployment benefits under certain circumstances.

HB 2190 - Grants the Employment Department authority to determine policy and adopt rules for child care.

HB 2191 - Adds Director of Employment Department or chairperson of Commission for Child Care to the State Commission on Children and Families and involves local child care resource and referral agencies in work of local commissions on children and families. Expands definition of child to include certain special needs or disabled children under 18 years of age. Excludes facilities when parent remains on site and parent cooperatives from child care requirements.

HB 2300 - This bill expands the purposes for which the department can share information.

HB 2526 - Repeals sunset on laws creating Hearing Officer Panel.

HB 2783 - Requires social security number on child care registration.

HB 3023 - Exempts Employment Department from offering delinquent accounts to Department of Revenue or private collection agency not later than 90 days after specified occurrences.

HB 3120 - Allows the Employment Department to disclose information for registering business or updating business registration records.

HB 3184 - Modifies Child Care Division contribution tax credit to permit community-based contributions. Modifies working family child care tax credit refund payments.

SB 2 - Extends emergency unemployment benefits for up to 13 weeks up to \$29 million.

SB 80 - Authorizes the Employment Department to contract with an entity created to carry out workforce investment programs.

SB 232 - Defines independent contractor for income tax purposes. This may not become effective since a work group has been established to define independent contractors.

SB 237 - Revises amount of bond or deposit that nonprofit employers pay instead of paying taxes.

SB 250 – Changes name of the Employment Department performance measures system from Interagency Shared Information System to Performance Reporting Information System.

SB 534 - Creates exemption from definition of child care for person who is member of child's extended family.

SB 903 - Extends emergency unemployment benefits for up to 20 weeks for period ending September 27, 2003. Allows eligible dislocated workers who are in approved professional technical training program to receive supplemental unemployment compensation through June 30, 2005. Allows eligible unemployed workers who have exhausted benefits to receive temporary additional benefits for 6.5 weeks under certain conditions of high unemployment.

SB 916 - Expands definition of family corporation not required to provide unemployment insurance coverage. Disqualifies individual from receipt of unemployment benefits for acts involving alcohol, marijuana or unlawful drugs or violation of last chance agreement.

New UI Tax Rate Schedule

Tracy Loudon, Budget and Performance Program Analysis Manager, and Ahmad Rostamizadeh, Oregon Employment Department Actuary, presented the tax rate schedule for 2004. The tax schedule is determined by Oregon statute and is directly dependent on the solvency of the UI Trust Fund. The Trust Fund was established to allow UI benefit payments through 18 months of an economic recession.

In September of each year the tax schedule is determined to maintain the solvency of the Trust Fund. In May of this year, the forecast was for Schedule V to be in effect for 2004. However, due to a job-loss economic recovery, more individuals remain on UI benefits

for longer periods of time and less UI taxes are collected due to fewer employers and fewer employees. The agency plans to announce the Tax Schedule at a later date.

The meeting adjourned at 12:00 noon.