Welcome

Unemployment Insurance
ADVISORY COMMITTEE

Employment Security Department
WASHINGTON STATE

Agenda

I. Approval of meeting Oct. 18 meeting minutes

II. Legislative reports

III. Legislation and Rulemaking

IV. MWBA Report

V. Trust Fund Report

VI. Appeals updates with ESD and OAH

VII. Workload in Tax and Wage

VIII. Overpayments update

IX. 2024 UIAC meetings

X. Public comment

XI. Adjourn

Legislation and Rulemaking

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Caitlyn Jekel, Government Relations Director, ESD &
Stephanie Frazee, Legislation and Rules Coordinator, ESD

Legislation

Agency request legislation:

- **Pandemic-era overpayment interest:** not charge interest on any overpayments that were paid for weeks claimed from February 2020 through September 2021, lapsing the pause on Jan 1, 2025. *Pending.*

- **Relief of Benefit Charges:** employers may receive relief without being required to file an application for relief under various circumstances. *Approved.*

- **Voluntary Contribution sunset:** remove sunset to temporary changes to voluntary contributions program in 2021, which removed the 10% surcharge and opened the program to more employers. *Approved.*

Legislation

Bills we are tracking:

- SB 5777 - Concerning unemployment insurance benefits for striking or lockout workers (prefiled).

- Creating a wage replacement program for certain Washington workers excluded from unemployment insurance (2023).

Rulemaking

- **SOC Code Reporting for Tribes (HB 1684) –** Formally adopted rules allowing tribes to report or not report SOC Codes or job titles on their quarterly reports as they see fit. Rules became effective November 27, 2023.

- **Transportation Network Companies (HB 1570) –** Formally adopted rules stating that "hours worked" for purposes of driving for a TNC should be reported as "passenger platform time" doubled. Rules become effective December 21, 2023.

Rulemaking

- **Cross-Program Payment Allocation –** Pre-proposal inquiry filed. Drafting rules to address how employer payments are allocated across UI, WA Cares, and PFML.

- **Overpayments Correction –** Began expedited rulemaking to update an outdated cross-reference. Objection was submitted, and we are now working on officially proposing the rule change.

- **Expanded Voluntary Quits (HB 1106)** – Officially proposed rules with definitions of "family member" consistent with PFML definitions and incorporating updates from the bill that are effective September 3, 2023. Hearing is December 8, 2023.

Rulemaking

- **Wildfires and Other Disasters –** Filed emergency rules in response to wildfires in the state. Emergency rules expire December 23, 2023. Working on officially proposing permanent rules.

- **Overpayment Waivers –** Extended emergency rules a second time, until February 3, 2024. Hearing was held for permanent rulemaking on November 21, 2023. Working on formally adopting rules.

- **Conditional Benefit Definition –** Rules defining the circumstances under which the Department pays benefits on a conditional basis. Hearing was held on November 21, 2023. Working on formally adopting rules.

Legislative reports: MWBA analysis

- Preparing simplified report for 2023 reflective of committee recommendation.

- Seeking peer review on researchers' analysis of causality for further engagement with UIAC.
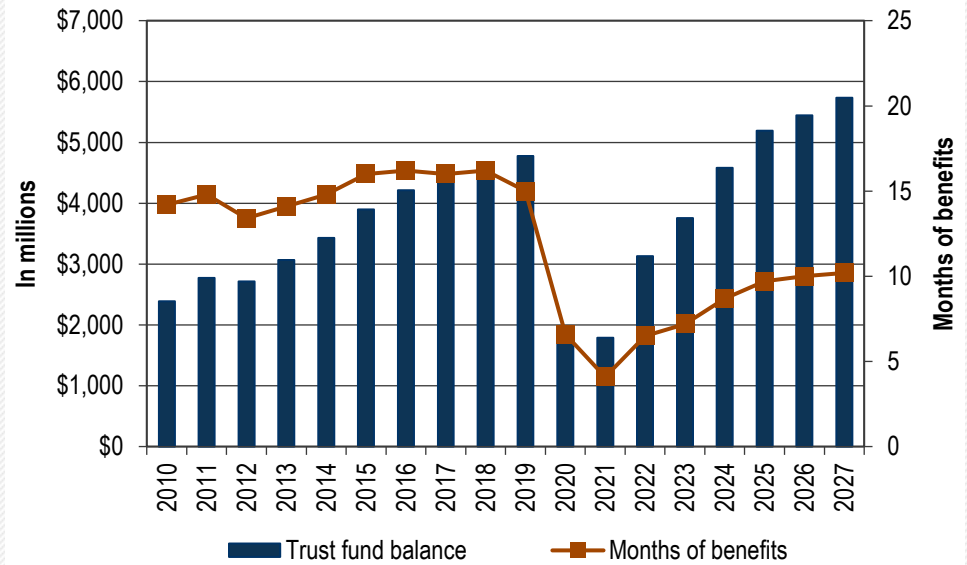
Unemployment Insurance Trust Fund

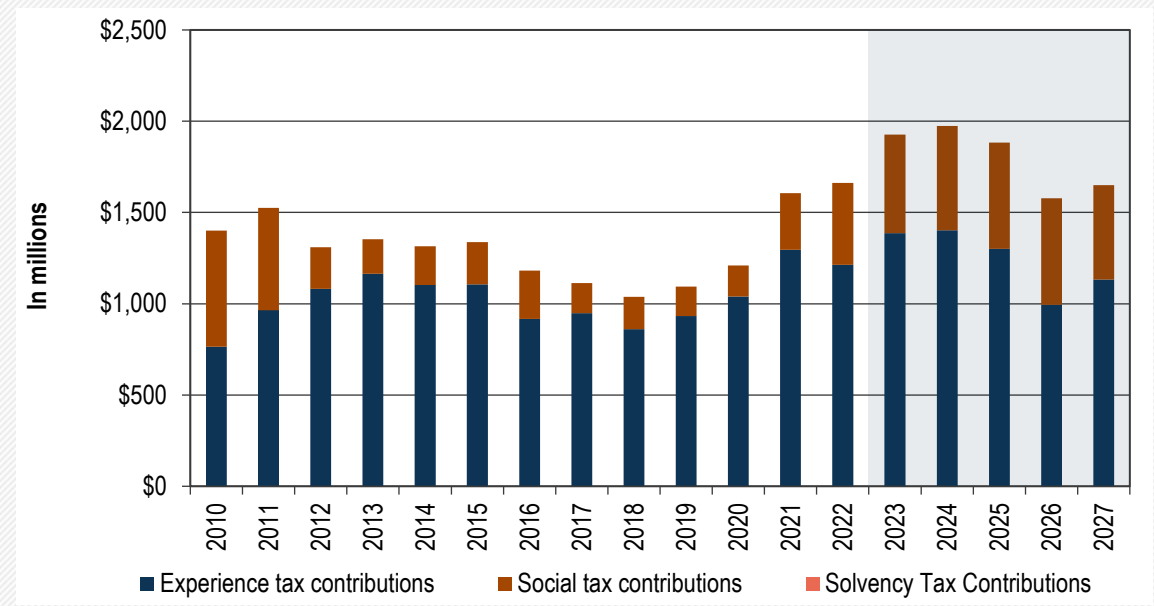On Nov. 30, the UI trust fund held approximately $3.7 billion, in line with end of year projections.

Employer Contributions

Projected Employer Contributions	September 2023	November 2023
2023	$1.9 Billion	$1.9 Billion
2024	$2.0 Billion	$2.0 Billion

Benefit payments

Projected Benefit Payments	September 2023	November 2023
2023	$1.4 Billion	$1.5 Billion
2024	$1.5 Billion	$1.3 Billion
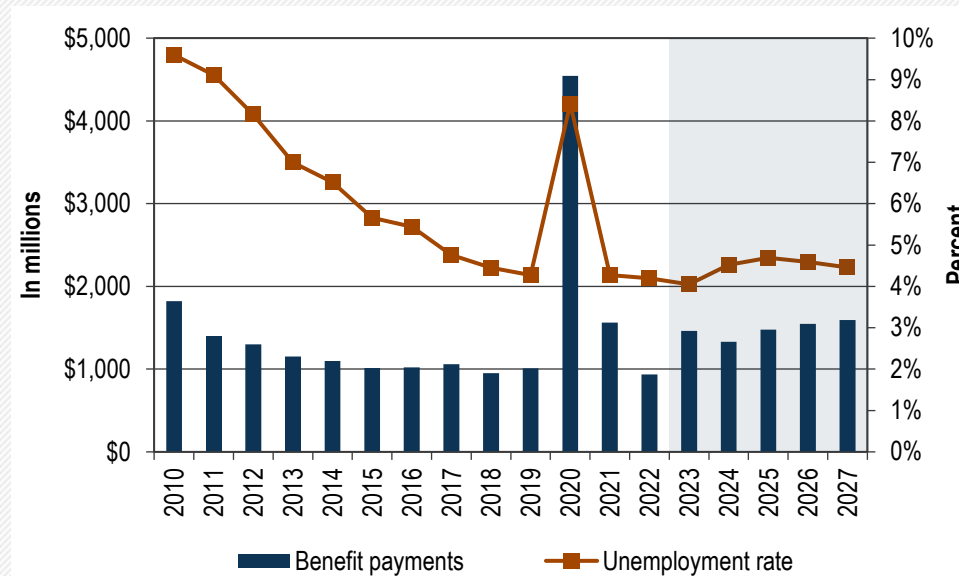
10-minute break

Please return by (…)

Appeals Updates with ESD and OAH

Brendon Tukey, Division Chief, OAH &

Cynde Cole, UICS Integrity Program Manager, ESD

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UI Appeals Update (2019-2023 Overview

	CY2023 (As of Nov 30)	CY 2022	CY 2021	CY 2020	CY 2019
Intake	36,708	62,679	88,775	60,584	29,671
Closed Appeals	55,766	75,653	74,825	35,789	31,184
Inventory Change	**-19,058**	**-12,974**	**+13,950**	**+24,795**	**-1,513**
Default Rate	36.10%	35.48%	35.09%	36.10%	35.61%

UI Appeals Update (Timeliness Progress)

Average-Time-in-Hearing Status (the number of days it takes OAH to hear a case after it's appealed):

§Peaked in March 2023 at 232 days

§As of last week (Nov 29 to Dec 2) has dropped to 100 days

§A net decrease in average processing time of 132 days

UI Appeals Update (BAPs)

§ The BAPs Emergency Rule went into effect April 2022 and became permanent December 2022.

§ Over the first 18-Month of the program:

§ 10, 881 Cases were scheduled for BAPs – 485 converted to full hearings.

§ 10,397 Cases resolved w/in BAPs – 12% of all closed appeals w/ 3-to-5% of ALJs.

- o 674 withdrawn.
- o 105 redetermined by ESD prior to order.
- o 7 dismissed for lack of jurisdiction or extended absence.
- o 9,611 Initial orders issued.

§ 322 PFR's filed – an appeal rate of 3.4%. (full hearings avg'd 10% over this period)

§ Still a work in progress – in October began a pilot project to add Late Filed Appeals to BAPs.

UI Appeals Update (Spanish Language)

§In 2022 began a pilot project in holding select UI hearings in Spanish (no interpreter used)

§Converted to a full-time operational program in July 2023

§3 ALJs currently conducting hearings in Spanish (5-15 per week)

§230 hearings held in Spanish to date

§Very positive feedback from all involved.

Workload in Tax and Wage

Mathew Bowen, Management Analyst Tax & Wage, ESD

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Workload in Tax and Wage

Workload challenges example: New Employer Registration

- Increase in workload last two years
  - @10,000 more new business each year compared to pre 2020
- Decrease in staffing to support workload
  - 25% reduction

Workload approach
- Focus on biggest impact to employers
- Process improvement
- Technology improvements

New Employer Registration

Overpayments Update

JR Richards, Unemployment Insurance Customer Support Director, ESD

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Overpayments Update

Overpayment Waiver Applications

- 43,064 waiver applications submitted (as of 12/5/23)
- 28783 waivers approved totaling 31.0M
- 544 waiver denied totaling 1.3M

Meeting Cadence

JR Richards, Unemployment Insurance Customer Support Director, ESD

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Proposed meeting cadence

January 26th	▪ One-hour legislative session meeting ▪ Rulemaking update	**August 7**[th]	• Legislative & rulemaking updates • June Trust Fund report • Legislative and budget submissions to OFM/Gov office: Likely committee action • State Quality Service Plan update
February 23rd **March 29**[th]	• One-hour legislative session meeting • Rulemaking update	**September 18**[th]	• Legislative & rulemaking updates • Trust Fund report • Minimum Weekly Benefit Amount report • Tax rate notices to employers
May 15th	• Governor's budget • Trust Fund Report • Legislative session prep • Rulemaking update	**October 30**[th]	• Legislative & rulemaking updates • State Quality Service Plan submission to USDOL • Minimum Weekly Benefit Amount report • Legislative reports
June 26th	• Legislative & rulemaking updates • Budget overview • Updated taxable wage base • OAH appeals update	**December 11**[th]	• Legislative session prep • Rulemaking update • Governor's budget • Trust Fund report • OAH appeals updates

Public Comment

- If you would like to make public comment, please state your name and spell it so we can capture it correctly for the minutes, as well as the organization you represent if any.

- **Reminder**: Your comments are being recorded.

- If you would like your comments to be included in the meeting minutes, please submit them in writing via email to Camille Galeno at camille.galeno@esd.wa.gov. *(Camille's email will be posted in the chat)*

- Please limit your comments to **two minutes**.

Thank you

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