

Oregon Employment Department Advisory Council

APPROVED Meeting Minutes

Wednesday, March 10, 2015

1:30 pm to 3:30 pm

The meeting was called to order at 1:30 pm by Tom Kelley, Chair of the Council. Chair Kelley welcomed all present.

Members Present:

Robin Bitrick (by phone)
Barbara Byrd
Thomas Kelley
Lisa Nisenfeld, OED Director

Members Absent:

Clif Davis
Bill Kluting
Mary Taylor
Aniel Yates

Staff to Council:

David Genz
Melissa Leoni

Others Present:

Jason Barbee, Unemployment Insurance (UI) Programs and Methods Manager
Andrea Fogue, Legislative and Public Affairs Manager (joined mid-meeting)
David Gerstenfeld, Assistant Director for UI

Approval of Minutes

A motion was made by Barbara Byrd to approve the minutes from the December 3 meeting. The motion was seconded by Robin Bitrick. No discussion. Minutes approved.

Agency Update

Lisa Nisenfeld, OED Director, provided the following updates on the implementation of the agency's strategic plan:

- The UI division has embarked on the lean process. Staff have been assured that lean does not mean reducing staff; it means working smarter. UI is also working on simplifying language in letters particularly to employers.
- The B&ES division is in the process of making WorkSource centers more consistent across the state, including reducing the management size.
- The Research division will be taking on performance reporting for the whole agency beginning in July 2015.
- There was a marked increase in morale at the second all agency managers meeting held in January 2015.

Director Nisenfeld also reported that things are going well in the legislative session and she is pleased with the positive response the department has been receiving from legislators. Mr. Kelley asked about impacts to the agency from the change in Governor. Director Nisenfeld confirmed that there have not been impacts at this time and the Governor has retained Elana Pirtle-Guiney as her labor and workforce policy advisor.

Unemployment Insurance Program Updates

David Gerstenfeld, Assistant Director for UI, provided the following updates:

- UI is rolling out the lean process for WorkShare and the adjudication process. The vendor will be providing general training and guiding work groups on these targeted processes. Staff recognize that the true intent is to become more efficient.
- The UI benefit and tax policy units are combining to increase cross training and create a more robust policy unit. Jason Barbee was introduced to the members and is in charge of bringing the two units together.
- A pilot project to notify employers electronically when the department receives a notice of UI claim filed started in February 2015. The pilot is going well with 166 employers signed on. The plan is to expand the project to other areas.
- A new secure email system is being used in select units to send confidential information to UI claimants and employers. The department expects this to help it be more efficient and save money on postage.
- UI and Business and Employment Services staff are being cross-trained to better coordinate services to help people get back to work more quickly.
- The Interagency Compliance Network (ICN) is a statutory group of seven agencies that deal with employment issues. There is more legislative interest in the group and it is looking for better ways to work together.

Unemployment Insurance Performance Dashboard

Mr. Gerstenfeld reviewed the dashboard with the council members and highlighted the following:

- The department has seen a drastic improvement in the timeliness for processing appeals.
- Oregon has met or exceeded the quality of decisions standard in two of the last four quarters after struggling for many years with this measure.
- Phone wait times have significantly improved since the previous year. While the department typically sees a spike during the first and fourth quarters of each year, wait times remained lower in the fourth quarter of 2014, which coincided with the call center move.

Mr. Kelley asked about the benchmark for overpayments. Mr. Gerstenfeld explained that the target for improper payment rates is 10%, but that the department's most recent measure was 10.9%. He confirmed that the rate is calculated using a random sample based on federal requirements and that the overall rate is declining.

Policy Input Process

Mr. Gerstenfeld provided a high level description of a process for the council to oversee and review Unemployment Insurance policies.

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1. The council decides what policies to look at and who should be involved.
2. The council establishes a task force on those policy issues. The task force gathers data and analyzes issues and policy implications.
3. The council receives a report from the task force and makes final recommendation to OED.

Members of the council agreed to the proposed approach. Staff will next develop a list of issues for council consideration.

Legislative Update 2015 Session

Andrea Fogue, Legislative and Public Affairs Manager, gave an update of the department's five legislative priorities:

- House Bill (HB) 2439 would give the UI division the authority to dismiss requests for hearings without having to route requests to the Office of Administrative Hearings (OAH). The bill passed unanimously in the House.
- HB 2440 originally intended to require repayment of UI for individuals who receive UI but subsequently receive back pay for the same period of time. Concerns were raised at the public hearing and the bill was amended to exclude this provision. The bill will allow someone leaving their area for a job interview in their labor market to receive UI benefits.
- Senate Bill (SB) 242 passed out of policy committee into Ways and Means.
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- HB 2438 would transfer of the Office of Administrative Hearings to the Department of Administrative Services (DAS). The department has encountered opposition relating to administrative costs and whether DAS has the capacity to support the OAH. Director Nisenfeld confirmed that the department is comfortable with the OAH staying at OED or going to DAS.

Ms. Fogue and Mr. Gerstenfeld confirmed that legislators have reached out and are working with the department on the following concepts and bills:

- SB 845 would require the department to administer annual penalties to large employers for failing to provide health care coverage options for employees who get state assistance for coverage.
- HB 2960 would create a non-mandatory private sector retirement savings program for Oregon employees. OED could be involved in administering the program.
- A bill to create a savings plan for sick pay has also been discussed. The idea would be for a percentage of worker's wages to be placed into a savings plan and to be withdrawn for workers in need of sick leave. The department may potentially serve an administrative function to process claims.

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- Federal law does allow a state to enable employees of an educational institution who do not teach, perform research, or administrate to receive UI during break periods. SB 470 would grant UI benefits to these employees during break periods.

Director Nisenfeld confirmed that she is meeting with other state agency leaders around where these concepts land and how they are connected to the wage records. She added that an enforcement role is often at odds with the department's role to assist employers in hiring workers.

Mr. Kelley asked about the budget process. Director Nisenfeld explained that the department will have less UI administrative funding than the previous biennium. She also provided additional information about the Governor's Recommended Budget (GRB), including the proposed use of \$37.9 million of Supplemental Employment Department Administrative Funds (SEDAF) for workforce programs through the Office of Community Colleges and Workforce Development and regional solutions.

Director Nisenfeld confirmed that as of July 1, 2015, the department will have a zero balance in administrative funding until the end of the next biennium. She elaborated that future sweeps would be problematic and the department is concerned that the funds be used as proposed in the GRB. The agency has been talking about these concerns with Ways and Means Subcommittee members. Ms. Byrd indicated that the council has written the legislature in the past about this issue. Director Nisenfeld confirmed that the department is asking for the council's support and advocacy as additional training for workers is required. She elaborated that work-based learning and classroom training were priorities identified in the forums the department held in 2014.

Director Nisenfeld also updated the council on legislation regarding the Oregon Talent Council. She indicated that the department is enthusiastic about the bill because it will align the department with sector strategy work.

Announcements

Ms. Leoni confirmed the June 9, September 8, and December 8 meeting dates. Agenda items for the next meeting include further definition of the policy input process and a review of the quarterly performance dashboard. Director Nisenfeld asked Ms. Byrd to update the Oregon Workforce Investment board on the council's work.

Meeting Adjournment

Meeting adjourned at 2:40 pm.