

Unemployment Insurance Advisory Committee (UIAC) meeting



**Employment
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WASHINGTON STATE

June 24, 2026

Agenda



- I. Approval of April 27, 2026, meeting minutes
- II. OAH legislation on modernizing appeal communications
- III. March Trust Fund report
- IV. Job search requirements
- V. Rulemaking update
- VI. DUA flood update
- VII. Nippon Plant update
- VIII. National UI Landscape
- IX. 2027 Legislative Session
- X. Public comment
- XI. Adjourn

Legislation To Modernize Communications for Unemployment Insurance Appeals



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Mike Wark, Director of Communications & Government Relations
Jennifer Karol, Senior Administrative Law Judge for UI



Washington State Office of Administrative Hearings



This bill:

- Saves the state money while improving overall customer service.
- Makes electronic communication the default mode after notifying parties about hearings via U.S. mail. This initial notification includes the option to continue receiving all communication by U.S. mail.
- The bill language would be permissive. OAH is not required to do anything until we know what works for parties we serve.
- Enables OAH to communicate with customers in the mode that works best for them.



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Current OAH Communication Process:

- From beginning to end, all notices and documents are sent through U.S. Mail unless parties opt out. Few do under the current system.
- Parties can access OAH portals to retrieve electronic documents and notices.



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Proposed OAH Communication Process:

- After initial notification by email, text and U.S. Mail, parties will receive only email and/or text notifications, unless they opt-in for U.S. mail.
- Any time a legal document or notice is placed in the OAH portal, parties will immediately receive a text and/or email informing them it's available.
- Parties will be able to receive printed documents through U.S. mail from the beginning or at anytime during the hearing process by calling the OAH customer support center, where staff are readily available to help.



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It's Easy to Opt-in to receive U.S. Mail:

- Those who want U.S. mail call the OAH Adjudicative Support Center (ASC):
 - The ASC has a goal to answer all calls within 45 seconds.
 - They meet this goal for nearly 70% of inquiries and track how much longer calls take to be answered.
 - Knowledgeable and supportive staff answer questions from callers without transferring to another source for 99% of calls.
- Parties can request printed documents at any time throughout the hearing process.



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Why it's critical to maintain levels of service

- If parties miss hearings, it costs OAH in time and money. Reducing service would be against our values. If something doesn't work, we adapt.
- We carefully track data including how many people miss hearings and why, which serves as an early warning system if new practices aren't working.
- Our mission is to hear and independently resolve disputes with a quick and easy to access processes.



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Why Pilot with UI Appeals?:

- More than 95% of ESD UI parties are already signed up for electronic communication for their claims.
- The number-one reason UI parties say they miss hearings is because they didn't check their U.S mailbox. OAH believes expanding the use of electronic mail will help reduce these incidences.
- Those who prefer electronic communication will be better served from the beginning of the hearing process.



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Background for launching this initiative:

- OAH identified reducing paper, printing and postage costs as a way to save taxpayer money during a state-mandated budget reduction exercise, with the understanding the transition would be gradual over time.
- OAH will always need to send documents by U.S. mail.
- In preparing for this change, OAH identified factors that suggest this change will improve customer service for many customers, particularly for those who prefer electronic communication.
- We are monitoring the change in how U.S.P.S. postmarks mail. Postmarks are used to determine timeliness in submitting appeals.

March Trust Fund Report

Eve Sheng, Actuarial Services Managing Actuary



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Recap: program, trust fund and projection



Updated model performance



March 2026 Trust Fund Report

Recap: program, trust fund and projection



Program & trust fund the pandemic had profound impact on the program and trust fund

- **Program reciprocity rate*** rose to 39% in 2025, 40%+ above pre-pandemic level
- Legislation prevented employers from paying \$2.5B tax during and post-pandemic
- **Trust fund growth behind wage growth in 2025**, ending with month of benefit** at 7.6 month (vs. 7.9 in 2024)

Trust fund projection ESD introduced an updated model for better performance in June 2025

- Trust fund report was brought to the Office of Actuarial Services for alignment since 2024
- The old model (regression) shows limited adaptability, projecting fund balance above seven-month forward
- **The updated model (time-series) projects fund balance below seven-month in near-term**

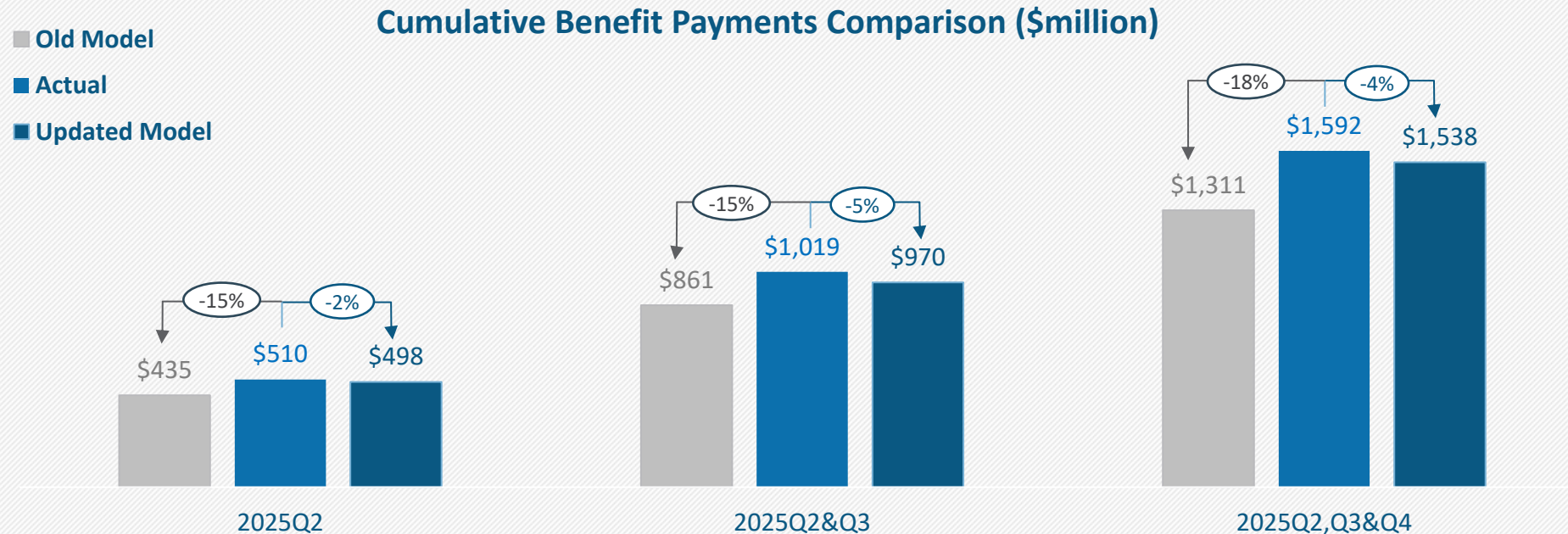
* Reciprocity rate is the percentage of unemployed received unemployment benefit <https://oui.doleta.gov/unemploy/chartbook.asp>

** Month of benefit measures how long the trust fund would last without revenue under recession, and it's calculated with total wage of taxable employers and trust fund balance as of September

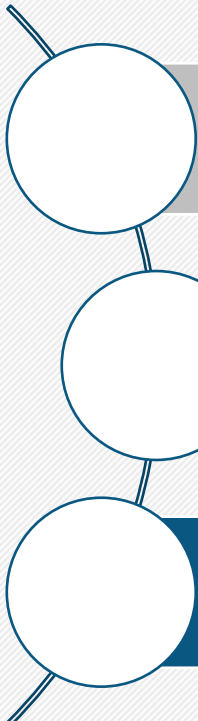
Updated model outperforms old model



- Updated model shows consistent error rates within 5%, much lower than the old model at 15%+
- Adopt the updated model starting June 2026 trust fund report



Agenda



Recap: program, trust fund and projection

Updated model performance

March 2026 Trust Fund Report

Key takeaways vs. November Report



What the new data tells us

Higher gross wage growth (2025Q4) and higher wage growth forecast by the Economic & Revenue Forecast Council



How this affects solvency level

2026 & 2027 month of benefit remain below seven-month, **2028 month of benefit drop slightly to 6.9* month** from 7.0 month, and 2029 month of benefit up to 7.4 month from 7.0



Tax implication

Similar experience tax & social cost factor and **extending solvency tax by one more year to 2029**

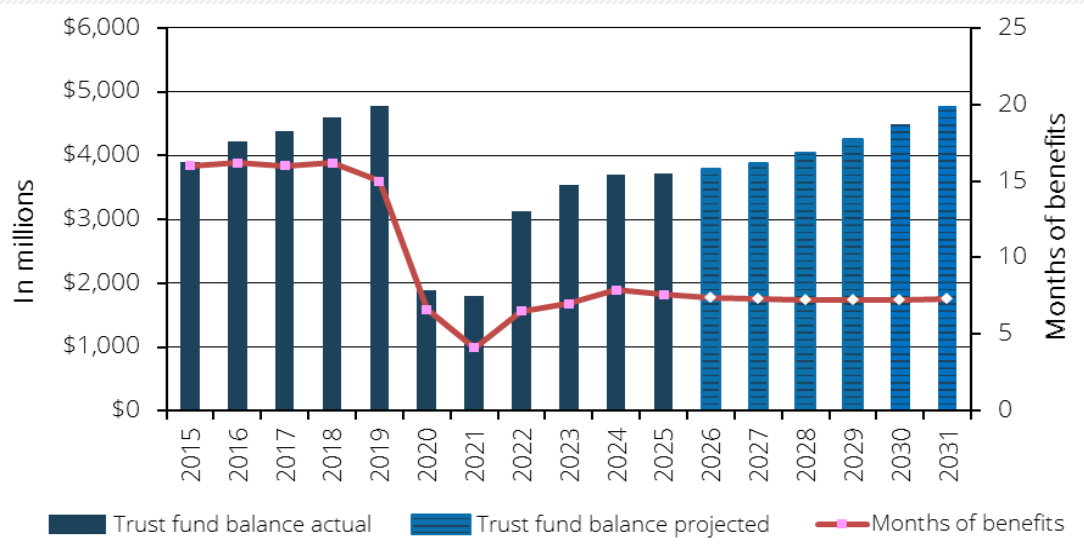
* Mainly driven by higher wage growth and compound effect of forecast

March UI Trust Fund Report: Fund Balance

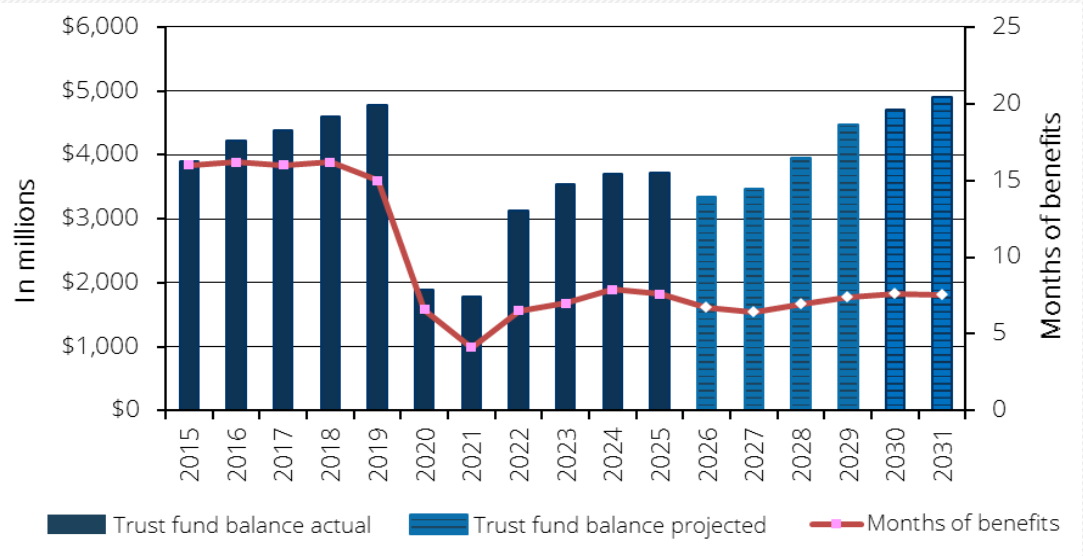


On March 31, the UI trust fund held approximately \$3.5 billion, and we project a balance of \$3.3 billion at end of 2026

Regression Forecast (Old Model)



Time Series Forecast (Updated Model)



March Trust Fund Report: Contributions



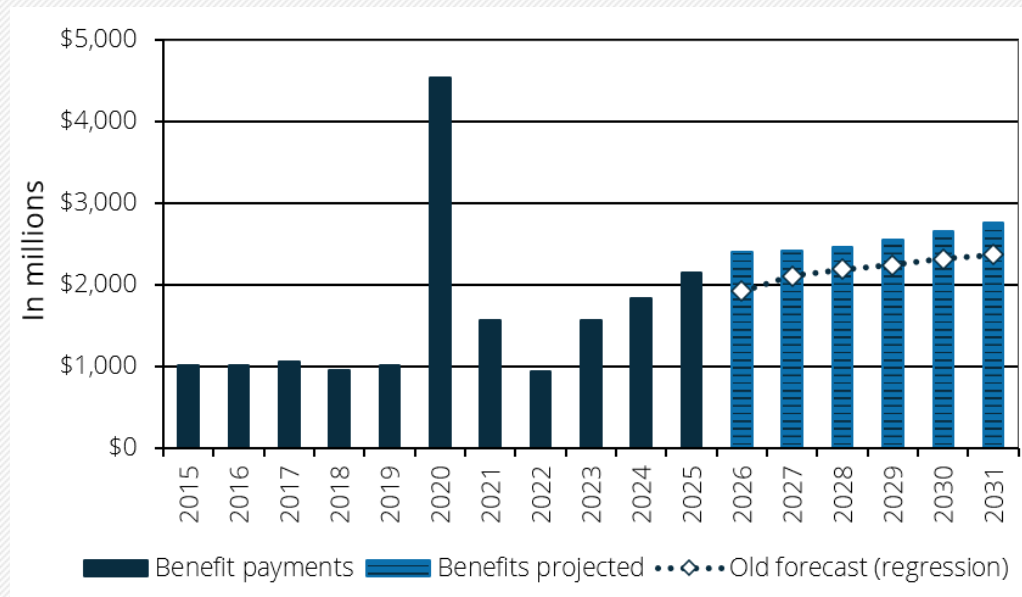
Projected Employer Contributions	November 2025	March 2026
2026	\$1.8 billion	\$1.8 billion
2027	\$2.3 billion	\$2.3 billion



March UI Trust Fund Report: Payments



Projected Benefit Payments	November 2025	March 2026
2026	\$2.3 billion	\$2.4 billion*
2027	\$2.4 billion	\$2.4 billion



* Old model projects \$1.9 billion for 2026

Job search requirements

Stephanie Sams, Government Relations Deputy Director



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Job search requirements



- Prior report provided historical overview on job search activities & improper payments
- This year's report is qualitative and quantitative benchmarking for future analysis and monitoring
- April 27, 2026, UIAC special work session
- Baseline qualitative information
 - Policy & operational changes since 2021
 - Job search review & flexibilities insights
- Baseline quantitative data
 - Job search data over time
 - Job search data by demographics

Due July 1, 2026

Rulemaking update

Stephanie Frazee, Lead Tax Policy Specialist



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Rulemaking update



- **Documentation for Exceptions** – We drafted rule language in accordance with Section 7 of ESSB 5525 (2025), the state WARN Act, which requires the Department to adopt rules that include documentation requirements for exceptions to the notice requirement. The hearing was held on June 10, 2026. We are working on the CR 103.
- **Registration for Work** - We are working on updating WAC 192-180-005, which addresses claimants registering for work. We are updating the rule to state that claimants must register themselves for work. The hearing was held on June 11, 2026. We are working on the CR 103.
- **Employer-initiated layoffs** – We are repealing WAC 192-150-100. HB 2264 codified the rule into statute, with some changes, so the rule is no longer necessary. We filed the CR 105 on April 28, 2026. The deadline for objections is July 7.

DUA flood update

Steve Ruggles, UI Business Products Manager

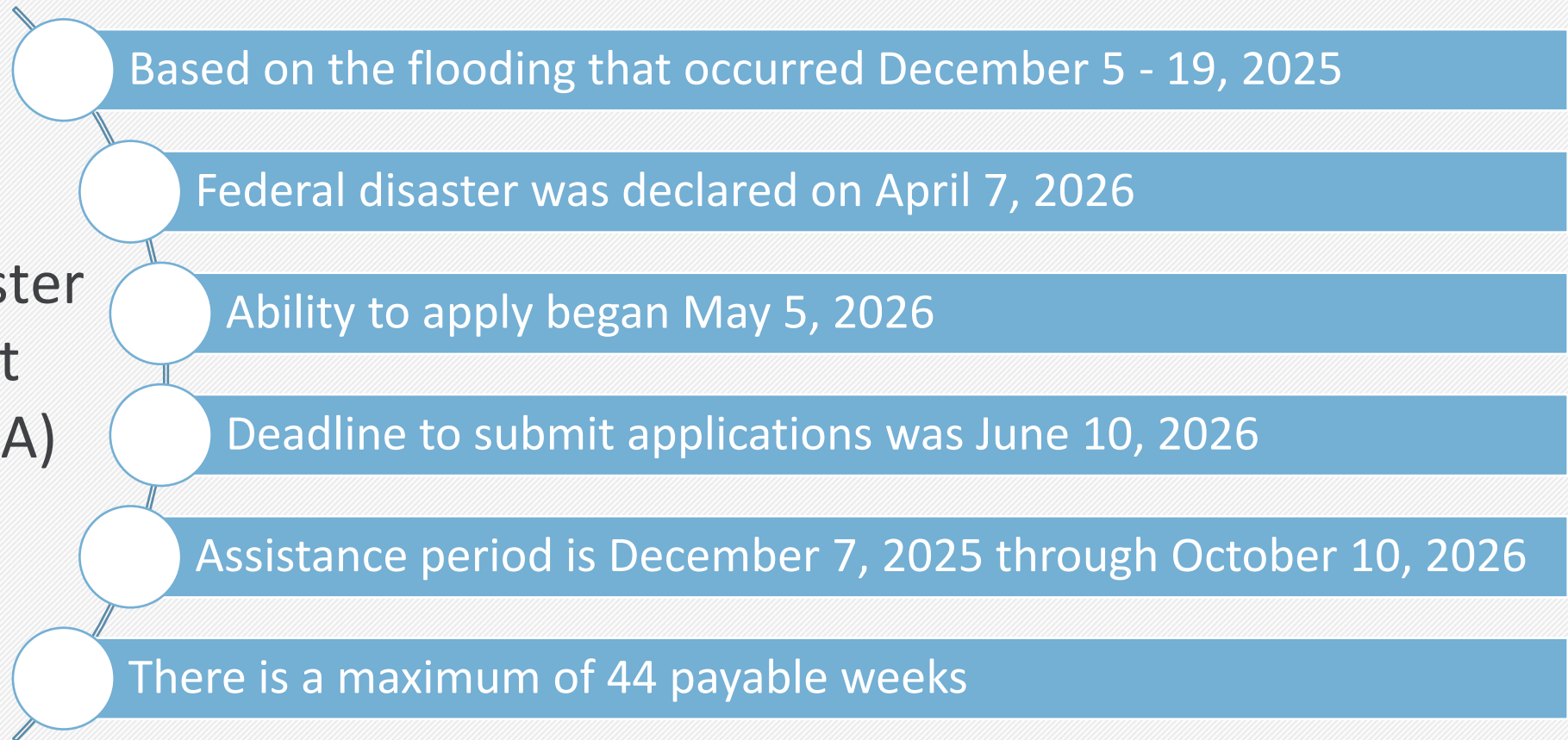


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DUA flood update



Details of Disaster Unemployment Assistance (DUA)



DUA flood update



Disaster Outcomes (as of 06/06/26)



16 Disaster Assistance Centers



Toll free number dedicated to DUA



33 Applications



6 approved



6 denied (eligible for regular UI)



\$0 disbursed

Nippon Plant update

Steve Ruggles, UI Business Products Manager



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Nippon Plant update



- The Nippon Plant accident occurred on 05/26/26.
- ESD immediately began preparing for how we could support that employer, their employees, and the local community.
- ESD's Rapid Response manager engaged with the local Economic Development Council to determine what was needed.
- During the week of the accident, the employer was focusing on safety, rescue/recovery efforts, and on the immediate needs and impacts.
- We began seeing a few unemployment claims submitted late in the week that the accident occurred.
- On June 4th and 5th, ESD provided on-site staff support (UI, PL, WS) at the Family Assistance Center in Kelso, supporting the employees and families.

Nippon Plant update



- There were eight new employees scheduled to begin working on 06/01/26. Those new employees did not start.
- Nippon is continuing to pay their employees, working or not, at least through 08/08/26.
- They indicated that they will be calling workers back to work soon, starting with those working in areas that were not impact by the accident.
- Currently, workers returning to work are receiving a “call back” incentive for each shift.
- Our Workforce Services Division is engaged with the local Economic Development Council to provide non-traditional Rapid Response type services.
- It was determined that UI and PL assistance was not going to be needed as a large-scale response. However, we stand ready should the situation change.

National UI Landscape

JR Richards, Director of Insurance Services Division



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2027 Legislative Session

Josh Dye, Government Relations Director



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Public comment



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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 Kennidi Hunsicker at **kennidi.hunsicker@esd.wa.gov**. *(Kennidi's email will be posted in the chat)*
- Please limit your comments to **two minutes**.

Thanks for attending

Next UIAC meeting: August 19, 2026



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Equal opportunity statement



The Employment Security Department is an equal opportunity employer/ program. Auxiliary aids and services are available upon request to individuals with disabilities. We provide free help in many languages. People who need hearing or speech help can dial 711 for the Washington Relay.