

An Ocean of Innovation in Unemployment Insurance in San Diego

(on the 80th Anniversary of UI)

Wednesday, June 17, 2015

9:00 am to 5:00 pm Registration

9:30 am to 11:30 am (Optional) UI **101 Basics**

Richard A. Hobbie, PhD, Visiting Scholar, The Heldrich Center for Workforce Development, Rutgers University

1:00 pm to 1:15 pm **Welcome**

Allan Zaremborg, President and CEO, California Chamber of Commerce

Patrick Henning, Director, California Employment Development Department

1:15 pm to 2:15 pm **Review of the Economy and Impact on Unemployment**

Allan Zaremborg, President and CEO, California Chamber of Commerce
(Moderator)

Jerry Nickelsburg, PhD, Adjunct Professor, UCLA

Paul Wesson, Senior Economist, California Employment Development Department

Philip J. Fischer, Managing Director, Research Group, Bank of America

The panel will review the state of the economy with particular reference to the impact on employment, unemployment compensation and unemployment insurance nationally and in California. The panel will also discuss economic projections for the short term and long term and ramifications for the delivery of workforce services, the status of unemployment trust funds, and UI benefits and taxes.

2:15 pm to 3:15 pm **National Unemployment Insurance Program Update**

Gay Gilbert, Administrator, Office of Unemployment Insurance, Employment and Training Administration, U.S. Department of Labor

The Federal/State Unemployment Insurance program was tested during the Great Recession and is still transitioning to lower unemployment claims loads, reemployment of the unemployed, and ongoing performance issues. Ms. Gilbert will review the status of the Unemployment Insurance Program from a national

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perspective, with respect to trends in unemployment taxes and benefits, state UI agency performance, the President's budget proposal, and policy issues of significance.

3:15 pm to 3:30 pm Break – Sponsored by TBD

3:30 pm to 4:30 pm **National Unemployment Insurance Legislative Update**

Doug Holmes, President, UWC – Strategic Services on Unemployment & Workers' Compensation

As the economy has improved and unemployment rates have trended down, legislative activity has begun to focus on long term program improvements and to prepare for the next recession. Mr. Holmes will review federal and state legislative enactments and initiatives of significance in 2014, and legislation currently being considered, as well as issues arising from implementation of legislation enacted in recent years to address integrity, drug testing, unemployment trust fund solvency, and the delivery of workforce services for claimants and employers.

4:30 pm to 5:30 pm **Most Effective Ways to Identify Fraud and Avoid Overpayments**

Gregory M. Riggs, Deputy Director, Policy, Accountability, & Compliance Branch, California Employment Development Department

James Van Erden, Senior Policy Advisor, National Association of State Workforce Agencies

Steve Sheehan, Manager, Investigation Division, California Employment Development Department

Greg Loos, Chief Operating Officer, Pondera Solutions

The percentage of unemployment claims that has been overpaid has increased in recent years with common use of on-line and telephone claims and reduced benefit payment control staffing. The filing of fraudulent applications and claims has also increased. Many states, including California, have turned to analytics to target certain types of applications and methods being used to claim unemployment compensation, to develop ways to avoid making erroneous payments in the first place, and detect fraud for overall efficiency and effectiveness. The California EDD will review its latest efforts in this area along with a National Association of State Workforce Agency review of best practices in other states.

6:00 pm to 8:00 pm **Reception – Sponsored by TBD**

Thursday, June 18, 2015

8:00 am to 5:00 pm Registration

7:15 am to 8:00 am Continental Breakfast – Sponsored by TBD

8:00 am to 9:00 am **Combatting Identity Theft**

Paul Carmona, Director, Regulatory Integrity Division, Texas Workforce Commission

Robert “Tony” Dixon, Director of Investigations, Office of Inspector General, U.S. Department of Labor

Identity theft is a growing problem within unemployment insurance programs as increasing numbers of claims are being filed by individuals using stolen Social Security numbers, names and credentials. The problem has spread across the country to every state with employers, TPAs, and state agencies recognizing significant numbers of cases in which the individuals identified as claimants are actually still employed and have never filed applications. The panel will examine the issue with specific reference to unemployment insurance and the steps that are being taken by leading states to avoid identity theft, identify the perpetrators, and prosecute them in conjunction with the Office of Inspector General.

9:00 am to 10:00 am **Marijuana, drug testing, and UI Eligibility**

Marti Fisher, Policy Advocate, Health Care Policy, Unemployment Insurance, Banking & Finance, Occupational Safety & Health, California Chamber of Commerce

Jolene Forman, Staff Attorney, Office of Legal Affairs, Marijuana Law and Policy, Drug Policy Alliance

Wendy Block, Director, Health Policy & Human Resources, Michigan Chamber of Commerce

An emerging issue in a number of states is the decriminalization of marijuana for medical and/or recreational use. In many cases initiatives and legislation have not specifically addressed what the impact of such decriminalization may be on the work place. Many employers have adopted drugfree workplaces, and/or have policies prohibiting employees from using marijuana and other drugs for recreational purposes. Individuals using marijuana in accordance with state law may nonetheless find themselves impaired from performing their jobs. The impact on the employer/employee relationship and on the determination

of eligibility for UI benefits when an individual is discharged from employment will be discussed in this session.

9:00 am to 10:00 am **Review of State UI Benefit and Tax System Developments**

Joe Vitale, Director, Information Technology Support Center (ITSC)

Dale Smith, Deputy Executive Director, Mississippi Department of Employment Security

Automated systems that function efficiently and accurately are critical to proper administration of the UI system, yet many state UI benefit and tax systems are decades old and struggle to keep up with the demands created by the high volume and the programming intricacies needed to comply with federal and state laws. States have begun to share resources and use federal grant funds to develop multi-state systems. This workshop will review the current status of the Separation Information Data Exchange System (SIDES) , multi-state systems developments and best practices in developing these systems which are needed for proper administration of unemployment insurance.

10:00 am to 10:15 am Break – Sponsored by TBD

10:15 am to 11:15 am **UI and the New Workforce Innovation and Opportunity Act (WIOA) – Data Reporting, Reemployment and Performance Measures**

Gay Gilbert, Administrator, Office of Unemployment Insurance, Employment and Training, U.S. Department of Labor

Brian McMahon, Senior Advisor, California Labor and Workforce Development Agency

In 2014, Congress enacted the Workforce Innovation and Opportunity Act (WIOA) to address issues that had been identified with the Workforce Investment Act. Performance measurement and the relationship between workforce services and unemployment insurance are addressed in WIOA with greater connections between WIOA one-stop centers, UI claimants, and access to wage information collected through the UI program for use in program measurement. The workshop will review the provisions of the new WIOA which impact the unemployment insurance program with special attention to data reporting, reemployment of UI claimants, and performance measurement under the new Act that becomes effective July 1, 2015.

10:15 am to 11:15 am **Best Practices in UI claims adjudication and appeals**

Brad Barnett, Barnett and Associates

The management of UI claims adjudication and appeals is critical for both an employer seeking to control costs and for state UI agencies to properly administer the program with limited resources. This workshop will review best practices in managing costs and adjudication of appeals through the appeals hearing process.

11:15 am to 12:15 pm **State and Federal Unemployment Taxes – What can we expect for 2015, 2016 and beyond?**

Ron Wilus, Chief, Division of Fiscal and Actuarial Services, Office of Unemployment Insurance, Employment and Training Administration, U.S. DOL

A result of the Great Recession of 2008, in addition to an increased benefit payout, was the creation of significant deficits in state unemployment trust funds that could not be eliminated in a short period of time. Employers in many states found themselves not only paying increased state unemployment taxes, but also increases in the Federal Unemployment Tax Act (FUTA) when state trust funds remained in a deficit status. Although many states have eliminated deficits, a number continue to be subject to increased FUTA taxes.

Furthermore, many states also continue to have trust fund balances that are insufficient. This workshop will review the status of state and federal unemployment tax determinations on a state-by-state basis and review the prospects for tax rates in 2015 and thereafter.

11:15 am to 12:15 pm **Marijuana, drug testing, and UI Eligibility**

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of eligibility for UI benefits when an individual is discharged from employment will be discussed in this session.

12:15 pm to 2:15 pm **Lunch and Awards Program – Sponsored by TBD**

The Honorable San Diego Mayor Kevin L. Faulconer (Invited)

Recognition Awards

Two Minute Drill for Sponsors and Exhibitors

2:15 pm to 3:15 pm **Impact of Reduced Maximum Number of Weeks of UI Benefits – The GAO Study**

Chris Morehouse, Education, Workforce and Income Security, U.S. Government Accountability Office (GAO)

Wendy Block, Director, Health Policy & Human Resources, Michigan Chamber of Commerce

In response to increased unemployment compensation claims volumes which resulted from the Great Recession, many state unemployment trust funds borrowed from the Federal Unemployment Account to pay benefits. In addition, some states included reductions in the maximum weeks of unemployment compensation as part of solvency measures to address the deficit. This workshop will include a presentation by the Government Accountability Office (GAO) describing its report reviewing the reasons for the reduced number of weeks and the impact of the reduced number of weeks. Stakeholders will provide additional views about the reasons for the changes and the impact of their enactment.

2:15 pm to 3:15 pm **Managing Benefit Charges to Employer Accounts**

Lori Roberts, Senior Manager, Government Relations, Equifax Workforce Solutions

The proper charging of unemployment compensation to employer accounts is critical to ensure that benefits are not erroneously paid or charged, and ensure the accurate calculation of contribution rates. This workshop will review state practices in administering charges to employer accounts and discuss current challenges for employers, as well as potential process enhancements.

3:15 pm to 3:30 pm **Break – Sponsored by TBD**

3:30 pm to 5:00 pm

Benefit Accuracy Measurement (BAM) – The Misuse of the BAM Report for Integrity Measurement and Options for Improvement

Neil Gorrell, Employment System Policy & UI Director, Employment Security Department, the State of Washington

Josh Richardson, Deputy Commissioner, UI Operations, Indiana Department of Workforce Development

The Benefit Accuracy Measurement (BAM) report has been used by U.S. DOL and the Office of Management and Budget (OMB) to determine the rate of erroneous determinations by state UI agencies. The BAM report, however, is not well suited for this purpose. Its use has had the unintended effect of overstating the error rate and providing a disincentive to states seeking to increase integrity efforts. Two leading state UI agency representatives will review the BAM report, issues with its use, and suggest better alternatives to evaluate integrity and performance measures.

3:30 pm to 5:00 pm

New Reporting Requirements and Impact on Employers and Workforce Agencies

Pete Isberg, Vice President, Government Relations, Automatic Data Processing (ADP)

Joe Mueller, Legal Counsel, Illinois Department of Employment Security (IDES)

Illinois has implemented a new requirement that employers in the state report wage information on a monthly basis in addition to reporting on a quarterly basis. The requirement was implemented on the assumption that monthly reports of wage information would produce significant savings for the state Medicaid program. Employers and their representatives have expressed concern that the imposition of the additional reporting burden increases costs without significantly improving the data base used to detect Medicaid fraud and overpayments. What has been the cost? Has there been an impact on Medicaid? What might the burden be of various additional states adopting their own additional reporting requirements?

6:00 pm to 9:00 pm

Reception and/or Event – Sponsored by TBD

Friday, June 19, 2015

8:00 am to 9:00 am Breakfast – Sponsored by TBD

9:00 am to 10:00 am **Issues Arising from New Federal and State Statutes and Regulations**

Doug Holmes, President, UWC – Strategic Services on Unemployment & Workers' Compensation

The Federal/State unemployment compensation system relies on state administration and federal oversight to assure conformity and compliance with federal law. Federal statutes and recent legislation have raised issues with state laws and administrative practices. This workshop will review current issues of significance, including drug testing, definition of misconduct, determinations of eligibility for benefits, and other issues that have arisen in recent years.

9:00am to 10:00 am **Best Practices in Reemployment Eligibility Assessment and Reemployment Services**

Richard A. Hobbie, PhD, Visiting Scholar, The Heldrich Center for Workforce Development, Rutgers University

Renee Olson, Administrator, Nevada Department of Training and Reemployment, Employment Security Division

Reemployment eligibility assessments and reemployment services have been recognized as providing value to UI claimants and assisting in returning UI claimants to work and reducing of unemployment compensation. This workshop will review the best practices being used by states to effectively provide these services.

10:00 am to 10:15 am Break – Sponsored by TBD

10:15 am to 11:45 am **Employer/Administrator/ Worker Advocate Roundtable**

Employer Representative

Scott Sanders, Executive Director, National Association of State Workforce Agencies (NASWA)

Rebecca Dixon, National Employment Law Project (NELP)

The UI system is transitioning from a period of high unemployment and claims load to one in which a greater focus is placed on matching unemployed job seekers with employers and effectively filling employer staffing needs. Yet, the solvency of the UI system continues to lag in many states, there continues to be insufficient resources to pay benefits in the event of another recession, and

resources remain limited to assist claimants or employers in the public labor exchange. This round table will review the current status of the system, issues on the horizon, and solutions to solvency, and the matching of unemployed workers with employment.

11:45 am to 12:00 pm **Closing Remarks**