



Employment Security Department
 2021-23 First Supplemental Budget Session
 Maintenance Level - FA - FTE Staffing Adjustment

Agency Recommendation Summary

The Employment Security Department (ESD) requests adjustment of its full time equivalent (FTE) authority to align with expected revenues. ESD has hired temporary employees to assist with Unemployment Caseload backlogs, Fraud Prevention case backlogs and growth in caseload for the Paid Family Medical Leave (PFML) program. Funding is required only for Unemployment Insurance Benefit staff FTEs identified in the 2021 UI Staffing Report. No funding is requested for FTEs identified in the Paid Leave Program Needs and Resources Report to the Legislature. This FTE alignment will help ESD better manage its FTE authority.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Staffing						
FTEs	961.5	403.2	682.35	0.0	0.0	0.0
Operating Expenditures						
Fund 706 - 2	\$3,049	\$1,691	\$4,740	\$0	\$0	\$0
Total Expenditures	\$3,049	\$1,691	\$4,740	\$0	\$0	\$0
Revenue						
706 - 0317	\$3,049	\$1,691	\$4,740	\$0	\$0	\$0
Total Revenue	\$3,049	\$1,691	\$4,740	\$0	\$0	\$0

Decision Package Description

Beginning in 2020, ESD experienced unprecedented surges in unemployment claims due to the impact of COVID in Washington State. Increased federal and state dollars were provided to cover the administrative costs of implementing multiple benefit programs to provide enhanced benefits to unemployment insurance claimants. Funding was included in the enacted budget for resources to reduce the backlog and provide timely services to clients. The FTE levels do not reflect the current plan to address the backlog.

In addition, the Legislature requested that both the Unemployment Insurance Program and the Leave and Care Program identify what is needed in terms of staffing to adequately manage caseloads. The FTEs in this decision package reflect the minimum number of staff estimated to meet basic caseload requirements. While there are sufficient funds in the Paid Family Medical Leave Account, our decision package requests Coronavirus State Fiscal Recovery funds this biennium, as there are insufficient revenues in the Unemployment Insurance Administrative Account to cover the needed staff. The link to these two reports is provided on the ESD website:

<https://esd.wa.gov/newsroom/legislative-resources>.

The current average unemployment insurance staffing needed for projected caseloads is 31.5 FTE in SFY 22 and 17.6 FTE in SFY 23. The number of FTEs would increase to a total of 113 FTE in SFY 22 and 94.3 in SFY 23 if peak caseloads were to be met, rather than using the average for a 12-month period. This decision package only requests the FTEs and funding for the average number of staff needed. Please note that the staffing projections assume all backlog is eliminated by December 2021. Additionally, future FTEs will be proposed based on service delivery staff workloads.

The Legislature provided funds to improve fraud prevention and reduce backlog in the enacted 21-23 budget. The funding source utilized state American Rescue Act funds based on the prorated amount that Washington State would typically receive. These funds were not distributed to states as expected but were used by the Department of Labor for targeted system reform.

In its base budget, ESD increased non-permanent staffing significantly to reduce the unemployment insurance backlog. In addition, staff were added to the Fraud Prevention division budget. Authority for these additional FTEs is also requested in this decision package. ESD is in the process of identifying what the ongoing staffing needs will be for the fraud division in the future. Currently the Fraud Prevention division is budgeted for 151.5 FTEs in SFY 22 and 43.0 FTEs in SFY 23.

ESD is evaluating new tools that may be able to automate current manual processes to reduce the need for additional FTEs in the future.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

N/A

Detailed Assumptions and Calculations:

The only costs included in this decision package are those related to the unemployment insurance benefit staff to keep up with the projected caseload. A detailed summary of projected FTEs compared to the authorized FTEs is also provided.

Workforce Assumptions:

FY22 Staffing Model for Budget Projections – Average FTEs Needed						
Job Class	FTE	Salary	Benefit	Goods & Services	Indirect	Total
UIS4 - Adjudication	6.7	\$344,594	\$137,838	\$101,505	\$92,834	\$676,771
UIS3 - Intake	20.3	\$946,873	\$378,749	\$307,545	\$255,088	\$1,888,255
UIS5 - Lead	2.25	\$121,743	\$48,697	\$34,088	\$32,798	\$237,326
UIS6 - Supervisor	2.25	\$127,926	\$51,170	\$34,088	\$34,463	\$247,647
Totals	31.5	\$1,541,136	\$616,454	\$ 477,226	\$415,183	\$3,049,999

FY23 Staffing Model for Budget Projections - Average FTEs Needed						
Job Class	FTE	Salary	Benefit	Goods & Services	Indirect	Total
UIS4 - Adjudication	2	\$102,864	\$41,146	\$30,300	\$27,712	\$202,022
UIS3 - Intake	13.1	\$611,036	\$244,414	\$198,465	\$164,613	\$1,218,528
UIS5 - Lead	1.25	\$ 67,635	\$27,054	\$18,938	\$18,221	\$131,848
UIS6 - Supervisor	1.25	\$71,070	\$28,428	\$18,938	\$19,146	\$137,582
Totals	17.6	\$852,605	\$341,042	\$266,641	\$229,692	\$1,689,980

Following is the table of proposed FTES for all ESD Divisions

Description	SFY 2022 FTEs	SFY 2023 FTEs	Biennial FTEs
Enacted budget	2,176.8	1,962.9	2,069.9
FTEs requested	961.5	403.2	682.35
Total FTEs	3,138.3	2,366.1	2,752.2

How is your proposal impacting equity in the state?

This decision package supports equity in service delivery by providing the necessary staff resources to process claims and provide essential benefits to those most in need, including those with language or other literacy barriers.

Strategic and Performance Outcomes

Strategic Framework:

This proposal is aligned with ESD's value of diversity, equity, and inclusion in reflecting the communities we serve and in using collaboration to value its partnerships.

This proposal supports Results Washington's goal for a prosperous economy.

Performance Outcomes:

Return unemployed, underemployed, or injured workers to work.

Provide benefits to claimants in a timely and accurate manner. Prevents fraudulent benefit payments.

Provides support services to children and families.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

None.

Intergovernmental:

None.

Legal or Administrative Mandates:

The United States Department of Labor (USDOL) requires timely benefits to claimants.

Stakeholder Response:

Advocates for both the Unemployment Insurance Benefit program and the Family and Medical Leave Program have raised concerns about insufficient staffing to provide timely benefits to all applicants. The additional FTEs will ensure that ESD is able to keep up with the projected workloads.

Changes from Current Law:

None.

State Facilities Impacts:

None. Most new employees are expected to telework.

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$1,541	\$853	\$2,394	\$0	\$0	\$0
Obj. B	\$616	\$341	\$957	\$0	\$0	\$0
Obj. E	\$477	\$267	\$744	\$0	\$0	\$0
Obj. T	\$415	\$230	\$645	\$0	\$0	\$0

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