

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 scene is set against a large window with vertical frames.

# Unemployment Insurance ADVISORY COMMITTEE



**Employment Security Department**  
WASHINGTON STATE

March 25, 2022

# Agenda



- UI State Legislative Wrap Up and Program Update
- Identity Verification Discussion
- Future Meetings

# UI State Legislative Wrap Up and Program Update



**Employment  
Security  
Department**  
WASHINGTON STATE

**Unemployment Insurance Advisory Committee Presentation**

**March 25, 2022**

Scott Michael, Legal Services Manager

Dan Zeitlin, Policy Director, ESD

Joy Adams, Quality Assurance Manager, ESD

Employment Security Department

# 2022 Unemployment Insurance Bills



## House Bill [1612](#): Technical Corrections (Agency Request)

- Technical cross-reference corrections in UI statutes.
- Governor signed March 11, 2022 (Effective: 6/9/2022).

# 2022 Unemployment Insurance Bills



## Engrossed Senate Substitute Bill [5873](#): UI Premiums

- Decreases the maximum UI social cost factor for 2022 and 2023.
- Sets a maximum UI rate class for the purposes of the percentage of the social cost factor to be paid by small businesses in 2023.
- Governor signed and effective March 11, 2022.

# 2022 Unemployment Insurance Bills



## **Engrossed Substitute House Bill [2076](#): Transportation Network Companies**

- Convenes a work group of industry and labor stakeholders to “study the appropriate application of Title 50” on transportation network companies and drivers.
- Employment Security submits a report by December 1, 2022 on “findings and suggested changes to state law to establish applicable rates and terms by which transportation network companies and drivers participate” in unemployment insurance.
- Sent to Governor on March 10, 2022

# 2022 UI State Budget



- Final budget submitted to the Governor, who has 20 days to review and sign. Governor may veto portions of the budget.
- ESD did not identify issues of concern with the provisos in the budget.
- The final budget provided funding for all legislation passed this session based on the ESD fiscal notes.
- The budget provided \$4.6 million in General Fund-State to provide additional resources for Unemployment Insurance caseloads, if backlogs increase due to COVID.
- The budget also provided SFY 2022 FTE authority for the non-permanent staff ESD hired to address the UI backlog.

# 2022 ESD Operating Budget



Description	Amount	Notes
<b>Replaces funds in base budget</b>	\$31.3 million	Provides state coronavirus funding to replace the ARPA funds not received. Includes funding for phone system and equity grant
<b>Paid Family and Medical Leave</b>	\$350 million	\$350 million (Sect 723) for cash flow. Also exempts from affecting rate setting (Sect 962)
<b>Economic Security for All (General Fund- State)</b>	\$6.2 million	Establishes ongoing funding for program; targets individuals below 200% FPL
<b>WorkSource (WIT) System Replacement</b>	\$4.8 million	Funded at level requested by ESD.
<b>PFML Staffing model</b>	FTEs only	Sufficient funding authority in base budget
<b>UI FTEs for backlogs/staffing model</b>	\$4.6 million	Requires approval by OFM and based on Covid
<b>1732 LTS Program Delay</b>	(\$1.6 million)	
<b>1733 LTS Exemptions</b>	\$5.3 million	Provides additional exemptions
<b>SB 5649 -PFML changes</b>	\$1.7 million	Sets up Leg task force; establishes ESD actuarial office
<b>SB 5847 – Public employee info</b>	\$262,000	Public service loan forgiveness program info distribution
<b>5873 – Unemployment premiums</b>	\$702,000	Decreases social cost factor for 2022 and 2023
<b>Total Appropriation (all funds)</b>	\$1,673,640,000	Net reduction of \$91.5 million



# UI Program Update



## **Disaster Unemployment Assistance**

- Application period extended to April 8, 2022; Still very low number of claims received.

## **Mixed Earner Unemployment Compensation**

- Working toward early April rollout for this program which pays additional \$100 per week for certain claimants.
- Defining specific population for outreach; developing low-impact technology to receive claims; building communications plans for claimants and stakeholders.

## **PUA Reassessment (UIPL 16-20 Change 5)**

- Using techniques and technology developed for DUA and MEUC to minimize negative impacts for this mandated reach-back to certain claimants previously denied PUA.
- Timing to be determined, to ensure we're best balancing all needs and risks for this effort.

# Identity Verification



**Employment  
Security  
Department**  
WASHINGTON STATE

**Unemployment Insurance Advisory Committee Presentation**

**March 25, 2022**

Michael Luchini, Product Manager Anti-Fraud Systems, ESD

# Identity Verification



## Agenda

- Current status
- Anti-Fraud Vision
- High Level Business Case
- Why ID.me
- Implementation options
- Next steps

# Identity Verification



## Current Status

- Project implementation is paused pending further review
- Licenses are part of statewide master contract
- Conducting stakeholder outreach
- Collecting feedback to inform next steps



## Anti-Fraud Vision:

Maintaining **high integrity** workforce solutions and programs that deliver to the **right recipients**, at the **right time**, and with **equitable access**.

Accessible to all  
regardless of  
situation and  
circumstance

Timeliness

Identity & Eligibility



### Problem

- Current state
- Adverse Outcomes
- Root cause



### Product

- Overarching Strategy and Roadmap
- Application for initial determination
- Solution lens and requirements
- Next Steps

# High Level Business Case

## *Why implement an ID verification tool?*

- ✓ Fraud system is currently designed to detect imposter fraud at the least actionable and expected moment – after a person files for benefits and often received benefits
- ✓ SAW as the state's authentication provider has no identity verification
- ✓ Online claims filing collects a minimum level of personal information (PII), which doesn't adequately protect customers from ID theft and is more likely to disproportionately impact, LEP individuals, underserved population, transient populations and those with housing insecurity.
- ✓ Manual ID verification is labor intensive due to high false positive rates.

# High Level Business Case

## *Why put identity management in front of the benefits application?*

- ✓ Sophisticated fraud demands more sophisticated tools for fraud management
- ✓ Customer experience surveys and digital services best practices show customers expect data gathering and account verification tools to happen here – not in the middle
- ✓ Lower stakes for the agency and the customer
- ✓ Expanded personal identification collection on the front end reduces the risk of someone claiming another person's account and limiting the real person/victim from receiving benefits when they need them

# Why ID.me?

Any tool selected must meet certain assurance requirements under federal and state rules, how different tools do this is critical and ID.me has the best model, with maximum flexibility

Collects both identifying information and personal identifying information together (single process, easier to navigate, ultimately easier to file for benefits)

Flexible options for customers providing equity and consistency with anti-fraud vision

Person only needs to verify ID once for multiple programs allowing ESD to leverage investment and use beyond UI

Language and assistive device support

Built in bypass functionality

Reputation on the dark web as a tool to avoid for criminals

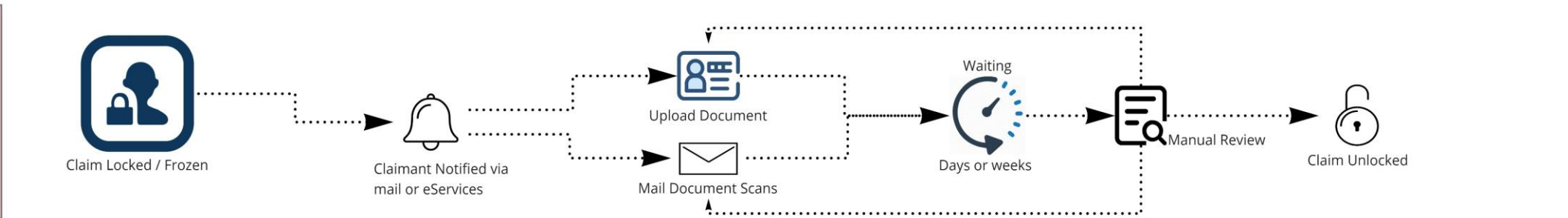


# Identity Verification Pathways and Tiers of Support

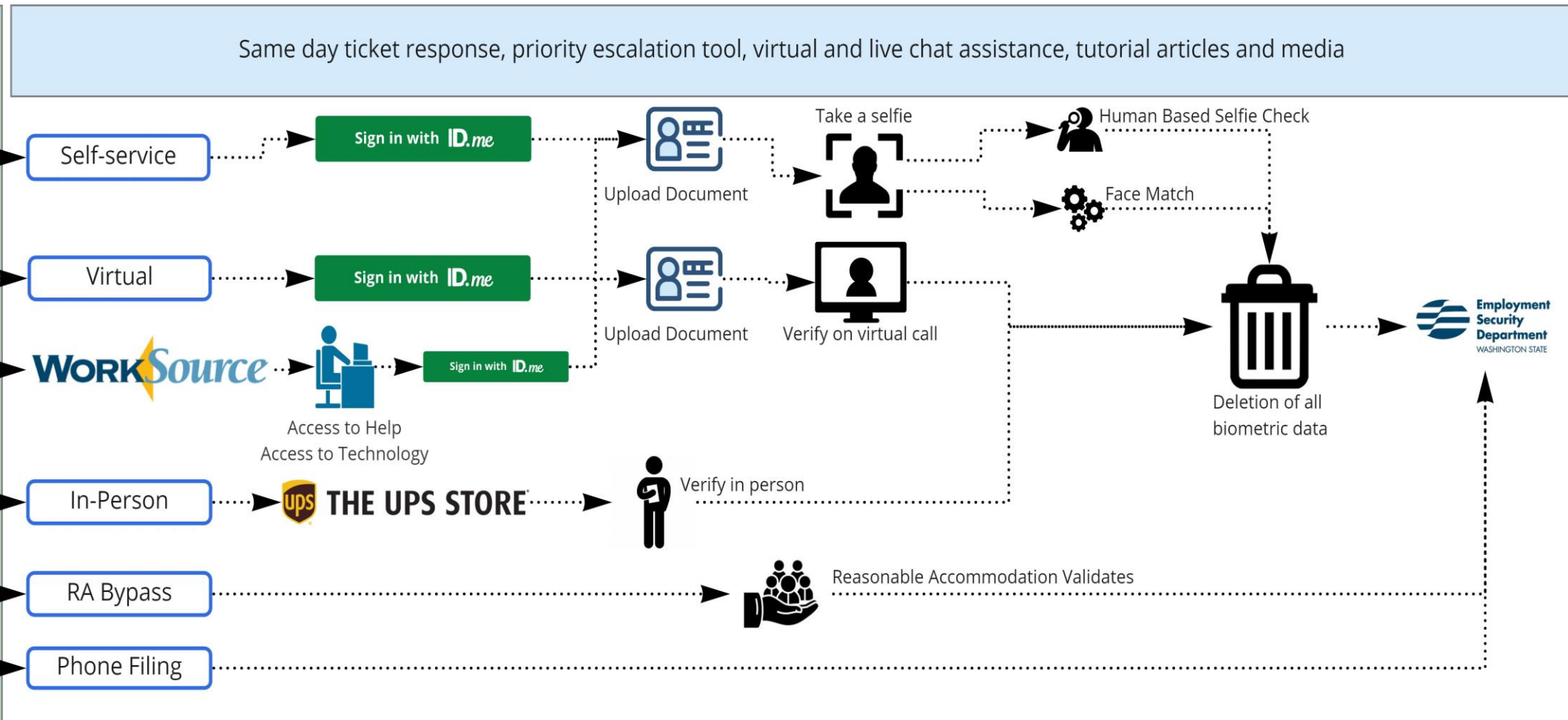

Current



Claimant Flagged Suspicious  
Marked for ID Verification



Potential Future



# Identity Verification



## Next Steps

- Meet with key stakeholders and policymakers to share plan and collect feedback.
- Make decisions later in spring for potential implementation.

# Future Meetings



## Discussion