



# Unemployment Insurance Advisory Committee

## Meeting details

**Date:** Wednesday, October 14, 2020

**Time:** 10:00 a.m. to 12:00 p.m.

**Location:** Zoom

### Committee members present

- Robert Battles
- Julia Gorton
- Tammie Hetrick
- Sybill Hyppolite
- Kevin Perkey
- Cindy Richardson
- Josh Swanson
- Jerry VanderWood
- Brenda Wiest

### Committee members absent

### ESD staff

- Joy Adams
- Sara Crosby
- Ashlee Delaney
- Nick Demerice
- Wendy Goldmark
- Matthew Klein
- Matt LaPalm
- Emily Persky
- Scott Michael
- Jeff Robinson
- Brenda Westfall
- Dan Zeitlin

## Summary

### Meeting Recorded

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

### Welcome and Opening Remarks

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

### 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 September 30, 2020 and provide their feedback. Julia Gorton made a motion to approve the minutes for September 30, 2020 and Brenda Wiest 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 September 30, 2020 meeting minutes were approved.

Dan Zeitlin requested that everyone review the meeting minutes for October 1, 2020 and provide their feedback. Julia Gorton made a motion to approve the minutes for October 1, 2020 and Brenda Wiest 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 October 1, 2020 meeting minutes were approved.

### UI Program Update

Joy Adams, ESD Quality Assurance and Operations Manager, provided an update on the Lost Wages Assistance (LWA) program. She informed the committee that ESD has paid approximately \$658 million of the approximately \$960 million provided to Washington for LWA payments. This has been paid for nearly 2.2 million weekly claims to approximately 380,000 individual claimants. The remaining balance of \$300 million gives ESD growing confidence that the agency will have sufficient funds to pay all claimants that eventually become eligible.

Scott Michael, ESD Legal Services Coordination Manager, provided an update on rulemaking. He informed the committee that ESD will be sending out a preliminary draft of a new work search rule for stakeholder input. The purpose of the rulemaking is to expand on what constitutes a job search activity, especially in a new economy. Work search is still waived, but ESD is working proactively to have rules in place when the work search requirement is reinstated.

Dan Zeitlin informed the committee that on October 1, state legislative leadership extended UI program-related Governor proclamations [20-21](#), [20-30](#) and [20-58](#) through November 9, 2020. The proclamations suspend state law requiring unemployment claimants, including those claiming Extended Benefits, to actively seek work, state law requiring an unpaid waiting week and state law requiring Employment Security to charge employers for Shared Work benefits.

At the national level, there has not been a bill produced and signed on related unemployment and COVID response generally. All unemployment insurance related programs from the CARES Act, such as PUA, and other items such as interest rates and loans to the trust fund expire at the end of the year.

### **UI Tax and Trust Fund Discussion**

Dan Zeitlin gave a slide presentation on [UI tax policy options](#) and led a discussion that focused on the following:

- Review COVID-19 Unemployment Account, experience rate tax reductions and use of CARES Act funding.
- Review social tax policy options and implications for federal borrowing.
- Solicit additional options to model.

At the end of the presentation, Dan Zeitlin asked the committee what other policy changes for 2021 or 2021-2022 they would like modeled, so that we can show what the impact would be. The following suggestions were raised:

- Raise the cap on the taxable wage base and lower overall rate to assess at bottom end (if taxing higher amount, generate more funds and lower rate overall)
  - What is rate of increase of taxable wage amount over last 10 years and how does it compare to inflation and cost of living increases?
- Reduce social tax to .75%, how would that change forecasted increases for the 40 rate classes
- Take out solvency tax for 2022, include scenarios (and what other scenarios to plug in)
- What would happen to trust fund if you took layoff experience employers are charged between March and?? (shutdown time period) and didn't charge those to employers
- What would this do to the 40 rate classes (if social tax was reduced to .75% how would that change forecasted increases for the 40 rate classes)
- What would impact be for different sized employers
- Can we put something together that's more interactive which would let people experiment with options?
- What would happen if in March Congress did extend the interest free period? How does the timing of this impact things?
- What is impact on trust fund if we suspended the solvency charge?

- How long of a recovery period are we going to have for different scenarios?
- If we had injection of \$300M into trust fund, would we still need a federal loan? If we front-load by injecting money, how does that impact loan amount needed?
- Reminder on rate buy-down program (program where employer can buy down rate classification if they jump a certain amount – voluntary contribution program)

### Action Items

During the discussion, several topics were flagged to revisit at subsequent meetings. A time stamp has been placed before each item to make it easier to refer to these points in the recordings.

- 10:22 Provide forecast and assumptions that went into it
- 10:30 Provide additional information about what types of businesses/industries have utilized benefit charge offsets program
  - Hospitality
  - Food service delivery/truck delivery, industrial laundry
  - Any of the data you can give me - I've got all the industries; we need industry-specific for everything
  - Any information about how this was or wasn't an equitable solution
  - Construction data (can send specific codes offline / Jerry)
- 11:08 regarding spreadsheet showing each rate class and impact (20 employees or more) - request to share solvency tax version of spreadsheet and share with committee

### Agenda Items for Next Meeting

- Facilitated discussion on options to address certain policy issues on the benefits side.

### 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 11:55 a.m.

### Next meeting

The next Unemployment Insurance Advisory Committee meeting is on Wednesday, October 28, 2020 from 10:00 am to 12:00 pm via Zoom.

Addendum I  
Agenda

Unemployment Insurance Advisory Committee (UIAC)

Wednesday, October 14, 2020 | 10:00 am - 12:00 pm | Via Zoom

Agenda Items

Time	Topic
10:00 am	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>
10:05 am	Approval of September 30, 2020 and October 1, 2020 Meeting Minutes
10:10 am	UI Program Update <ul style="list-style-type: none"> <li>• Dan Zeitlin, Director, ESD</li> </ul>
10:20 am	UI Tax and Trust Fund Discussion <ul style="list-style-type: none"> <li>• Dan Zeitlin, Director, ESD</li> <li>• Scott Michael, Legal Appeals and Rulemaking Manager, ESD</li> <li>• Jeff Robinson, UI Research and Forecasting Manager, ESD</li> <li>• Matthew Klein, Operations Research Specialist, ESD</li> <li>• Brenda Westfall, Product Manager ESD</li> </ul>
11:45 am	Next Agenda Discussion
11:50 am	Public Comments
12:00 pm	Adjourn
For more information, please visit the UIAC website at <a href="https://esd.wa.gov/newsroom/UIAC">https://esd.wa.gov/newsroom/UIAC</a>	

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