



Unemployment Insurance Advisory Committee

Meeting details

Date: Friday, March 12, 2021

Time: 2:00 p.m. to 3:00 p.m.

Location: Zoom

Committee members present

- Robert Battles
- Julia Gorton
- Tammie Hetrick
- Sybill Hyppolite
- Kevin Perkey
- Cindy Richardson
- Josh Swanson
- Jerry VanderWood
- Brenda Wiest

Committee members absent

ESD staff

- Joy Adams
- Ashlee Delaney
- Stasha Espinosa
- Wendy Goldmark
- Matt LaPalm
- Scott Michael
- Jeff Robinson
- Dan Zeitlin

Summary

Meeting Recorded

This meeting was recorded and is available at <https://esd.wa.gov/newsroom/UIAC/recordings>.

This meeting was also livestreamed by TVW and the broadcast can be found at <https://www.tvw.org/watch/?eventID=2021031108>

Welcome and Opening Remarks

Employment Security Department (ESD) Policy Director, Dan Zeitlin, welcomed everyone and asked Wendy Goldmark to take roll call. All committee members were present.

Agenda

Dan Zeitlin reviewed the meeting agenda and asked if anyone had any questions. (See Addendum I.)

Meeting Minutes

Dan Zeitlin requested that everyone review the meeting minutes for February 12, 2021 and provide their feedback. Brenda Wiest made a motion to approve the minutes and Josh Swanson seconded the motion. Dan asked for all members in favor to say, “Aye”. All members responded, “Aye”. Dan asked members that disapprove to say, “Nay”. No one responded. The February 12, 2021 meeting minutes were approved.

UI Policy Discussion

Dan Zeitlin opened the meeting discussion with a [slide presentation](#) and covered the topics below:

- Federal UI Program Update
- Extended Benefits
- State Legislative and Rulemaking Update
- Trust Fund Balance

Federal UI Program Update

American Rescue Plan Act

Pandemic Unemployment Assistance (PUA)

- Extends PUA through the claim week ending September 4, 2021 and increases the number of weeks of benefits an individual may claim from 50 to 79.

Federal Pandemic Unemployment Compensation (FPUC)

- Maintains the supplemental FPUC payment at \$300 per week through the claim week ending September 4, 2021.

Pandemic Emergency Unemployment Compensation (PEUC)

- Extends PEUC through the claim week ending September 4, 2021 and increases the number of weeks of PEUC benefits an individual may claim from 24 to 53.

Federal Provision Extensions

- Waiting Week: Federal financing extended at 100% through the claim week ending September 4, 2021 and retroactively from December 26, 2020. SB 5061 waives the waiting week when fully federally funded.

- Shared Work: Federal financing of benefits extended through the claim week ending September 4, 2021. SB 5061 reinstates non-charging (signed February 8, 2021). Due to lapsed Emergency Proclamation, employer accounts charged between Jan. 10 and Feb. 8, 2021.
- Reimbursable Employers: Beginning the week ending April 10, 2021 through the week ending September 4, 2021, federal financing of benefits paid to employees of reimbursable employers is increased from 50% to 75%.
- Trust Fund Loan Interest: Interest free federal loans for states that must borrow to maintain UI trust fund solvency extended through September 6, 2021.

Other

- Mixed Earner Unemployment Compensation (MEUC): Provides a federally funded \$100 per week additional benefit to individuals who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits. The program is extended to cover weeks from December 26, 2020 through September 4, 2021.
- Tax Exempt Benefits: The first \$10,200 of UI benefits are tax-exempt for households with income up to \$150,000/year for tax year 2020.
- State Administrative Funding: Provides \$2 billion to be allocated to the States to: a) detect and prevent fraud; b) promote equitable access; and c) ensure timely payment of benefits.

USDOL Guidance: Expanded PUA Eligibility

The US Department of Labor on February 25, 2021 issued guidance expanding PUA eligibility to 3 categories of workers:

- Those denied UI after they refused to work or accept an offer of work at a worksite not in compliance with coronavirus health and safety standards.
- School employees working without a contract or reasonable assurance of continued employment who face reduced paychecks and no assurance of continued pay when schools are closed due to coronavirus.
- Workers laid off, or who have had their work hours reduced as a direct result of the pandemic.

Extended Benefits

Extended Benefits – WA “Triggers On”

Extended Benefits (EB) Timeline

- April 2020: Washington’s 13-week average Insured Unemployment Rate (IUR) was high enough (5% minimum) to “trigger on” 13 weeks of EB.
- June 2020: Washington’s 3-month average seasonally adjusted Total Unemployment Rate (TUR) was high enough (8% minimum) to “trigger on” 7 extra weeks of EB (EB High).
- July 2020: Beginning the week of July 5, 2020, claimants began exhausting PEUC and became eligible for up to 20 weeks of EB.

Extended Benefits – WA “Triggers Off”

Extended Benefits (EB) Timeline

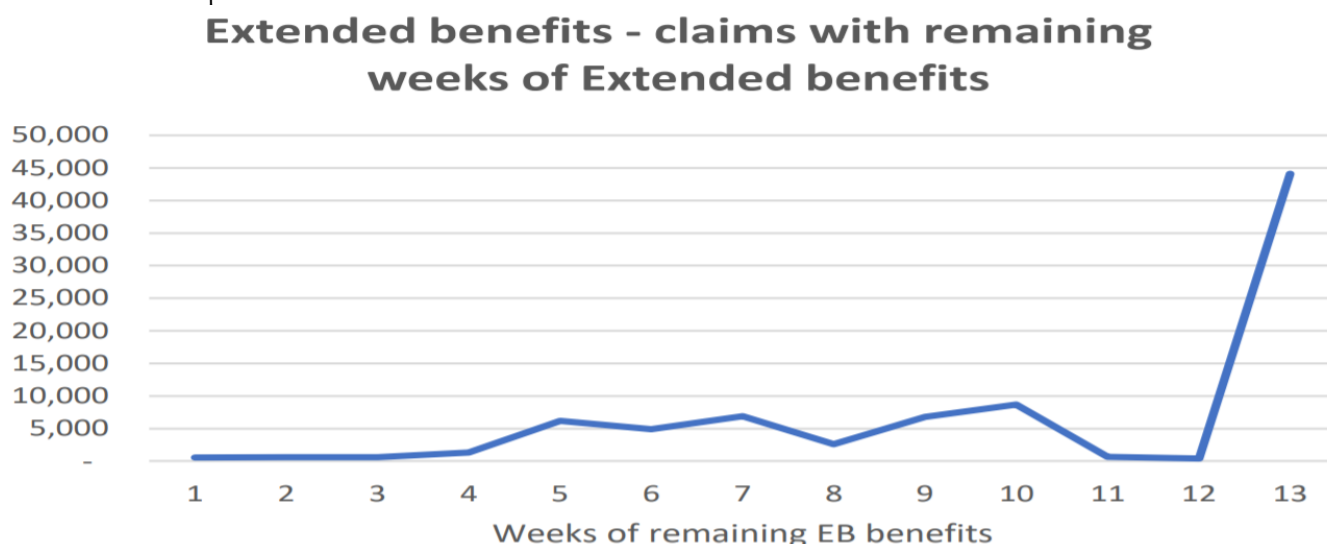
- December 2020: The TUR (August, September, and October) was below 8% and Washington “triggered off” the extra 7 weeks (EB High). Beginning the week of December 13, 2020, claimants were eligible for up to 13 rather than 20 weeks of EB.

- February 20, 2020: Washington’s 3-month average seasonally adjusted TUR was below 6.5% and the 13-week average IUR was below 5%. Washington “triggered off” EB.

Claimant Impact

- Week Ending March 13: Last week claimants can claim EB (file March 14-20).
- Week Ending March 20: With passage of the American Rescue Plan Act, EB claimants can again claim PEUC (up to 29 more weeks) through September 4, 2021 (file beginning March 21-27).
- Agency Request Legislation (HB 1492/SB 5425): Would immediately reinstate EB if Washington “triggers on” again in 2021.

EB Claimant Population



UI Claimants - Remaining Weeks of Benefits by Entitlement Week Ending February 27, 2021 (See Addendum II.)

State Legislative and Rulemaking Update

Active State Legislation

Agency request bills

- B 1492 – increasing access to extended benefits
- HB 1493 – increasing flexibility in job search requirements

Other bills

- HB 1455 – removing social security numbers from Department correspondence
- SB 5190 – unemployment benefits for health care workers
- SB 5193 – general improvements to the unemployment program

Rulemaking

Hours of Availability

- In January 2020, ESD proposed a rule that claimants need to be available for suitable work for 40 hours customary for their occupation, instead of all customary hours as is currently required.

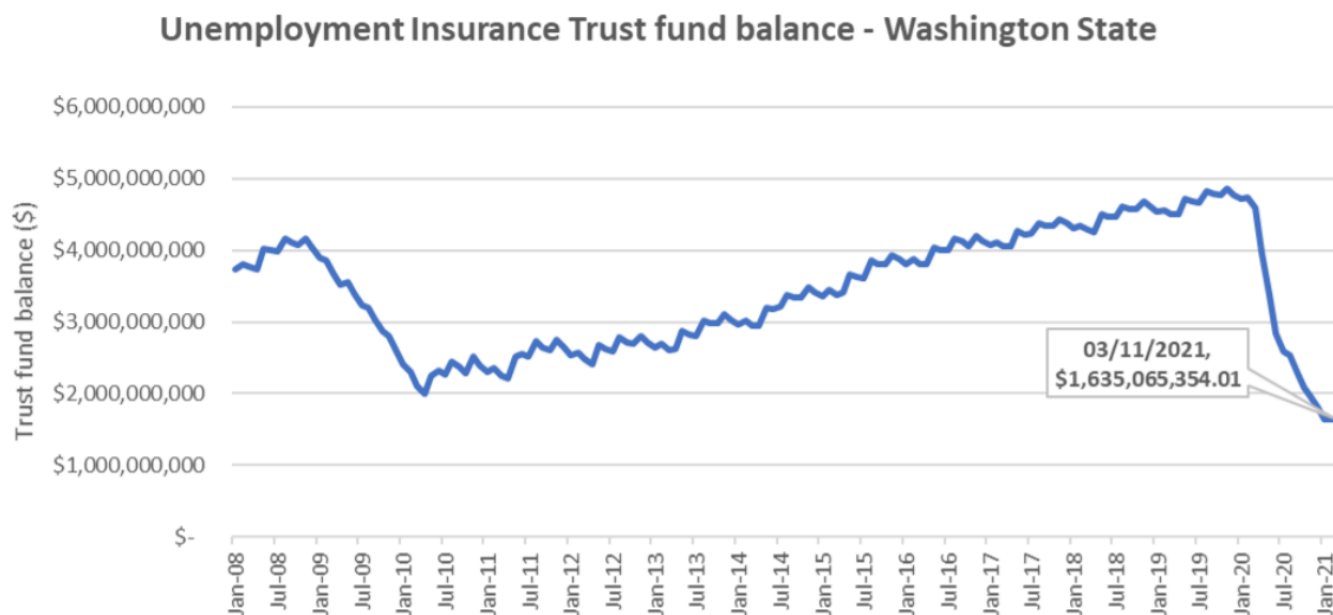
- Public hearing held in March 2020 as pandemic hit, UI claims spiked, and CARES Act was enacted creating other priorities for the agency and making this a challenging rule to implement to date.
- ESD will refile the CR 101 shortly and re-release the proposed rule in May.
- ESD will hold another hearing to elicit further stakeholder feedback in June given the experience over the last year so that we can finalize and implement the rule this year.

3rd Set of Emergency Rules

- Filed CR 101 to begin exploring whether emergency rules should be made permanent:
 - Petitions for judicial review can be filed via e-mail instead of in person
 - Rules allowing claimants to backdate a reopened unemployment claim made consistent with the rules for backdating an initial claim
 - Clarifying who needs to serve a waiting week after Governor Proclamation expired Relief of combined-wage claim benefit charging under ESSB 5061

Trust Fund Balance

On March 11, the UI trust fund balance was \$1.635 billion



Months of Benefits Calculation:

- ESD calculates the months of benefits available in the trust fund following the trust fund solvency reporting requirements of the U.S. Department of Labor and RCW 50.29.025.
- ESD first calculates the reserve ratio (RR). The RR is derived by dividing the trust fund balance by the total wages reported by taxable employers in the preceding state fiscal year (July 1-June 30) and then multiplying that number by 100.

- ESD then calculates the average high-cost rate (AHCR). Benefit cost rates are benefits paid as a percent of total wages in taxable employment. The AHCR is the 3 highest calendar benefit cost rates in the last three recessions (2020, 2009, 2002).
- Finally, ESD determines the number of benefits available by dividing the RR by the AHCR then multiplying that number by 12.

Months of Benefits Calculation (03/11/2021):

Trust Fund Balance: \$1.635 billion

Total Wage: \$196 billion

Reserve Ratio (RR): $\frac{\$1.635 \text{ billion}}{\$196 \text{ billion}} * 100 = .83$

Average High-Cost Rate (AHCR): 2.44

Months of Benefits: $.83 * 2.44 * 12 = \mathbf{4.1 \text{ Months of Benefits}}$

Action Items

- Provide a handy chart of customary hours by industry (40% of industries are 24/7).
- Report trust fund balance at every meeting and once in between meetings via email, i.e. next update March 26th. (Provide updated tables of trust fund reports with actuarial look going forward.)
- Send UIAC meeting agenda, minutes, and PowerPoint discussion all in the same email.

Next Agenda Discussion

- General Update
- Federal Funding
- Trust Fund Update
- UI Benefit Data related to 2022

Public Comments

None

Adjourned

Dan Zeitlin thanked everyone for their continued active participation and for their commitment to this work, then ended the meeting at 3:05 p.m.

Next meeting

The next Unemployment Insurance Advisory Committee meeting is on Friday, April 9, 2021 from 2:00 p.m. to 3:00 p.m. via Zoom.

Addendum I

Agenda

Unemployment Insurance Advisory Committee (UIAC)

Friday, March 12, 2021 | 2:00 pm – 3:00 pm | Via Zoom

Agenda Items

Time	Topic
2:00 pm	Welcome from Dan Zeitlin, Director of Policy, Data, Performance & Integrity (PDPI) Division, Employment Security Department (ESD) <ul style="list-style-type: none"> ○ Agenda Review
2:05 pm	Approval of February 12, 2021 Meeting Minutes
2:10 pm	UI Policy and Program Updates <ul style="list-style-type: none"> ✓ Federal and State Legislation and Rulemaking ✓ Extended Benefits/Long-Term Unemployed ✓ Trust Fund <ul style="list-style-type: none"> ○ Dan Zeitlin, Director, ESD ○ Joy Adams, UI Quality Assurance Manager, ESD ○ Scott Michael, Legal Appeals and Rulemaking Manager, ESD ○ Jeff Robinson, UI Research and Forecasting Manager, ESD
2:50 pm	Next Agenda Discussion <ul style="list-style-type: none"> ○ Dan Zeitlin, Director, ESD
2:55 pm	<ul style="list-style-type: none"> ○ Public Comments
3:00 pm	<ul style="list-style-type: none"> ○ Adjourn

For more information, please visit the UIAC website at <https://esd.wa.gov/newsroom/UIAC>

RECORDING DISCLAIMER:

This meeting is being recorded and is being broadcast by TVW. Please be advised that your image and voice will be captured, recorded and broadcast during the videoconference. Your participation in this videoconference equals consent to be recorded and broadcast as required by law.

Addendum II

UI Claimants - Remaining Weeks of Benefits by Entitlement Week Ending February 27, 2021

Week Ending	Weeks Remaining	Entitlement							Grand Total
		EB	PEUC	PUA	RTAA	TB	TRA	UI	
3/6/2021	1	537	72			6	4	4,364	4,983
3/13/2021	2	617	16,008	90,921		3	6	4,137	111,692
3/20/2021	3	609	8,324			4	2	4,116	13,055
3/27/2021	4	1,313	6,695			5	4	4,139	12,156
4/3/2021	5	6,204	6,431			3	7	4,631	17,276
4/10/2021	6	4,904	11,971		1	9	5	4,129	21,019
4/17/2021	7	6,913	6,626			4	8	4,033	17,584
4/24/2021	8	2,613	5,950			12	7	4,085	12,667
5/1/2021	9	6,787	5,818			12	5	4,470	17,092
5/8/2021	10	8,701	5,659			12	6	4,169	18,547
5/15/2021	11	643	27,352			6	2	4,169	32,172
5/22/2021	12	432	4,419			6	6	4,218	9,081
5/29/2021	13	44,091	3,946			14	3	4,107	52,161
6/5/2021	14		3,765			11	5	4,290	8,071
6/12/2021	15		3,735			12	5	4,048	7,800
6/19/2021	16		4,017			14	4	3,879	7,914
6/26/2021	17		3,563			12	5	4,075	7,655
7/3/2021	18		3,590		1	8	6	3,129	6,734
7/10/2021	19		3,454			13	10	4,006	7,483
7/17/2021	20		3,967			15	8	3,588	7,578
7/24/2021	21		3,364			17	4	3,345	6,730
7/31/2021	22		3,199			14	24	3,088	6,325
8/7/2021	23		3,130			18	10	3,043	6,201
8/14/2021	24		48,894			38	11	2,722	51,665
8/21/2021	25					19	3	2,654	2,676
8/28/2021	26+					454	515	564	1,533
	Grand Total	84,364	193,949	90,921	2	741	675	97,198	467,850