

Meeting details

Date: Wednesday, September 17th, 2025

Time: 10:00 am – 12:00 pm

Location: Zoom

Committee members and alternates present

Employee Representatives

- Cindy Richardson, UNITE HERE Local 8
- John Traynor, Washington State Labor Council

Employer Representatives

- Julia Gorton, Washington Hospitality Association
- Katie Beeson, Washington Food Industry Association (alternate employer rep)

General Public Representatives

- John Glynn, Washington Workforce Association
- Anne Paxton, Unemployment Law Project

Committee members and alternates absent

- Brenda Wiest, Teamsters 117 (employee representative)
- Joe Kendo, Washington State Labor Council (alternate employee rep)
- Morgan Irwin, Association of Washington Businesses (interim employer rep)
- Josie Cummings, Avista (employer representative)
- Monica Holland, Northwest Justice Project (alternate public rep)
- Allyson O'Malley-Jones, Northwest Justice Project (alternate public rep)

ESD staff

- Joy Adams
- Erika Ayala
- Todd Dixon
- Shellie Dunning
- Vaughn Ellis
- Stephanie Frazee
- Camille Galeno
- Colin Helsley
- Kennidi Hunsicker
- Reese Hutchison

- Matthew Klein
- Lawrence Larson
- Preston Parish
- Heather Rankos
- JR Richards
- Tatjana Roberts
- Eve Sheng
- Anneliese Vance-Sherman

Summary

Meeting Recorded

This meeting was [recorded](#) and livestreamed by TVW. Please reference this recording for further meeting details and full dialogue using the indicated timestamps.

Welcome and Opening Remarks

Committee chair JR Richards welcomed everyone to the meeting and asked committee assistant Colin Helsley to call roll.

Agenda

JR reviewed the following agenda items (also see Addendum I)

- Approval of August 20, 2025, meeting minutes
- Labor Market
- MWBA Report
- UI Peak and ESD Planning
- Rulemaking
- 2026 Agency Request Legislation
- Public comment
- Adjourn

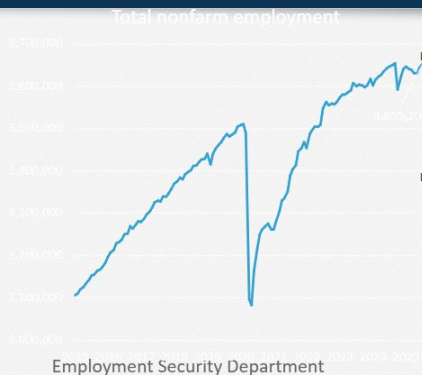
Meeting Minutes

At the beginning of the meeting there were not enough committee members for a quorum. After the Rulemaking update, more committee members entered the meeting. JR requested that committee members review the August 20, 2025, draft UIAC meeting minutes and provide their feedback. Julia Gorton moved to approve the minutes. John Traynor seconded the motion. All in favor said “aye”. No members were opposed. The August 20, 2025, meeting minutes were approved.

Labor Market

Anneliese Vance Sherman, Chief Labor Economist, ESD gave an update on the labor market using the following slides.

Employment growth continues to slow



- In July 2025, nonfarm employment increased by 11,000
 - 2 months of strong growth following 4 consecutive months of job loss
- Pandemic employment disruptions recovered by 2022

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10-year employment change by sector



Total nonfarm	506,900	16.0%
Professional and business services	126,800	30.9%
Private education and health services	118,600	26.9%
Government	54,800	10.0%
Transportation, Warehousing, and Utilities	52,300	48.7%
Information	50,500	43.4%
Construction	49,300	27.4%
Leisure and hospitality	44,900	13.8%
Financial activities	12,100	8.1%
Other services	9,800	8.4%
Wholesale Trade	7,300	5.5%
Retail trade	-1,200	-0.4%
Mining and logging	-1,400	-21.5%
Manufacturing	-16,900	-5.7%

- The highest-growth sectors in the long run have been in specialized service sector industries
 - Professional and business services
 - Health care and education
 - Information
- Some 10-year data that reflects post-pandemic trends
 - Transportation, warehousing and utilities
 - Manufacturing

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1-year employment change by sector



Total nonfarm	15,100
Private education and health services	20,300
Leisure and hospitality	8,200
Transportation, Warehousing, and Utilities	6,800
Other services	2,300
Wholesale Trade	1,000
Information	600
Construction	100
Manufacturing	-100
Mining and logging	-300
Retail trade	-2,300
Financial activities	-3,000
Government	-3,900
Professional and business services	-14,600

- Over the year, healthcare has been the strongest growth sector
- Leisure and hospitality has been continuing to recover from Covid
- TNC Drivers have boosted transportation warehousing and utilities
- Professional and business services has shifted to declining status

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3-month employment change by sector



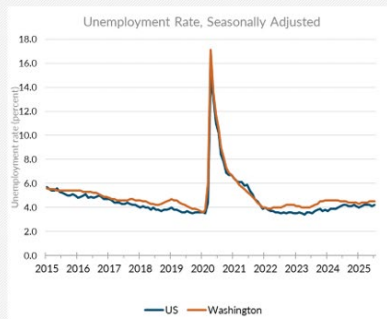
Total nonfarm	23,700
Leisure and hospitality	12,700
Private education and health services	6,000
Manufacturing	4,900
Construction	2,900
Other services	2,600
Wholesale Trade	2,200
Transportation, Warehousing, and Utilities	2,200
Information	1,500
Mining and logging	-200
Retail trade	-500
Financial activities	-800
Government	-900
Professional and business services	-8,900

- There have been some major shifts since the last report
 - Total nonfarm shifted slightly
 - Leisure and hospitality and health services expanded employment to the greatest extent
 - Professional and business services employment dropped significantly

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Labor Force and Unemployment



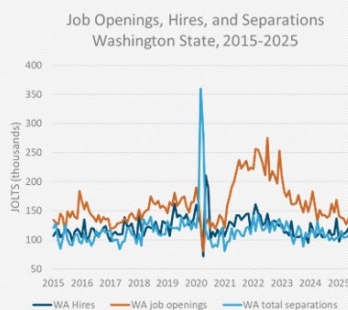
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- In July 2025, the seasonally adjusted unemployment rate for Washington was 4.5%
 - Unchanged from previous two months
 - National rate: 4.2%
- Civilian labor force: 4,024,948
 - Labor force participation rate of 62.2% continues a slow downward trend since May 2023

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Job Openings and Labor Turnover



Employment Security Department

- In June 2025, there were 142,000 job openings in Washington
 - Similar to June 2024
 - Hires and separations tracking closely to each other
 - Quits continue to exceed layoffs
- There were 1.3 unemployed persons per job opening
 - Relatively unchanged since 2023
 - Compare to national ratio of 0.9

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Unemployment Insurance Claims



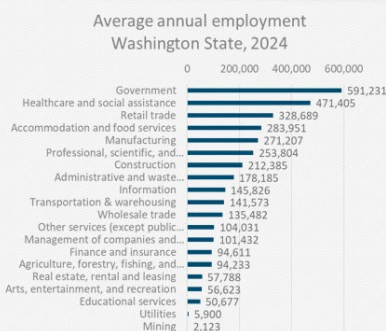
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- Continued Claims are rising
 - An indicator of economic distress
- 82,122 Continued Claims in week 32
 - Above levels observed just before the pandemic recession
- Initial claims
 - Remain low but increasing volatility
 - Can be viewed as a leading indicator

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Industrial diversity is one of our strengths



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- Average annual employment in 2024: 3,580,252
 - Up 20,599 (0.6%) from 2023
- Average annual wage: \$92,407
 - Up \$5,316 (6.1%) from 2023
- Establishments: 210,726
 - Down 1,569 (0.7%) from 2023
- Top industries in terms of employment derive demand from the local population

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How does Washington compare to the nation



- Relatively high concentrations in the following sectors:
 - Agriculture (3.25)
 - Information (2.17)
 - Management of companies and enterprises (1.68)

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Looking Ahead



- Shifting Policy Environment
 - International Trade
 - Immigration Policy
- Shifting Technological Environment
 - Artificial Intelligence
 - Broadband
- Shifting Work Norms
 - Telecommuting vs. Office-based work

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2025 projections were recently published



Title	Average annual growth rate 2023-2028	Average annual growth rate 2028-2033
Total nonfarm	0.97%	0.89%
Natural resources and mining	-1.47%	0.00%
Construction	0.54%	1.01%
Manufacturing	0.49%	0.20%
Wholesale Trade	0.04%	0.36%
Retail Trade	0.30%	0.48%
Transportation, warehousing and utilities	1.50%	0.77%
Information	0.33%	1.34%
Financial activities	0.45%	0.72%
Professional and business services	0.91%	1.17%
Education and health services	1.95%	1.19%
Leisure and hospitality	1.27%	1.15%
Other services	1.44%	0.92%
Government	1.03%	0.74%

- Total nonfarm employment projections dropped relative to last year's publication
- Employment projections for all sectors except education and health services fell relative to last year's publication
- Industries with above-average growth:
 - Education and health services
 - Transportation, warehousing and utilities
 - Other services
 - Leisure and hospitality
 - Government

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The Economic and Revenue Forecast Council



- Growth expectations were lowered in June relative to the March forecast
 - Employment is expected to remain virtually unchanged
 - 0.8% in 2025, 0.3% in 2026, 0.5% in 2027, 0.8% in 2028, 1.0 in 2029
 - Manufacturing, construction and software publishing are expected to decline through 2025 but begin to recover in 2026.
 - The unemployment rate is expected to remain low
 - 4.4% in 2025, 4.7% in 2026, 4.9% in 2027, 4.8% in 2028, 4.5% in 2029
- ESD revisions led to a 0.2% decline in estimate July employment relative to ERFC's forecast.

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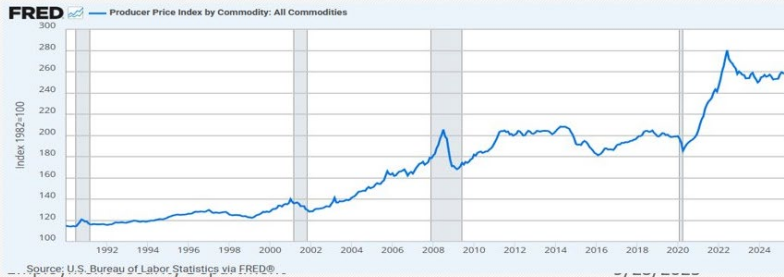
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Rising prices could be around the corner



■ Producer Price Index

- Not a recession indicator, but does suggest a rise in consumer prices in the near term



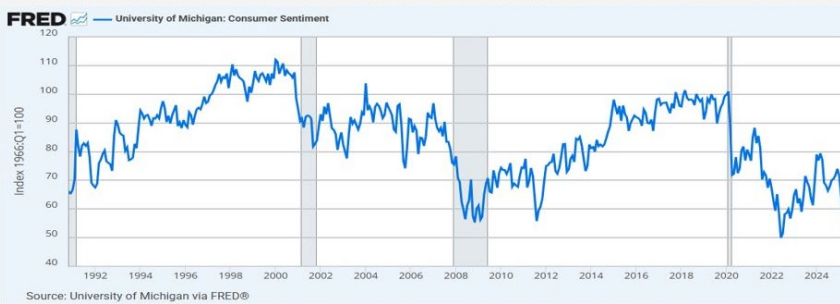
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Some early soft indicators are showing stress



■ University of Michigan, Consumer Sentiment Index

- Has yet to recover from the 2020 recession, can be volatile



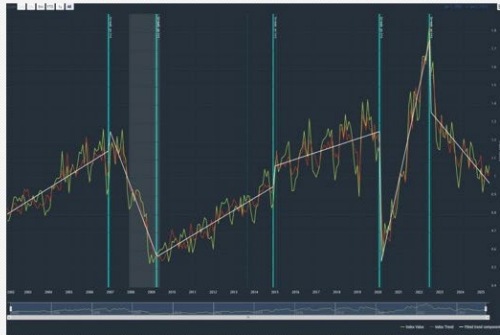
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Sahm rule recession indicator does not suggest a recession



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LMIR Index



- This index combines 4 factors that are strongly correlated with the employment level in Washington
 - Initial claims
 - Building permits
 - Job openings to continued claims ratio
 - Population
- Break points indicate shifts in employment trends
 - Upward slope in the index indicates expansions in employment, downward indicates contractions
- Key takeaway: contraction trend in employment since August 2022

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Conclusions



- By most metrics, the economy and specifically the labor market is losing momentum but remains relatively healthy, despite some clear emerging challenges.
 - Job growth is slowing
 - The unemployment rate remains steady
- While no indicators point to imminent economic threats, some caution is warranted
 - Rising unemployment insurance claims
 - Leading indicators in different parts of the economy are sending signals of uncertainty and possible decline
 - LMIR Index points to an overall contraction trend since 2022

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Anneliese Vance Sherman informed the committee that the draft report is now available for review. Committee members who wish to provide feedback or suggest edits for inclusion in the final version should send their comments to Josh Dye at josh.dye@esd.wa.gov no later than Friday, September 26.

No questions were raised.

MWBA Report

JR Richards, Insurance Services Director, provided a MWBA report using the following slides.

MWBA Report



- The MWBA increased from \$342/week to \$366/week on June 30, 2025.
- For some MWBA recipients, this may increase the total benefit amount
- For MWBA recipients that don't have a corresponding increase in total benefits claimable, the number of weeks they can claim before exhausting may decrease (frontloading).
- The average replacement rate for MWBA recipients is higher than the average replacement rate for other claimants
- Please submit comments to josh.dye@esd.wa.gov by Friday, September 26, 2025


No questions were raised.

UI Peak and ESD Planning

Tatjana Roberts, UICS Claims Center Enterprise Manager, ESD, provided an update on UI claims peak and ESD planning using the following slides.

UI Claims Workload

1-day sample snapshot-August 16th



	2024	2025
Adjudication Cases:	9468	26,108
Median Days to Determination	33	76
Calls Answered	16,282	18,018

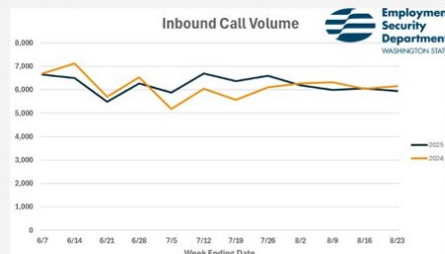
Top 5 cases types by volume:

CaseType	Count of Cases	Average Age in Days
Separation from a job	16,662	56.42
Able and Available for Work - Hours	3,563	43.32
School attendance	2,394	72.50
Work search	2,176	43.90
Verifying identity	1,221	65.33

Inbound calls



- This year we have not experienced the typical call drop we would expect mid-summer as seen in 2023. All while seeing a year-over-year increase in claims filed and weekly claims.
- Continue to see higher than normal workloads this summer in both our phone volume and in our application & weekly claims



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UI Peak and ESD Planning



FTE Utilization

- Strategically shift team members to work based on volume
- Review and update Key Performance Indicators
- Roll out additional data to assist in performance management
- Fill all currently vacant positions- Hiring in process
- Hired ESBS1s rather than Benefit Technicians for our decision package positions for increased operational flexibility.

Peak Mitigation Work

- Provide a phone path for some customers who call in and are waiting on adjudication
- Improve on-hold messaging so more customers can self-serve
- Employer education to help us get the right information up front
- Strategic UTAB changes- 7 new items; 12 additional in past 6 months
- Communications Plan for seasonal employers through WSD
- In person identity verification with Workforce Services Division

UI Simplification

Review our policies to determine how we can simplify our overall UI System.

Example:

Can we make standby easier and less work for everyone involved?

JR Richards, Insurance Service Director, commended Tatjana and her team for their resilience in handling sustained claim volumes that remained high beyond peak season. Despite limited resources, they've improved service delivery through data-backed solutions, saving staffing hours and reducing claimant issues. Their focus on long-term fixes—like simplifying regulations while preserving program integrity—earned appreciation and an invitation for committee members to learn more.

Recording timestamp 00:48:31


Question from Anne Paxton: Yes, I just wondered, is there a way to get this slide deck? I can't see it in my main slide deck.

Answer from JR Richards: Yes, and I'll make sure and resend that out to you so that you have it.

Rulemaking Update


Stephanie Frazee, Lead Tax Policy Specialist, ESD, provided a rulemaking update using the following slides.

Rulemaking



- **CRO Filing** – We are amending our rules to clarify filing requirements with the Commissioner’s Review Office. Hearing is scheduled for September 25 at 9:00 AM.
- **Transportation Network Companies** – We are working on rules on quitting for reduction of hours or compensation of 25% or more for TNC drivers and adding a rule on relief of benefit charges for employers who offer part-time work. Hearing is scheduled for October 8, 2025, at 9:00 AM.

Rulemaking



ESSB 5525 – Securing Timely Notification and Benefits for Laid-off Employees Act

- **Rule Governance Statement** – We have started a rulemaking to update WAC 192-01-001 to include administration of the mass layoffs program under Title 49 RCW, in accordance with ESSB 5525. We filed the CR 105, and the rule change will be effective November 18, 2025.
- **Documentation for Exceptions** – We are drafting rule language in accordance with Section 7 of the bill, which requires the Department to adopt rules that include documentation requirements for exceptions to the notice requirement
- **Use of Employee Information** – We are drafting rule language to clarify that employee information obtained by the Department will be used to administer the Employment Security Act

No questions were raised.

2026 Agency Request Legislation

JR Richards, Insurance Service Director, ESD, presented on 2026 agency request legislation using the following slides.

2026 Agency Request Legislation	
Subject	Summary
Updating certain Legislatively-mandated reports	<p>This legislation streamlines Paid Leave and Unemployment Insurance statutory reporting by shifting select reports from direct legislative submission to advisory committee review—preserving transparency and oversight while reducing administrative burden.</p> <ul style="list-style-type: none">• Confidentiality of ESD data and records• Employment service for people with disabilities• Impacts of flexibilities in work search methods, monitoring, and outcomes• Annual Paid Family Medical Leave program report <p>Additionally, the Annual Labor Market and Economic Report will be updated to align with federal standards and allow flexibility to include other relevant labor market information, supporting statewide budget efficiency goals.</p>
Tribal employer clarification and data privacy provisions for information collected under ESSB 5525 (2025)	<p>This bill will make layoff notices received under chapter 49.45 RCW public while excluding personally identifying details of impacted employees and exclude tribes from the “employer” definition to align with federal law.</p>

No questions were raised.

Public Comments

JR reminded meeting participants that if they would like their comments captured in the meeting minutes to please email them to camille.galeno@esd.wa.gov.

Public Comment
<ul style="list-style-type: none">▪ 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.

During public comment, a member of the public expressed concern that their employer has not met their responsibility to provide assistance related to unemployment. Committee Chair, JR Richards, asked public member to send an email to Camille Galeno at camille.galeno@esd.wa.gov for assistance.

Adjourned

JR thanked everyone for joining and adjourned the meeting.

Action Items

- Anneliese Vance Sherman informed the committee that the draft report is now available for review. Committee members who wish to provide feedback or suggest edits for inclusion in the final version should send their comments to Josh Dye at josh.dye@esd.wa.gov no later than Friday, September 26.
- ESD will send the September slide deck out again to committee members.
- Jacklyn Baggett will email Camille Galeno, and ESD will reach out promptly with assistance.

Next meeting

October 22nd, 2025, from 1:00 p.m. to 3:00 p.m. via Zoom.

Addendum I

Agenda

Unemployment Insurance Advisory Committee (UIAC)

Wednesday, Sept. 17, 2025 | 10:00 am- 12:00 pm | Via Zoom | 212 Maple Park Ave SE, Olympia, WA 98501

Time	Topic
10:00 am	Welcome from JR Richards, Director, Insurance Services, Employment Security Department (ESD) o Agenda overview
10:05 am	Approval of Aug. 20, 2025 meeting minutes – JR Richards
10:10 am	Labor Market – Economic Outlook - Anneliese Vance-Sherman
10:40 am	MWBA Report – JR Richards
10:45 am	UI Peak and ESD Planning – Tatjana Roberts
11:00 am	Rulemaking - Stephanie Frazee
11:10 am	2026 Agency Request Legislation – JR Richards
11:20 am	Public comment
11:30 am	Adjourn

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

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Addendum II



Unemployment Insurance Advisory Committee

January 2025 – December 2025 Meeting Dates

Date	Location	Host	Notes
January 29, 2025 10:00 AM – 11:00 AM	Zoom	ESD	Recorded meeting
February 19, 2025, 2:00 PM – 3:00 PM	Zoom	ESD	Recorded meeting
March 19, 2025, 10:00 AM – 11:00 AM	Zoom	ESD	Recorded meeting
April 30, 2025, 2:00 PM – 3:00 PM	Zoom	ESD	Recorded meeting
June 25, 2025, 10:00 AM – 12:00 PM	Zoom	ESD	Recorded meeting
August 20, 2025, 1:00 PM – 3:00 PM	Zoom	ESD	Recorded meeting
September 17, 2025, 10:00 AM – 12:00 PM	Zoom	ESD	Recorded meeting
October 22, 2025, 1:00 PM – 3:00 PM	Zoom	ESD	Recorded meeting
December 10, 2025, 10:00 AM – 12:00 PM	Zoom	ESD	Recorded meeting

NOTE: Hosts may have the opportunity to present to the committee and bring invited guests as part of our meeting agenda.

Per vote of UI Advisory Committee members, meetings are being recorded as of 08/03/2020 meeting.

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