

A photograph showing the silhouettes of several people standing in a meeting room, illuminated by a bright light source from the left, creating a strong backlight effect. The room has large windows and a reflective floor.

Unemployment Insurance ADVISORY COMMITTEE



Employment Security Department

WASHINGTON STATE

Agenda



- I. Agency Request Legislation - update
- II. Unemployment Insurance Administrative Funding - update
- III. Other UI-Related Legislation – update
- IV. Rulemaking - update
- V. Pandemic Era Overpayments - update
- VI. Future Agenda Topics

UI Agency Request Legislation



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Caitlyn Jekel, Government Relations Director, ESD

UI Agency Request Legislation



SB 5240 (Companion is HB 1656) - Concerning unemployment insurance benefits appeal procedures

- RCW 50.32.040 requires the Office of Administrative Hearings (OAH) to consider availability issues on each case it reviews, even when availability is not an issue addressed by ESD in the determination letter
- Proposed removal of this provision to reduce time and confusion for individuals and employers engaged in appeals
- SB 5240 is on the Senate floor calendar, HB 1656 is in Rules

SB 5331 - Concerning job search requirements for unemployment insurance benefits.

- ESD's legal ability to pursue alternate ways for claimants to fulfill job search requirements is set to sunset in 2023
- Proposed removal of the sunset to make these provisions permanent, adding reporting requirement
- Passed the Senate, referred to House Labor & Workplace Standards

UI Agency Request Legislation



HB 1107 - Concerning removing the terms "master" and "servant" from Titles 50 and 50A

- ESD proposed agency request legislation removes reference to “the relationship of master and servant” in the definition of employment in the UI and PFML statutes.
- Passed the House, referred to Senate Labor & Commerce

Unemployment Insurance Administrative Funding

Caitlyn Jekel, Government Relations Director, ESD



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Addressing federal funding shortfall



- The Unemployment Insurance program is primarily federally funded. However, federal funding typically covers only about 70% of base costs.
- The Employment Security Department (ESD) covers the remaining base costs through a mix of other federal and state funding.
- Federal funding for UI has fallen more sharply post-pandemic than is typical after an economic downturn.
- In addition, a higher than normal workload remains due to the prolonged impact of standing up and implementing pandemic-era programs.
- As a result, customer support functions, including claims processing and phone calls are suffering.

Maintenance request



Maintain current funded level for the biennium: \$21 million

ESD is working on long-term solutions to make our work more efficient, which are anticipated to reduce staffing demand. However, in the immediate term, our decreased federal funding will result in a reduction in staff while workloads remain higher than normal.

- Avoid staffing reductions which will further strain customer service delivery.
- Keep current with incoming work and answer 85% of incoming calls within 20 minutes during non-peak times.

Enhance customer service



Create dedicated team to process overpayments backlog - \$11.7 million

This funding would launch a special team to resolve the pandemic-era backlog of overpayments. This work is currently unfunded.

- Overpayment Team (118 FTE).
- Process waivers and answer calls for more than 100,000 customers.
- Bring relief and clarity to customers with pandemic-era overpayments while limiting impact to ongoing service and operations.

Navigation services team



Navigation services for highly barriered customers – \$1.48M FY24; \$1.44M FY25 and ongoing

Many customers have higher barriers to accessing services, and struggle to navigate unemployment on their own. A navigational services team would work directly with customers new to UI or who need additional assistance.

Navigational services team (12 FTE).

- Navigation services could include live webinars, tutorials, training for community-based organizations and trusted messengers, and the creation of an escalation path for those who need additional assistance.
- Improve customer experience for both higher barriered customers and those with fewer barriers. Up-front assistance for those most likely to get stuck in the system will reduce errors that cause people to call or delay benefits and provide pathways for faster resolution.
- Accelerate work the agency is doing to collaborate more closely with community and trusted messengers to ensure high-barriered populations get the help they need.

Other Legislation Related to Unemployment Insurance

Scott E. Michael, Legal Services Manager, ESPI



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Other Legislation



SHB 1106 – Concerning qualifications for unemployment insurance when an individual voluntarily leaves work.

- Adds to the list of reasons an employee can quit with good cause to include taking care of the death, illness or disability of non-immediate family member; caregiving inaccessibility; changes in a regularly-scheduled shift; and to move closer to a minor child
- Placed on second reading February 14

SHB 1458 – Concerning unemployment insurance benefits for apprenticeship program participants.

- Substitute removes provision waiving the waiting week
- Creates a study group and report to analyze the barriers apprentices face when filing unemployment claims
- Passed out of House Labor and Workforce Standards Committee February 10

Other Legislation



SHB 1095 / SSB 5109 – Creating a wage replacement program for certain Washington workers excluded from unemployment insurance.

- Creates a separate, state-funded unemployment benefit program that will serve undocumented workers. Various changes made with a substitute
- Both House and Senate version passed out of policy committees
- Neither version scheduled for hearing in the fiscal committees this week

SHB 1570 – Concerning social insurance programs applicable to transportation network companies and drivers.

- Explicitly includes transportation network company drivers as employees covered by unemployment insurance
- Allows an employer who continues to employ a claimant on a part-time basis relief of benefit charges, even if the employer does not offer a regular schedule, so long as the employer continues to furnish part-time work in substantially the same amount as during the individual's base year.
- Substitute passed out of House Committee on Labor and Workplace Standards February 14
- Scheduled for hearing and executive action in House Ways and Means this week.

Other Legislation



SSB 5176 – Concerning unemployment insurance benefits for officers of employee-owned cooperatives.

- Officers of employee cooperative corporations, cooperative associations, and limited cooperative associations can qualify for unemployment when they are temporarily laid off, like any other employee.
- Senate passed bill 48-0 on February 8.

HB 1712 / SB 5621 – Workers dislocated by closure of finish aquaculture facilities

- DNR issued order in late 2022 ceasing the practice of leasing state lands to all finfish aquaculture facilities; workers who lost their jobs due to this order automatically count as “dislocated workers” for purposes of access to training benefits
- Passed out of House and Senate policy committees February 13 and February 14

Other Legislation



SSB 5156 – Concerning farm internship program

- In 2020, the Legislature created a pilot farm internship program and exempted the farm interns from unemployment insurance coverage. Program and exemption were scheduled to sunset at the end of 2025
- SSB 5156 makes the pilot program permanent and removes the sunset from the program and the exemption
- Senate passed bill 49-0 on January 25.

HB 1684 – Allowing tribes to not report SOC codes or job titles on quarterly reports

- Allows federally recognized tribes to choose not to report job titles or SOC codes for their employees on their quarterly tax reports
- Passed out of House Committee on Labor and Workplace Standards February 14

Rulemaking Update

Scott E. Michael, Legal Services Manager, ESPI



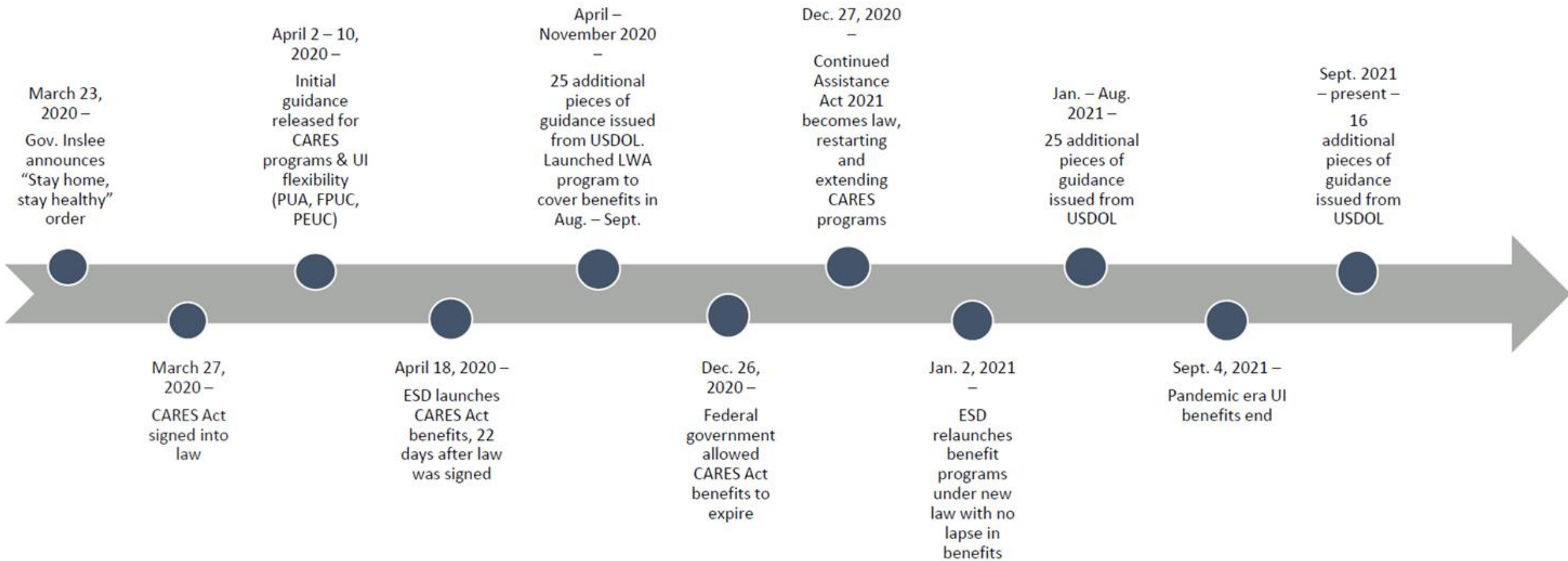
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Rule Making



- President Biden has announced that federal COVID-19 state of emergency is ending Thursday, May 11, 2023
- Provisions related to job separations, suitable work, and availability for work will be impacted by the end of the federal public health emergency
- Rulemaking is being considered on the impact of when a public health emergency begins and ends mid-week
- Current consideration:
 - If issue is judged on a week-by-week basis (e.g. availability, work search), then ESD will consider a public health emergency to exist for the whole week if one of the days of that week has a public health emergency in effect
 - If issue is judged on a specific event happening on a particular day (e.g. job separation, work refusal), then ESD will look to see if a public health emergency existed on the day that event occurred

Overpayment Project Updates



Overpayment Project Updates



Providing overpayment relief is ESD's highest priority project

Coverage – Pandemic Era Benefits Feb 2, 2020 – Sept 4, 2021

Q1 2023 start processing automated waivers

- Six scenarios already authorized by USDOL for federally funded benefits
- Claimants not required to take any action – ESD completes entire process
- Claimants will be notified overpayment have been waived

Q1 start charging off overpayments less than \$1,000

- Federal and/or state funded benefits
- Claimants not required to request – ESD completes entire process
- Claimants will be notified charge-off is complete

Q1 2023 start accepting individual waiver requests

- Previous waiver looked only at financial ability to pay
- Newly expanded criteria take lived experience into account
- Web-based fillable application form linked from [ESD.WA.GOV](https://www.esd.wa.gov)

Future Meeting Topics



- Legislative Session Updates
- Rulemaking Updates
- Overpayments Project Updates
- Appeals Backlog Updates
- Other?