**Employment Security Advisory Council (ESAC)** Meeting Minutes

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| **Meeting** | **Date:** March 29, 2017 | **Time:** 9:00 a.m. - 12 p.m. | **Location:** ESD Administrative Building, Park Place A and B  |
| **Attendees** | Mike Gempler, ESAC Joe Kendo, ESACJosh Swanson (on behalf of Lee Newgent, ESAC)Mark Johnson, ESAC Jeanne Bennett, ESAC John Tirpak, ESAC Cynthia Forland, ESD Director of LMPANeil Gorrell, ESD Director of ESPJanelle Guthrie, ESD Director of CommunicationsKelly Lindseth, ESD Director of ECTim Probst, ESD Director of Workforce Strategic InitiativesKarl Kraber, ESD Office of Lean TransformationGuests |
| **EASC Members Absent** | Larry BrownGary Chandler Lee Newgent |
| **Scribes** | Mari McGill and Kristi Basic  |

**State of the Labor Market – Cynthia Forland**

**Cynthia:**

Change over the year are in blue

Change over the month are in orange

We see the peak at 10% at the height of the recession

We like to focus on underemployment. The U6 being under – given up looking for work, working part time because they can’t find full time.

We want to look around the state. To see how that differs, we have color coded the map; the darker, the greater the unemployment rate in the Unemployment around the state. For

Employment Rates: There are a lot of ways to look at employment. If you are in working age and are not in prison, we want to see what you are doing. We hit about 65% of peak employment rate going into the Great Recession. We are excited we are seeing increases here.

**Mark Johnson:** So this number is interesting to me, you are saying we are at 60%, what are the other 40% doing?

**Cynthia:** Could be in school, at home raising children, staying home to take care of elderly relatives. As you can see historically, at a national level, there is 30-40% unemployed. This is based on household survey.

**Jeanne Bennett:** It is interesting to compare us to the U.S., but what about the West Coast?

**Cynthia:** I will need to get back to you.

So where are the youngest people working? 14-21: accommodation and food services, healthcare and social assistance, and Retail Trade.

Age 55 and up: Healthcare and social assistance and Education Services. We need to be doing some training for those in these workforces. 55 and up go from providing healthcare to needing healthcare so we will need training.

10-year projections: Blue is looking at job openings due to growth (new jobs)

Orange is looking at turnover within the occupation

**Jeanne Bennett:** we know people are paying more in healthcare, software, and engineering. Another slide with wages added so we can see the wage differential within those growth areas.

**Wendy:** 10-year projections: where does the teaching professions shown? So when you say educational services does that include the teaching profession?

**WorkSource Customer First Update - Kelly Lindseth and Janelle Guthrie**

**Kelly:**

We are the Work Source centers around the state we have history of providing outstanding customer service.

Our division started on this road last summer. Our focus is satisfied and delighted customers and knowledgeable staff.

One of the pieces is making sure our staff is developed; one of them being Lean. We brought a contractor for Human Centered Design concepts to provide training workshops for all of our staff in the centers. We are hoping those principles will help meet their needs.

This diagram reflects the flip in the diagram of how we should be serving our customers. What we are really doing is empowering our staff and shifting to make sure customers’ needs are met.

I mentioned that we have a contract with Luma. This is building off our Lean concept. Our contact will be through March of 2018. Teams are learning tools and techniques with 30-60-90 day check-in points. They are getting together with customers and teams to see what service delivery look like.

We are almost 100% with use of Daily Management Boards in our division; this helps us keep in line.

We know that resources are coming and going but we create a sustainability plan so we are able to use this training in the future. We now have 10-train-the-trainers so staff have the ability to continue to use these tools.

**Janelle:**

We primarily started with UI and Tax & Wage – they are establishing their own ways of providing Customer First. Those divisions have not yet taken Human Centered Design, but I am sure that is coming.

‘One call answers it all’: they are going to really try to solve customers’ problems. Last week the ELT had Luma come in and give us Human Centered Design. I am excited to engage my team. We are working to hear the voice of the customer. The divisions are curious and we are working on building an Intranet.

We want to reach 95% by 2019 and also increase employee engagement to 85%.

We want to eliminate the feeling of not being able to assist customers.

**Mark:** How do you, because what you are saying makes me think of my membership, how do you manage that so that they are not disappointed?

**Kelly:** In a very healthy labor market, managing expectations is hard. There are several jobs out there if you are really looking. Maybe starting out at $50,000 job is not as likely. Unrealistic expectations are what is hard when looking at these numbers in the labor market. Our staff are having these conversations with customers.

**Mark:** I am watching a generation of young people versus older generations, I am seeing this entitled younger generation. How do you deal with that? It is a challenge and it is kind of scary.

**Joe:** When my father went to college it was covered by the state. As employers there are a lot of things you can do as a workforce, such as helping them cover costs of a degree. Or even changing requirements such as Bachelor’s versus Associate’s for a programming job. I don’t think entitlement is really the ‘issue’.

**Jeanne:** I think that this millennial group is different than what we are talking about. They have been watching their parents worked and they are rejecting that. They don’t think we should work 70 hours a week, or have the house in the suburbs, or two cars, a four-year degree. All my kids that have these degrees and they have struggled in the workforce. My 37 year old had a summer job in high school, my next one had one, third one did, then the fourth one never had a job, she didn’t need a job. She didn’t need the extra money because mom and dad were buying it. They want to live close to where they work, public transportation, etc.

**Nick:** We try to put a focus on the diversity of our customers.

**Janelle:** We don’t want a one-size fits all approach.

~Talk about handoffs regarding assisting customers over the phone and what that will look like for Customer First. Knowing who to ping after initial question is answered and where to send customer next.

**Unemployment Trust Fund Update – Cynthia Forland**

Benefit Payments: On this chart we have a combination/ higher the unemployment rate the higher the unemployment payments.

During the recession we were up to 99 weeks of UI benefits versus normal 26 weeks.

Average duration of benefits: orange line shows you all (regular entitlements and federal) on average people were using 42 weeks of benefits not the full 99 weeks.

We have a combination of an experience-tax: accident/laid someone off. Social-Tax: Employers that might go out of business.

Historical and projected UI tax rates – looks at the percentage of taxable wages. Projecting the lowest tax rate in 2020.

State rankings on average UI tax rate – we are 21st in the country. Before the recession, we were in the top five.

**UTAB Update – Neil Gorrell**

**Neil:**

Initial feedback of how hard it was to get in the system, now it is this is so great I can do this myself at home rather than waiting on the phone. Payments are going out faster.

Encourage people to get a debit card or direct deposit because it is quicker and really accurate when it comes time for taxes. There’s no cost for customers to use the debit card at the B.O.A. ATM’s; no more $2 fee and you can use it like normal online banking. Functions and looks like a normal debit card.

The trend line is very positive for people using the new system.

It is saving a great deal of money. Anything we can save is a huge boom for the customers.

Trend for eServices is increasing for new claims.

Continuing to tweak for the best performance. It is now being transitioned to operations.

People are now going on the phones quicker because the training is so much better/easier.

**Mark:** What are you using the savings of $11mil for?

**Neil:** Only will be used for the UI world when tweaks need to be made.

**Tim:** Can you give me an example of how the system will integrate with WF development?

**Neil:** You finish your initial claim in UTAB, info passes to ETO, people in WDC or other programs can look in system for basic info, then you register more fully by pulling info that encourages resumes and then feed more info, then the WDC’s etc., are pulling the data to see who are the people that need the most help.

**Jeanne:** we need the info quickly to get them back to the employers, training, help them with the devastation the more successful we will be.

**Kelly:** Integration will change the culture of being out of work.

**Tim**: Can you talk about where we are now with impacts and where we are today in regular winter time before UTAB and now where we are now, how close are we to normal claimant help?

Neil: We are still a little behind. Getting better every week.

Things we need to start talking about:

1. You can use this tool in a really automated way

2. What are we going to do with the populations that can’t or don’t want to use a computer?

**Tim:** This helps from the WF development standpoint of people starting to use the computer. Makes them more employable.

ESAC Member Discussion – Led by Neil Gorrell

Topics: UI Update

* Recent rule-making
* Federal updates
* Program changes

**Recent rule-making:**

**Neil:** We changed stand-by rules – to make it a little easier and to be more compliant.

**Scott:** How is UTAB addressing this?

**Neil:** That’s one of the places that the old system wasn’t compliant with the law and now it is.

Conformity/Conditional Rule has been taken and put in the background

Delinquent tax rate – adds a percent to it the more times you do it.

**Federal Updates:**

Reasonable assurance. If you have a job in the educational field where you know after summer you are going back after break, you are ineligible. If you are working contingent on enrollment, funding, etc., you are eligible.

**Wendy:** You know we will be very interested.

**Program Changes:**

**Mark:** How do you make sure that you have the right claimant? Verification?

**Neil:** UTAB/Lexis Nexis is struggling with this. It can’t verify from a baseline. No one gets denied unless they do not respond. A live person has to verify when there are issues.

We will be finding more fraud because our tools are better – not because more fraud is occurring.

**Mike:** There is a potential for savings. Anticipate shortening the duration of benefits. Will you be measuring this? Is this going to impact duration?

**Neil:** Cynthia will keep averaging the duration.

UTAB will save administrative dollars. It will allow us to get back to customers faster. The computer can do more work.

ESAC Member Discussion – Led by Jennifer Peppin and Teran Hasse

Topics: Targeting specific industry hiring needs.

* What industries need specific focus to reduce workforce shortages?
* How can the WorkSource system and Employment Security help?
* An overview of the current work to support the Hospitality Association

next steps

**Jennifer:**

* Hospitality reached out to ESD asking for help.
* The partnership is working to link hospitality jobs to WorkSourceWA.com
* May will be Hospitality Month and will be based around a huge hiring event
* There will be a microsite just for hospitality jobs that will be used to market that within hospitality there are career ladders – that it is more than entry level jobs.
* The website will show the wage potentials and testimonial videos of success stories.

**How can the WorkSource system and Employment Security help?**

* Partnering with Workforce Councils for help supporting hiring events.
* Hospitality has connected with King County.
* Hospitality has a great model for hiring events.

**An overview of the current work to support the Hospitality Association next steps**

**Teran:** The value

* There are 1600 locations in the stat
* 40% are members of the association.
* They do a survey every other year
* Results – 30% of people want to keep good staff
* A partnership will help members

Next hiring event is April 13

At the last event, they hired 68 people

The April event will have 300 open jobs (with employers offering 400 of them). The goal is to fill 75% of them. The most popular jobs are servers, line cooks, and bar staff. Lodging jobs (front desk and middle managers mostly) have also been added.

**Jeanne:** How are you recruiting?

**Teran:** Have been using the DSHS employment pipeline. They vet the people they have and match up candidates with jobs. Also use industry.com – an online job board – with free membership.

**Mike:** Are you getting more qualified people or just generating numbers? Is there training?

**Teran:** There is the ability to train with online classes in order to get certifications. Finding skilled people is not always easy.

The Rise Grant is not off the ground well but it offers a career ladder to train people starting at entry level.

**Jeanne:** The Workforce Development Council has money for upskilling/other trainings and could possibly help with backfilling. The challenge is the wage. Everyone is shooting for $15. They would be interested in helping to develop the workforce.

**Mike:** Looking at this statewide, all industry in all regions should have something like this.

**Jeanne:** Retail would be perfect. Kids would get experience for their first job in retail/hospitality.

A new law allows them to spend money on people to upskill them for better jobs.

Mike: He can’t pay living wages. And has over 1000 jobs to fill. There are opportunities for entry level positions and then to work your way up. Are there places for ESD to partner to help get people in those positions?

**Jeanne:** Possibly through WorkSource.

Jeanne and Jennifer to connect after.