



# Unemployment Insurance Advisory Committee

## Meeting details

**Date:** Friday, April 9, 2021

**Time:** 2:00 p.m. to 3:00 p.m.

**Location:** Zoom

### Committee members present

- Robert Battles
- Julia Gorton
- Tammie Hetrick
- Cindy Richardson
- Josh Swanson
- Jerry VanderWood
- Brenda Wiest

### Committee members absent

Sybill Hyppolite  
Kevin Perkey

### ESD staff

- Joy Adams
- Ashlee Delaney
- Joshua Dye
- Stasha Espinosa
- Wendy Goldmark
- Matt LaPalm
- Nona Mallicoat
- Scott Michael
- Jeff Robinson
- Dan Zeitlin

## Summary

### Meeting Recorded

This meeting was recorded and is available at <https://esd.wa.gov/newsroom/UIAC/recordings>.

This meeting was also livestreamed by TVW and the broadcast can be found at <https://www.tvw.org/watch/?eventID=2021041134>

### Welcome and Opening Remarks

Employment Security Department (ESD) Policy Director, Dan Zeitlin, welcomed everyone and asked Wendy Goldmark to take roll call. All committee members were present except Sybill Hyppolite and Kevin Perkey.

### Agenda

Dan Zeitlin reviewed the meeting agenda and asked if anyone had any questions. (See Addendum I.)

### Meeting Minutes

Dan Zeitlin requested that everyone review the meeting minutes for March 12, 2021 and provide their feedback. Brenda Wiest made a motion to approve the minutes and Jerry VanderWood seconded the motion. Dan asked for all members in favor to say, "Aye". All members responded, "Aye". Dan asked members that disapprove to say, "Nay". No one responded. The March 12, 2021 meeting minutes were approved.

### UI Policy Discussion

Dan Zeitlin opened the meeting discussion with a [slide presentation](#) and covered the topics below:

- UI Program Implementation Update
- State Legislative, Rulemaking and Budget Update
- Trust Fund Balance

## Federal UI Program Update - American Rescue Plan Act

### Pandemic Unemployment Assistance (PUA)

- Extends PUA through the claim week ending September 4, 2021 and increases the number of weeks of benefits an individual may claim from 50 to 79.

### Federal Pandemic Unemployment Compensation (FPUC)

- Maintains the supplemental FPUC payment at \$300 per week through the claim week ending September 4, 2021.

### Pandemic Emergency Unemployment Compensation (PEUC)

- Extends PEUC through the claim week ending September 4, 2021 and increases the number of weeks of PEUC benefits an individual may claim from 24 to 53.

### Federal Provision Extensions

- **Waiting Week:** Federal financing extended at 100% through the claim week ending September 4, 2021 and retroactively from December 26, 2020. SB 5061 waives the waiting week when fully federally funded.
- **Shared Work:** Federal financing of benefits extended through the claim week ending September 4, 2021. SB 5061 waives shared work charging when fully federally funded.

- **Reimbursable Employers:** Beginning the week ending April 10, 2021 through the week ending September 4, 2021, federal financing of benefits paid to employees of reimbursable employers is increased from 50% to 75%.
- **Trust Fund Loan Interest:** Interest free federal loans for states that must borrow to maintain UI trust fund solvency extended through September 6, 2021.

Dan Zeitlin handed the meeting over to Joy Adams, UI Quality Assurance and Operation Manager to continue the discussion.

## **UI Program Implementation Update**

### **Federal Benefit Extensions**

- Implemented ARPA extensions with no gap in benefits for claimants receiving additional weeks of PUA, PEUC and FPUC.
- Claimants who had been on Extended Benefits are now able to receive additional weeks of PEUC.

### **Benefit Charging Provisions**

- Benefit charge relief extended for Shared Work and reimbursable employers.

### **In Progress**

- Reinstating benefit charge relief and waiver of waiting week.

### **Coming Next**

- PEUC claim continuation
- PUA document verification
- PUA waivers for overpayments
- SB 5061 provisions
- PUA eligibility changes (recent federal guidance)
- Mixed Earner Unemployment Compensation

Dan Zeitlin handed the meeting over to Scott Michael, Legal Appeals and Rules Coordination Manager, to continue the discussion.

## **State Legislation**

### **Agency Request Bills**

- SB 5425 – increasing access to extended benefits (passed Legislature)
- HB 1493 – increasing flexibility in job search requirements (passed Legislature)

### **Benefit Charge Relief Bills**

- SB 5478 – Spreads \$500 million across two categories of employers
- HB 1568 – Spreads \$600 million across three categories of employers

### **Other bills**

- HB 1455 – removing social security numbers from Department correspondence
- SB 5190 – unemployment benefits for health care workers

- SB 5193 – general improvements to the unemployment program

## Rulemaking

### Implementing New Voluntary Quit/Able and Available Requirements

- ESSB 5061 added flexibility to able and available requirements and created a new voluntary quit – both applicable to high risk workers.
- Emergency rule set requirements for how Employment Security will verify that claimants or the people they live with are in a high-risk category, borrowing the same requirements used by Paid Family and Medical Leave.
- Withdrew emergency rule saying high risk individuals are separated due to a “lack of work.”
- Adopted expedited rule adding the new voluntary quit to list of quits that will not be charged to employer tax rates.

### Waiting Week

- Will be adopting emergency rule stating that waiting week will be continuously waived, including the time between the Emergency Proclamation expired in January and SB 5061 passed in February.
- Under ESSB 5061, this also means employers will not be charged for the first week of benefits paid.
- While not a rule, adopting agency policy waiving shared work benefit charging for the same time period.

Scott Michael handed the meeting back to Dan Zeitlin to continue the discussion.

## State 2021-23 Biennial budget – ESD

Fund Source	Senate (ESSB 5092 APS)	House (Striker H-1459.E)	
General Fund—State (FY 2022)	\$910,000	\$960,000	*Note: Senate budget includes money in separate sections for: <ul style="list-style-type: none"> <li>▪ \$500 million for SB 5478</li> <li>▪ \$82 million to deposit in trust fund in response to fraud.</li> </ul>
General Fund—State (FY 2023)	\$910,000	\$960,000	
General Fund—Federal	\$384,464,000	\$401,241,000	
General Fund—Private/Local	\$36,211,000	\$36,546,000	
Unemployment Compensation Administration Account— Federal	\$408,986,000	\$419,302,000	
Administrative Contingency Account—State	\$26,231,000	\$26,361,000	
Employment Service Administrative Account—State	\$60,746,000	\$61,652,000	
Family and Medical Leave Insurance Account—State	\$139,190,000	\$140,263,000	
Workforce Education Investment Account—State	\$6,895,000	\$7,894,000	
Long-Term Services and Supports Trust Account—State	\$30,458,000	\$30,458,000	
Coronavirus State Fiscal Recovery Fund—Federal	\$200,000,000	\$204,722,000	
Unemployment Insurance Relief Account—State	n/a*	\$600,000,000	
TOTAL APPROPRIATION	\$1,295,001,000*	\$1,930,359,000	

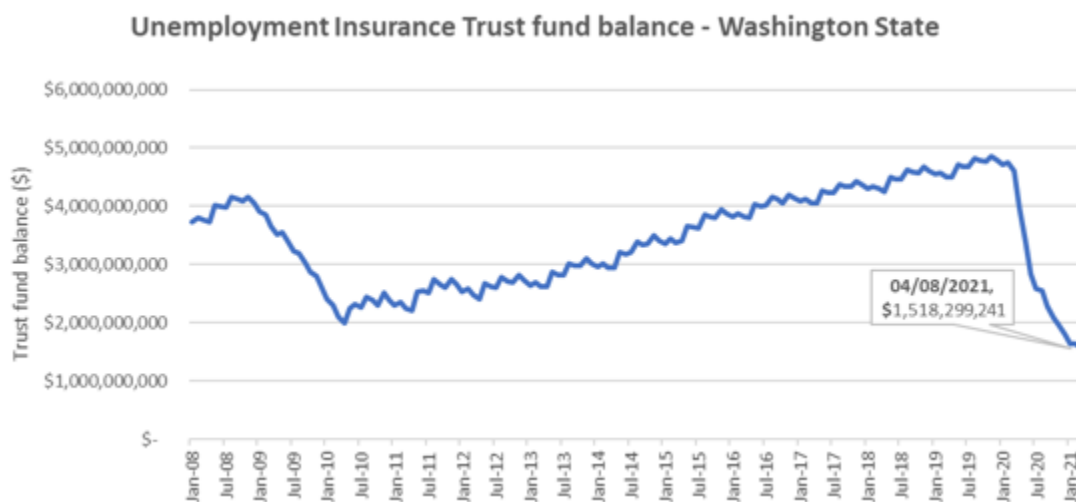
### Budget Provisos – 2021-23 Biennial Budget

- Funding to implement SB 5061 - \$476,000 UCAA-F (Reed Act)
- Funding for study replicating UI program for non-citizens- \$80,000 (ESAA-S)
- UI fraud detection and prevention, timely UI processing, and promoting equitable access to UI benefits - \$35.7 million (GF-ARPA and CRF)
- UI Backlog – OAH appeal costs - \$22.3 million (GF-ARPA)
- Fraud technology and staffing - \$4.8 million (GF-ARPA)
- National guard and fact-finding resources to reduce backlog - \$2.7 million (GF-ARPA)

**In Negotiations:** IT/phone system enhancements, customer access improvements

### Unemployment Insurance Trust Fund

- On April 8<sup>th</sup>, the UI trust fund balance was \$1.518 billion



### Months of Benefits Calculation

- ESD calculates the months of benefits available in the trust fund following the trust fund solvency reporting requirements of the U.S. Department of Labor and [RCW 50.29.025](#).
- ESD first calculates the reserve ratio (RR). The RR is derived by dividing the trust fund balance by the total wages reported by taxable employers in the preceding state fiscal year (July 1-June 30) and then multiplying that number by 100.
- ESD then calculates the average high-cost rate (AHCR). Benefit cost rates are benefits paid as a percent of total wages in taxable employment. The AHCR is the 3 highest calendar benefit cost rates in the last three recessions (2020, 2009, 2002).
- Finally, ESD determines the number of benefits available by dividing the RR by the AHCR then multiplying that number by 12.

### Months of Benefits Calculation (4/8/21)

Trust Fund Balance: \$1.52 billion

Total Wages: \$196 billion

Reserve Ratio (RR):  $\left(\frac{\$1.5 \text{ billion}}{\$196 \text{ billion}}\right) * 100 = .77$

Average High-Cost Rate (AHCR): 2.44

Months of Benefits:  $\left(\frac{.765}{2.44}\right) * 12 = 3.8 \text{ Months of Benefits}$

### Federal Advance and Loans

Projection at current rate:

- Three months of benefits on June 22, 2021.
- One month of benefits on December 26, 2021. *Request Federal Advance*
- Zero months of benefits on March 29, 2022. *Take Federal Loans*

### Action Items

None

### Next Agenda Discussion

- Legislative wrap-up
- Reemployment Strategies (as requested by committee members).

### Public Comments

None

### Adjourned

Dan Zeitlin thanked everyone for their continued active participation and for their commitment to this work, then ended the meeting at 2:53 p.m.

### Next meeting

The next Unemployment Insurance Advisory Committee meeting is on Wednesday, May 12, 2021 from 10:00 a.m. to 12:00 p.m. via Zoom.

Addendum I

Agenda

Unemployment Insurance Advisory Committee (UIAC)

Friday, April 9, 2021 | 2:00 pm – 3:00 pm | Via Zoom

Agenda Items

Time	Topic
2:00 pm	Welcome from Dan Zeitlin, Director of Policy, Data, Performance & Integrity (PDPI) Division, Employment Security Department (ESD) <ul style="list-style-type: none"> <li>○ Agenda Review</li> </ul>
2:05 pm	Approval of March 12, 2021 Meeting Minutes
2:10 pm	UI Policy and Program Updates <ul style="list-style-type: none"> <li>✓ UI Program Implementation</li> <li>✓ State Legislation and Rulemaking</li> <li>✓ Trust Fund                             <ul style="list-style-type: none"> <li>○ Dan Zeitlin, Director, ESD</li> <li>○ Joy Adams, UI Quality Assurance Manager, ESD</li> <li>○ Scott Michael, Legal Appeals and Rulemaking Manager, ESD</li> <li>○ Jeff Robinson, UI Research and Forecasting Manager, ESD</li> </ul> </li> </ul>
2:50 pm	Next Agenda Discussion <ul style="list-style-type: none"> <li>○ Dan Zeitlin, Director, ESD</li> </ul>
2:55 pm	<ul style="list-style-type: none"> <li>○ Public Comments</li> </ul>
3:00 pm	<ul style="list-style-type: none"> <li>○ Adjourn</li> </ul>

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

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Addendum II

UI Claimants - Remaining Weeks of Benefits by Entitlement Week Ending February 27, 2021

Week Ending	Weeks Remaining	Entitlement							Grand Total
		EB	PEUC	PUA	RTAA	TB	TRA	UI	
3/6/2021	1	537	72			6	4	4,364	4,983
3/13/2021	2	617	16,008	90,921		3	6	4,137	111,692
3/20/2021	3	609	8,324			4	2	4,116	13,055
3/27/2021	4	1,313	6,695			5	4	4,139	12,156
4/3/2021	5	6,204	6,431			3	7	4,631	17,276
4/10/2021	6	4,904	11,971		1	9	5	4,129	21,019
4/17/2021	7	6,913	6,626			4	8	4,033	17,584
4/24/2021	8	2,613	5,950			12	7	4,085	12,667
5/1/2021	9	6,787	5,818			12	5	4,470	17,092
5/8/2021	10	8,701	5,659			12	6	4,169	18,547
5/15/2021	11	643	27,352			6	2	4,169	32,172
5/22/2021	12	432	4,419			6	6	4,218	9,081
5/29/2021	13	44,091	3,946			14	3	4,107	52,161
6/5/2021	14		3,765			11	5	4,290	8,071
6/12/2021	15		3,735			12	5	4,048	7,800
6/19/2021	16		4,017			14	4	3,879	7,914
6/26/2021	17		3,563			12	5	4,075	7,655
7/3/2021	18		3,590		1	8	6	3,129	6,734
7/10/2021	19		3,454			13	10	4,006	7,483
7/17/2021	20		3,967			15	8	3,588	7,578
7/24/2021	21		3,364			17	4	3,345	6,730
7/31/2021	22		3,199			14	24	3,088	6,325
8/7/2021	23		3,130			18	10	3,043	6,201
8/14/2021	24		48,894			38	11	2,722	51,665
8/21/2021	25					19	3	2,654	2,676
8/28/2021	26+					454	515	564	1,533
<b>Grand Total</b>		<b>84,364</b>	<b>193,949</b>	<b>90,921</b>	<b>2</b>	<b>741</b>	<b>675</b>	<b>97,198</b>	<b>467,850</b>