

A photograph showing the silhouettes of several people standing in a meeting room, illuminated by a bright light source from the left, creating a strong backlight effect. The people appear to be engaged in a discussion or presentation.

Unemployment Insurance ADVISORY COMMITTEE



Employment Security Department

WASHINGTON STATE

Agenda



- I. Agency Request Legislation - update
- II. Unemployment Insurance Administrative Funding
- III. Other UI-Related Legislation
- IV. Future Agenda Topics

UI Agency Request Legislation



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Caitlyn Jekel, Government Relations Director, ESD

UI Agency Request Legislation



SB 5240 - Concerning unemployment insurance benefits appeal procedures

- [RCW 50.32.040](#) requires the Office of Administrative Hearings (OAH) to consider availability issues on each case it reviews, even when availability is not an issue addressed by ESD in the determination letter
- Proposed removal of this provision to reduce time and confusion for individuals and employers engaged in appeals
- Passed Senate Labor & Commerce January 24th; currently in Senate Rules

SB 5331 - Concerning job search requirements for unemployment insurance benefits.

- ESD's legal ability to pursue alternate ways for claimants to fulfill job search requirements is set to sunset in 2023
- Proposed removal of the sunset to make these provisions permanent, adding reporting requirement
- Passed Senate Labor & Commerce January 24th; currently in Senate Rules

UI Agency Request Legislation



HB 1107 - Concerning removing the terms "master" and "servant" from Titles 50 and 50A

- ESD proposed agency request legislation removes reference to “the relationship of master and servant” in the definition of employment in the UI and PFML statutes.
- Passed House Labor & Workplace Standards on January 20; currently in House Rules 2 Review

Unemployment Insurance Administrative Funding

Danielle Cruver, Chief Finance Officer, ESD

Caitlyn Jekel, Government Relations Director, ESD



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Addressing federal funding shortfall



- The Unemployment Insurance program is primarily federally funded. However, federal funding typically covers only about 70% of base costs.
- The Employment Security Department (ESD) covers the remaining base costs through a mix of other federal and state funding.
- Federal funding for UI has fallen more sharply post-pandemic than is typical after an economic downturn.
- In addition, a higher than normal workload remains due to the prolonged impact of standing up and implementing pandemic-era programs.
- As a result, customer support functions, including claims processing and phone calls are suffering.

Maintenance request = \$21 million



Maintain current funded level for the biennium: \$21 million

ESD is working on long-term solutions to make our work more efficient, which are anticipated to reduce staffing demand. However, in the immediate term, our decreased federal funding will result in a reduction in staff while workloads remain higher than normal.

- Avoid staffing reductions which will further strain customer service delivery.
- Keep current with incoming work and answer 85% of incoming calls within 20 minutes during non-peak times.

Enhance customer service



Create dedicated team to process overpayments backlog - \$11.7 million

This funding would launch a special team to resolve the pandemic-era backlog of overpayments. This work is currently unfunded.

- Overpayment Team (118 FTE).
- Process waivers and answer calls for more than 100,000 customers.
- Bring relief and clarity to customers with pandemic-era overpayments while limiting impact to ongoing service and operations.

Navigation services team



Navigation services for highly barriered customers – \$1.48M FY24; \$1.44M FY25 and ongoing

Many customers have higher barriers to accessing services, and struggle to navigate unemployment on their own. A navigational services team would work directly with customers new to UI or who need additional assistance.

Navigational services team (12 FTE).

- Navigation services could include live webinars, tutorials, training for community-based organizations and trusted messengers, and the creation of an escalation path for those who need additional assistance.
- Improve customer experience for both higher barriered customers and those with fewer barriers. Up-front assistance for those most likely to get stuck in the system will reduce errors that cause people to call or delay benefits and provide pathways for faster resolution.
- Accelerate work the agency is doing to collaborate more closely with community and trusted messengers to ensure high-barriered populations get the help they need.

UI Admin Funding Update

Danielle Cruver, CFO

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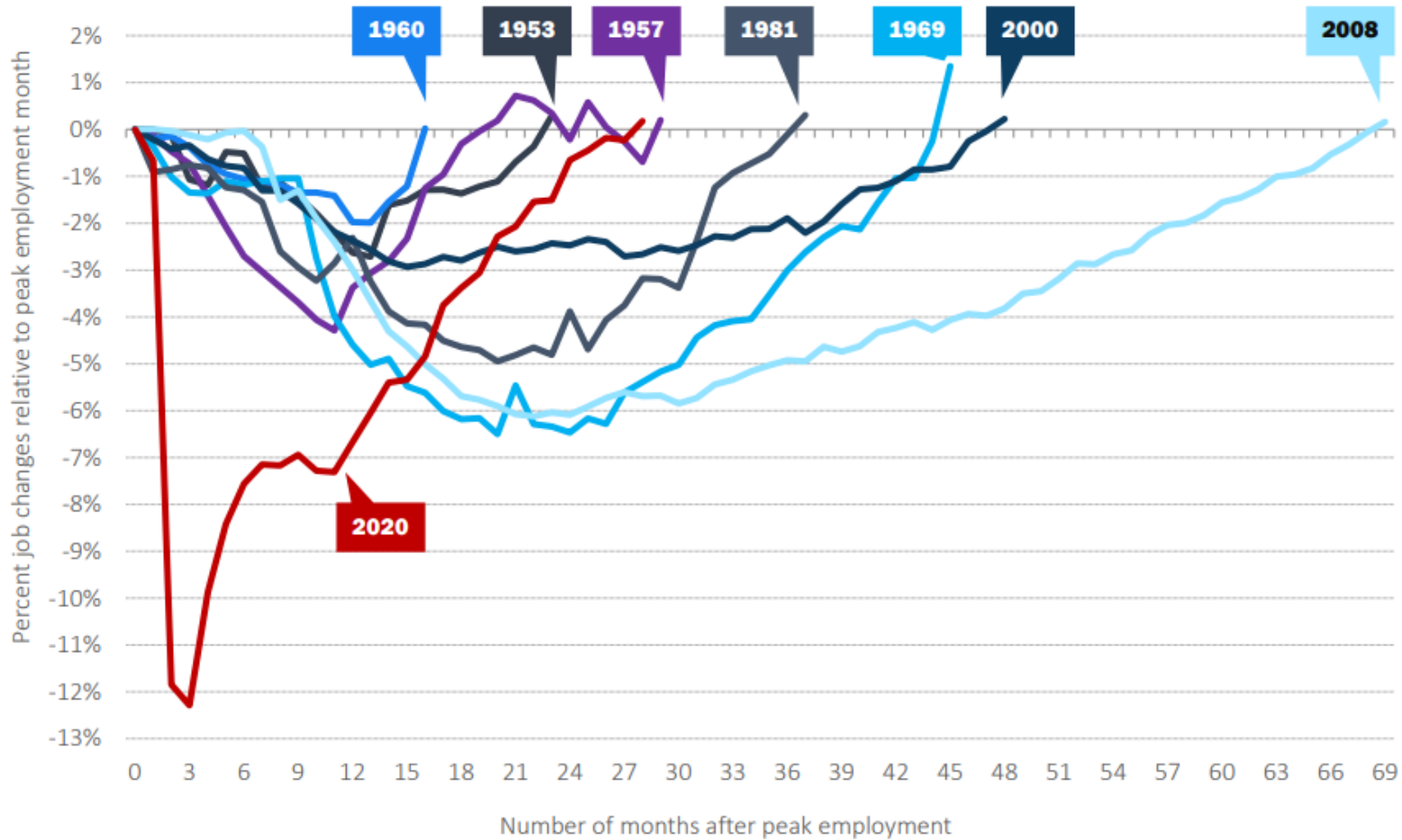
Revenue projection v. budget, state fiscal year



	FY23 Projection	FY24 Projection	FY25 Projection
Projected Revenue	110,239,000	83,623,000	83,755,000
Projected Carryforward from Prior Year		13,405,000	(9,316,000)
Division Base Budget	95,430,000	106,344,000	102,133,000
Proviso	1,403,889	-	0
Budget v. Revenue	13,405,000	(9,316,000)	(27,694,000)

- Current grant award (SFY 22) base funding: \$85,098,428
- Minimal or no above base funding in last three quarters
- Completed USDOL Resource Justification Model (RJM)
 - Used to calculate state's base funding amount
 - *Planning* base funding grant total available in May, 2023

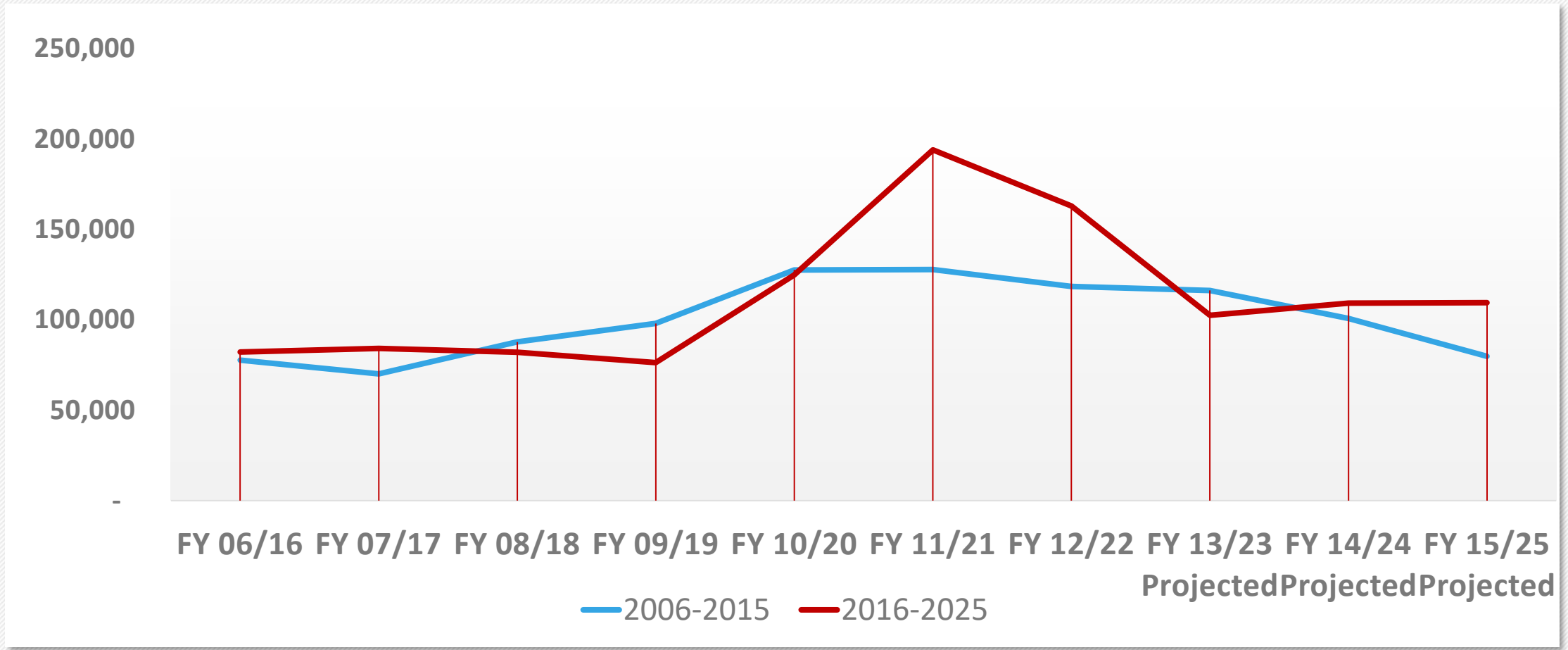
Job losses and duration of post-WW2 recessions in WA



Source: Washington Employment Security Dept. and Economic and Revenue Forecast Council, July 2022

Federal Revenue: '08 Recession v. '20 Pandemic

(by FFY, in thousands)



Other Legislation Related to Unemployment Insurance

Scott E. Michael, Legal Services Manager, ESPI



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Other Legislation



SHB 1106 – Concerning qualifications for unemployment insurance when an individual voluntarily leaves work.

- Adds to the list of reasons an employee can quit with good cause to include taking care of the death, illness or disability of non-immediate family member; caregiving inaccessibility; changes in a regularly-scheduled shift; and to move closer to a minor child.
- Substitute passed House Labor & Workplace Standards January 20th; currently in House Rules Review

HB 1458 – Concerning unemployment insurance benefits for apprenticeship program participants.

- Waives the waiting week for claimants who leave work to enter an apprenticeship, which will result in a partial loss of federal funding to pay for extended benefits
- Creates a study group and report to analyze the barriers apprentices face when filing unemployment claims
- Referred to House Labor & Workplace Standards; no hearing scheduled yet

Other Legislation



HB 1095 / SB 5109 – Creating a wage replacement program for certain Washington workers excluded from unemployment insurance.

- Creates a separate, state-funded unemployment benefit program that will serve undocumented workers
- HB 1095 heard in House Labor & Workplace Standards on January 13th
- SB 5109 heard in Senate Labor & Commerce on January 26th

HB 1570 – Concerning social insurance programs applicable to transportation network companies and drivers.

- Explicitly includes transportation network company drivers as employees covered by unemployment insurance
- Allows an employer who continues to employ a claimant on a part-time basis relief of benefit charges, even if the employer does not offer a regular schedule, so long as the employer continues to furnish part-time work in substantially the same amount as during the individual's base year.
- Referred to House Labor & Workplace Standards

Other Legislation



SSB 5176 – Concerning unemployment insurance benefits for officers of employee-owned cooperatives.

- Officers of employee cooperative corporations, cooperative associations, and limited cooperative associations can qualify for unemployment when they are temporarily laid off, like any other employee.
- Substitute passed Senate Labor & Commerce January 24th; currently in Senate Rules

Future Meeting Topics



- Legislative Session Updates
- Rulemaking Updates
- Overpayments Project Updates
- Appeals Backlog Updates
- Other?