Unemployment Insurance Advisory Committee (UIAC) meeting

August 19, 2026

Employment Security Department
WASHINGTON STATE

Meeting structure

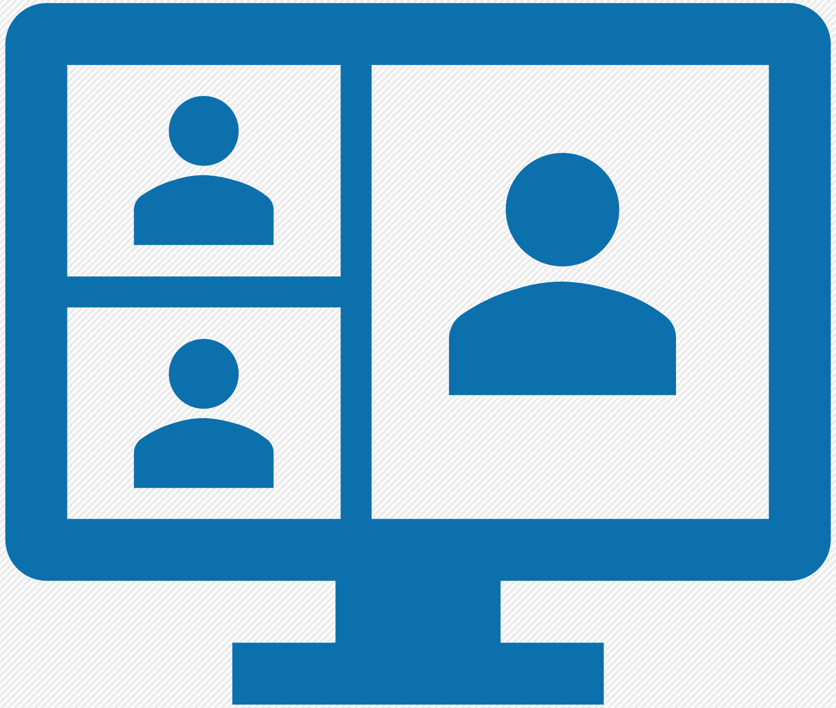
- Only Committee members and presenters will unmute during the meeting.

- We ask members of the public to hold comments until the open comment period.

- We will not review comments and questions in chat during open comment.

Roll call

- Advisory members will confirm attendance when their name is called.



Agenda

I. Approval of June 24, 2026, meeting minutes
II. Introduction of Martin McMurry as Interim Commissioner
III. Rulemaking update
IV. DUA update
V. Legislative reports
VI. Fraud landscape
VII. Employer services update
VIII. Decision package update
IX. June trust fund update
X. Public comment
XI. Adjourn

Approve June minutes

Introduction of Martin McMurry as Interim Commissioner

JR Richards, Director of Insurance Services Division

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Rulemaking update

Stephanie Frazee, 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. It 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 finalizing 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 finalizing 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 103 to repeal the rule on July 28, and the repeal will become effective on Aug. 28.

Spokane Wildfire Potential DUA

Joy Adams, ESPI Deputy Director

Wildfire and DUA update

Preparing for potential Disaster Unemployment Assistance (DUA) for wildfires

- Based on the wildfires impacting Eastern Washington
- Mapping out DUA roadmap to train people and be ready to handle higher volume of DUA applications
- Governor Ferguson announced an emergency proclamation to waive the waiting week and work search requirements: August 10
- Employment Security staff attending Disaster Assistance Center in Spokane
- Dedicated phone line and team to help those affected by fires when DUA is declared

Legislative reports

Brian Kennedy, Legislative Affairs Manager

Employment Security Department
WASHINGTON STATE

UI-related legislative reports

Job search requirements – RCW 50.20.193 (bi-annually, July 1st of even years). Submitted on June 29, 2026.

- Details the effects of any flexibilities used in claimant job search methods, monitoring and outcomes.

UI fraud – 2025-2027 operating budget proviso. Due Sept. 12, 2026 (one time report).

- Provide an analysis of unemployment insurance fraud, including:
  - Strategies deployed to address fraud, including those that reduce the false-positive rate.
  - Percentage of fraudulent issues identified in filed claims and the average number of days to resolve.
  - Alternative approaches Employment Security could consider along with potential benefits, risks and costs.
  - Necessary staffing levels to address fraudulent claims.

SOC reporting – RCW 50.12.240. Due Nov. 1 (one time report).

- In coordination with the Workforce Board.
- How the collection of occupational data was used to evaluate educational investments, add or modify existing training programs, or improve job placement.

All ESD Legislative Reports

UI-related legislative reports

Training benefits program review and evaluation – RCW 50.22.157**.** **D**ue Dec. 1, 2026 (every five years).

- Status of the training benefits program and the resulting outcomes.
- The report will include the findings from a survey-based assessment of the employment outcomes for participants within the last three years.

Striking workers – RCW 50.20.093. Due Dec. 31, 2026 (annually through 2035).

- Report on the prevalence of strikes occurring within Washington and the effect of the strikes on the UI trust fund, including:
    - Total number of strikes.
    - Industry sectors in which the strikes occurred.
    - Number of claims paid to workers participating in the strike and total amount of benefits paid.
    - Number of employers who experienced a rate class increase in the following year.
    - Any increase in the social cost factor rate.
    - Benefits paid that are charged to employers who make payments in lieu of contributions.

Fraud landscape

Matt Buelow, Fraud Director

Employment Security Department
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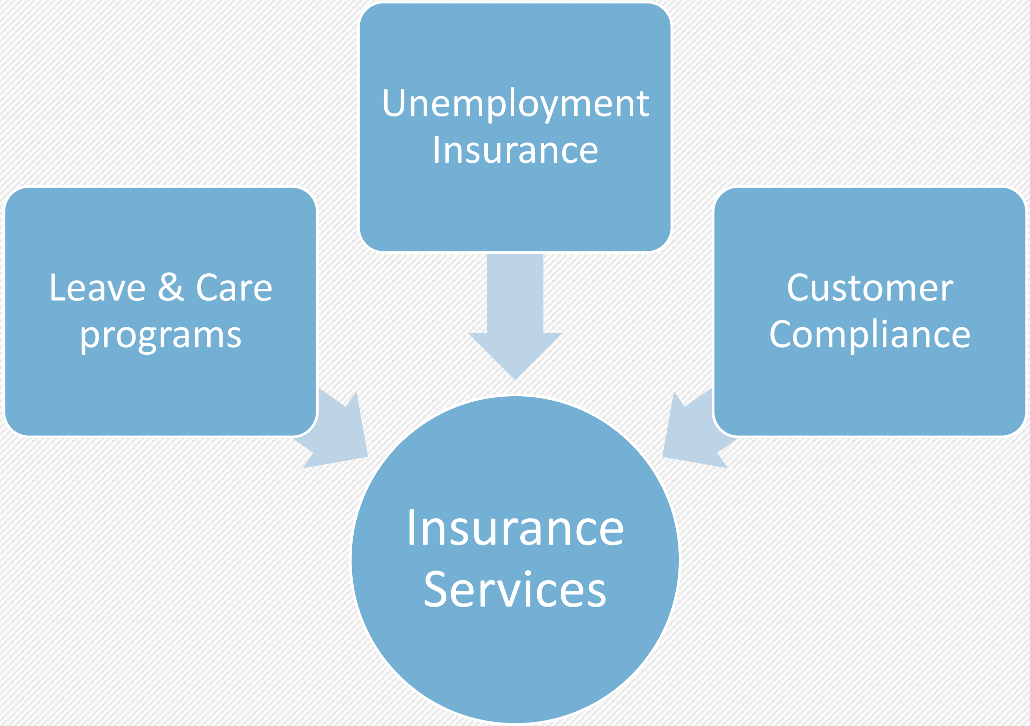
Fraud structure

- Fully integrating Customer Compliance into the Insurance Services Division.
    - Compliance will no longer operate as a standalone division.
- Audit and collections functions will move to Employer Services.
    - Provides more focused leadership for fraud detection and prevention.



Federal landscape

- UI fraud scale and complexity increased during the pandemic in all states.
- Technology and information widely available makes it easier for fraudsters.
- In June, USDOL issued a letter to all states' governors. It regarded their expectation to eliminate fraud, waste, and abuse in UI or risk losing administrative funding.
- In July, they followed up with model national standards regarding program integrity.
    - We are assessing whether we have any gaps.

UI fraud report

Within existing resources, the department must submit a report to the legislature and the governor by September 12, 2026, that provides an analysis of unemployment insurance fraud, strategies deployed to address fraud including those that reduce the false positive rate, percentage of fraudulent issues identified to claims filed and the average number of days to resolve, alternative approaches that the department could consider along with potential benefits, risks, and costs, and the necessary staffing levels to address fraudulent claims.

UI fraud report

- What fraud is and how it has changed
- How we address it today
- What we could be doing differently
- Current funding mechanisms and gaps at state and federal level
- Current federal landscape

Employer services

Denice Craig,
Unemployment Insurance Employer Services Manager

Employer Services Updates

Audit and collections have joined our Employer Services team. This change will allow us to focus on holistic service delivery for Washington State employers.

Some things we have already started working on:

- Streamlining processes
- Collaborating on best practices
- Improving service delivery across all Employment Security programs

Employer Services recently updated the Unemployment Insurance Tax Handbook for Employers and self-service videos on our website.

Employer Services recently hired six additional team members to assist with phones, account maintenance, and relief of benefit charges.

Outreach and Education

Standard Occupational Classification (SOC) codes:

- We have a team member dedicated to supporting employers SOC code reporting.
- They help new employers determine what SOC code to use for employees.
- Quarterly, they proactively reach out to employers and offer assistance to employers that did not provide SOC codes or provided invalid SOC codes.
  - For help, employers can email socreporting@esd.wa.gov.

Small Business: ESD participates with the Small Business Liaison Team and over the last twelve months the outreach team participated in sixteen in-person community events. These events provide education in support of small business. Small businesses were provided information on UI, Paid Leave, WorkSource and labor market information.

ESD also provides content and support for monthly webinars hosted by the Liaison team.

Decision package update

Tony Hanson, Chief Financial Officer

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Decision package requests

Federal funding shortfall

- Federal revenue is anticipated to remain flat or reduced while costs continue to increase. However, one-time funding received in biennium 25-27 will end and it will be necessary for continued funding to support the UI program to maintain current service delivery.

Unemployment insurance fraud staff

- The fraud landscape has changed and become more sophisticated since the COVID-19 pandemic. Identity fraud has increased significantly compared to pre-pandemic years. Employment Security requests permanent funding for 6.0 fraud staff.

June trust fund updates

Vaughn Ellis, Actuarial Analyst

Employment Security Department
WASHINGTON STATE

Follow-up: DOL solvency protection measure

DOL measures trust fund solvency using AHCM* (average high-cost multiplier)

- Recommend **minimum solvency level at 1.0** (equivalent to 12 month of benefit)
- **WA trust fund solvency level at 0.6**, equivalent to 7.2 month of benefit at Jan 2026

Solvency levels of state UI trust fund at start of 2026

- **18 states with solvency level at or greater than 1.0 (vs. 31 states at Jan 2020)**
- 23 states with solvency level between 0.5 and 1.0
- 10 states with solvency level less than 0.5
- 2 states with outstanding title XII loan

*Average high-cost multiplier: relativity of the reserve ratio against the average high-cost factor, which is the average highest three benefit ratios during past 20 years,

https://oui.doleta.gov/unemploy/solvency.asp

State solvency protection measure

WA shows balanced approach regarding to solvency protection

- **23 states** have specified solvency protection (threshold & tax)
- 14 states (incl. **WA**) use **reserve ratio** as measure
- WA solvency tax threshold at 1.26% reserve ratio (~7.0 month of benefit)

Reserve ratio	Dollar amount	Others
▪ AK, AR, CO, CT, KS, MI, MN, PA, TX, VA, WI, WA, WY	▪ LA, NH, OK, SD	▪ DE, IL, IN, MA, NY, NJ
▪ 0.55% to 3.75% (**WA @1.26%**)	▪ \$11M to \$1.15B	▪ Repay loan by Sept. or mix measure
▪ Solvency tax up to 3% (**WA @0.2%**)	▪ Solvency tax up to 1%	▪ Depending on loan and other measures

https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/financing.pdf

June trust fund report
Key takeaways vs. March report

What the new data tells us

Favorable experience

Lower claim experience (recipiency rate* down by 5 points)

Higher contribution from tax and earned interest

How this affects solvency level

2026 month of benefit up to 7.1 month (vs. 6.7 month)

2027 month of benefit down to 6.4 month (vs. 6.5 month)

2028 month of benefit up to 7.0 month (vs. 6.9 month)

Tax implication – sensitive to small changes

Possibility of no solvency tax in 2027 (1.4% from 7.0 month)

Continue expecting solvency tax in 2028, and solvency tax in 2029 not ruled out

* Published recipiency rate (https://oui.doleta.gov/unemploy/Chartbook/a13.asp) at 34% comparing to 39% from previous year

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: September 16, 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.