



Unemployment Insurance Advisory Committee

Meeting details

Date: Wednesday, August 7, 2024

Time: 1:00 pm - 3:00 pm

Location: Zoom

Committee members and alternates present

Employee Representatives

- Sybill Hyppolite, Washington State Labor Council
- Josh Swanson, Operating Engineers 302

Employer Representatives

- Bob Battles, Association of Washington Business
- Katie Beeson, Washington Food Industry Association (alternate)
- Josie Cummings, Avista
- Julia Gorton, Washington Hospitality Association

General Public Representatives

- Allyson O'Malley-Jones, Northwest Justice Project
- Anne Paxton, Unemployment Law Project
- William Westmoreland, Pac Mtn WF Dev Council

ESD staff

- Joy Adams
- Matt Buelow
- Danielle Cruver
- Joshua Dye
- Vaughn Ellis
- Stephanie Frazee
- Camille Galeno

Committee members and alternates absent

- Monica Holland, Northwest Justice Project (alternate public rep)
- Joe Kendo, WA State Labor Council (alt employee rep)
- Cindy Richardson, UNITE HERE Local 8
- Brenda Wiest, Teamsters 117

- Nino Gray
- Colin Helsley
- Caitlyn Jekel
- Matt LaPalm
- Lawrence Larson
- Marypat Meuli
- Jared Nilson
- JR Richards
- Eve Sheng
- Stephanie Sams
- Jeremy Satre
- Dan Zeitlin

Summary

Meeting Recorded

This meeting was [recorded](#) and livestreamed by TVW. Please reference this recording for further meeting details and complete conversations using the indicated timestamps.

Welcome and Opening Remarks

Committee chair JR Richards welcomed everyone to the meeting and asked committee assistant Colin Helsley to call roll.

Bob Battles Last Meeting

JR announced that this meeting will be Bob Battles' final meeting as a UIAC committee member. JR thanked Bob for his service on this committee, for all he has done in support of the UI program, and for being such a great partner. Bob thanked JR and stated it has been an honor to serve on the committee and to represent the interest of employers, and also to work with folks on all sides.

Agenda

JR reviewed the following agenda items (also see Addendum I)

- Approval of July 24, 2024, meeting minutes
- June Trust Fund Report
- UI Fraud Management/Customer Compliance Decision Package
- Outreach Decision Package
- Financing the UI Program
- Rulemaking Update
- Public comment
- Adjourn

Meeting Minutes

JR requested that committee members review the July 24, 2024 draft UIAC meeting minutes and provide their feedback. Bob Battles moved to approve the minutes. Sybill Hyppolite seconded the

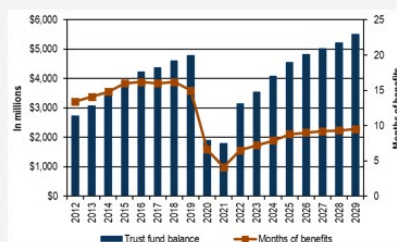
motion. All in favor said “aye”. No members were opposed. The July 24, 2024 meeting minutes were approved.

June Trust Fund Report

Vaughn Ellis, Actuarial Analyst, ESD provided an overview of the June Trust Fund Report Using the following slides.

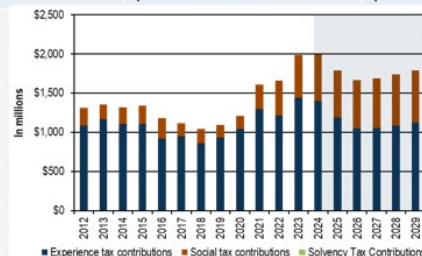
Unemployment Insurance Trust Fund

On June 30, the UI trust fund held approximately \$3.6 billion, slightly lower than our projected \$3.8 billion.



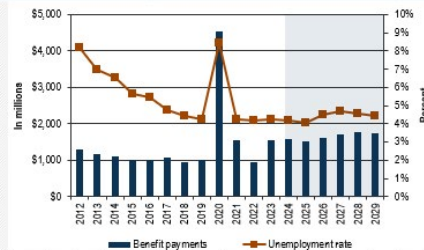
Employer Contributions

Projected Employer Contributions	November 2023	June 2024
2024	\$2.0 Billion	\$2.0 Billion
2025	\$1.9 Billion	\$1.8 Billion



Benefit payments

Projected Benefit Payments	November 2023	June 2024
2024	\$1.3 Billion	\$1.6 Billion
2025	\$1.5 Billion	\$1.5 Billion



Recording timestamp 11:39

Question from Bob Battles: What might be causing the uptick in claims, and are the higher benefits payments due to the uptick or is it more benefits being paid out on a claim?

Answer from Vaughn: It's hard to say what's causing the uptick at this time. The increase in benefits payments is partially due to the uptick. Economic forecasts impact that as well. We're looking into the cause of the rise in claims. It may be due to a change in behavior, it may be a post-pandemic thing. We're looking around to see what's causing it but also to see if this trend continues.

JR Richards: We will share our findings from our root cause analysis with the committee.

Recording timestamp 14:47

Question from Julia Gorton: On Slide 4 it looked like we were pretty close to 10 months of benefits available, but I think I just heard you say 7.6. Can you talk a little bit about the difference there?

Answer from Vaughn: The 10 months of benefits we're looking at under current modeling is about where we're going to get at the end of the forecast window in 2029. The only change under this ad hoc versus our standard model is 7.9 months of benefits in this coming year versus 7.6. We're still at around the 7-to-8-month range right now. We haven't gotten back up to around that 10-month mark and won't for a little bit.

Follow up question from Julia: Is the solvency tax that kicks in at 7 months of benefits still waived, or would it be applied if we dipped below?

Answer from Vaughn: It's waived through 2025. (Dan Zeitlin confirmed).

UI Fraud Management/Customer Compliance Decision Package

Matt Buelow, Customer Compliance Director, ESD, provided an overview of the Customer Compliance Decision Package using the following slides.

UI Identity Fraud

- FY19 (pre-pandemic) – 10,467 investigations
- FY21 (height of pandemic) – 369,664
- FY24 (post-pandemic) – 96,736

Staff and Tools

Staff

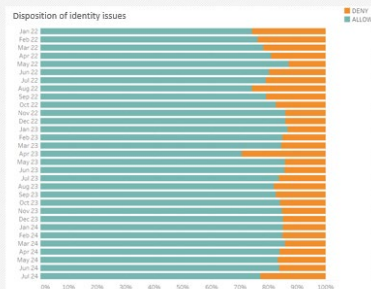
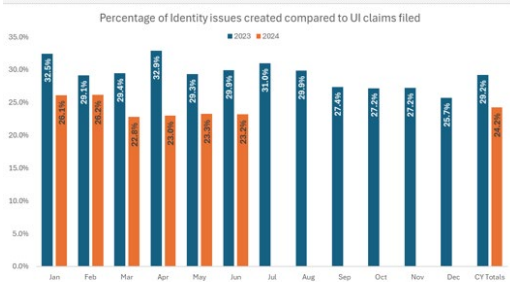
- 58 FTE manually working on ID issues

Tools

- In use:
 - NASWA Integrity Data Hub (IDH): unique, secure, multistate data system with advanced data cross-matching and analysis capability that detects and prevents UI fraud and improper payments.
 - Dept of Licensing: Driver's license data sharing agreement
- Planned:
 - Login.gov*: Platform used to verify identity.
 - USPS*/WorkSource: In-person ID verification

*Cost paid by USDOL for two years

ID Issue Metrics



Approximate ID fraud loss Jan 2023-July 2024



Recording timestamp 23:35

Question from Julia Gorton: That's a low number [fraud loss since Jan, 2023], is there a federal requirement or guideline that we are trying to hit with that?

Answer from Matt: I am not aware of a federal number, but I don't want to say for sure that there's not, so we will look into that. We [the department] are trying to come up with a number, and I will touch on that in a little bit.

Follow-up from Julia: Is there an industry average for private insurance that we're comparing to?

Answer from Matt: Our new fraud chief will be looking into this, and I'm hoping her expertise will help guide us in those areas.

Recording timestamp 24:57

Question from Bob Battles: Are you coordinating with PFML, and will this package prevent overpayments that result in an inability to collect that money back?

Answer from Matt: We're going to be asking for staff whose job it will be to help our customers navigate to the right program based on their circumstances and prevent [overpayments] from happening upfront.

Follow-up from Bob: And while I know you're focusing on UI, I assume that that all these asks are not going to be in a vacuum and that they're designed to work together, because if people are flipping back and forth between programs and other agencies, I would want to make sure that that's considered as well in this process.

Answer from Matt: Absolutely. Yes. The package itself consists of the compliance activities across programs but not just unemployment.

Matt elaborated further on this answer using the following slides.



Customer Compliance Decision Package-UI

20 total UI FTE:

- 14 (no net new, maintains current staffing levels) fraud investigators/supervisor
- 2 UI/PFML eligibility overlap
- 1 audit supervisor
- 3 support staff

Recording timestamp 29:36

Question from Josie Cummings: Are the 14 FTEs currently working on fraud or something else?

Answer from Matt: Yes, these are current fraud investigators.

Follow-up from Josie: The good news is that fraud is decreasing from 2021 and you're looking at different computer programs to help with that. Do you anticipate needing as many FTEs with fraud trends continuing to go down?

Answer from Matt: We believe that this decision package is asking for the right number based on other efficiencies as well. We have a backlog of work in fraud right now, not as much in the identity space as other areas, so this would allow us to hopefully reduce the caseload to keep up with all of the work that's incoming. So instead of saying we need more staff to keep up with the work, what we're saying is, if we can maintain this level of staff based on everything else that we're doing we should be able to keep up with the work and make timely decisions.

JR Richards: I want to add to that, while we don't have the level of fraud that we had during the pandemic, we're seeing an increase in a different type of fraud that we didn't experience during the pandemic. And this ask is getting to this new workload. It's a workload that's affecting all of the states, not just us, and it's an unfunded workload.

Recording timestamp 31:59

Question from Julia Gorton: So what does this get us? Is this to maintain the .01% of fraud tolerance? Is this to shrink it even more? Have you considered other models of fraud tolerance, or what staffing levels would look like to maintain that level?

Answer from Matt (also see next slide): As JR described, the fraud landscape is much different than pre-pandemic. We don't expect the identity theft to go down. To your question, our current fraud loss levels are close to zero. One of the things that we will really rely on the fraud chief to help us with is determining what the right balance of staff and tools are to ensure that our eligible claimants are getting benefits timely, while also preventing those fraudulent actors from claiming benefits.

Summary

- Fraud landscape much different than pre-pandemic
- Current UI ID fraud loss levels are close to zero
- Combination of staffing and tools to manage fraud
 - New fraud chief coming on board
 - Determining the right balance of staff and tools to ensure eligible claimant receive benefits timely while preventing fraudulent actors from claiming benefits.

Recording timestamp 41:30

Question from Sybill Hyppolite: I'm really concerned about how 23% of claims are being caught up in fraud issues and then most of them are being allowed at the end of the day, and we all know how much burden it puts on workers when they experience delays in UI. So, while we have a relatively low level of fraud, it just seems like quite a high cost for very little benefit when you look at what's going on with workers. I look forward to hearing more from you all about how you anticipate solving these problems, especially while you're looking for someone to lead this work and also putting in this funding request.

Answer from Matt: Thanks Sybill. We absolutely appreciate that perspective and agree. It is a balancing act, and we do look forward to working with you all and having more information soon.

Recording timestamp 43:01

Question from William Westmoreland: How are the 14 positions currently funded?

Answer from Matt: Some is funded by grant money that runs out, and some is from the unemployment administrative funding that we get from the federal government at the expense of other important positions.

JR Richards: The reason for this as is that the grant funding is ramping down and ending. Because it's tied to historical unemployment rates, there isn't funding to continue to carry these positions forward.

Follow-up from William: So, these are 14 new positions in terms of the budget for the agency.

Matt: Correct.

William: What role does SAW play in identity and is the UI program leveraging that?

JR: We are leveraging SAW, and when someone is setting up a fictitious account, and they have all of this person's information, they're still going to go through SAW like anyone else, and that wouldn't stop them, because they have all the right information to get through the account. But we can follow up more with what that looks like for you.

Outreach Decision Package

JR handed the floor to Nino Gray, Executive Outreach Officer, ESD. Nino introduced himself and his role at the agency, and presented an overview of the Outreach Decision Package using the following slides:

Executive Outreach Office



Executive Outreach Officer
Introduction and Overview



Executive Outreach Office



Executive Outreach Current

- Relationship building with ESD programs and key external partners
- Representing ESD on Governor's Small Business Liaison Team and on small business boards
- Support agency outreach initiatives underway: i.e., UI Navigator

Executive Outreach Future

- Grow CBO relationships from a cross-agency perspective
- Lead collaborative outreach and engagement efforts across the agency increasing efficiency and effectiveness in communities
- Increase community outreach, engagement and collaboration
- Improve quantity and quality of outreach-related information shared with community partners
- Evaluate and update outreach methods, strategies and outcomes to inform agency practices

Outreach Decision Package

- Funding for staff to support Executive Outreach Office
- Funding for awards to Community-based organizations to do outreach and education for all Employment Security benefit programs
 - Includes outreach and education for employers
- Aligns with other agencies like L&I as well as other states like New Jersey

Outreach Decision Package

- \$3 million in awards for Community-based Organizations
- \$300,000 for hosting and sponsoring events to extend reach beyond awarded CBO's
- Six FTE
 - 2 Outreach Program Managers
 - 1 Outreach Program Coordinator
 - 1 Administrative Assistant
 - 1 Communications Consultant
 - 1 Operational Research Specialist

Total funding ask for biennium = \$5.1 million dollars (CPP and PFML)

Recording timestamp 52:47

Question from Josie Cummings: Sounds like you're doing some good work and thank you for your service. Have you thought about how this is in line with the governor's direction to agencies about keeping programs at current levels versus growing them?

Answer from Nino: the focus is making sure that people are aware of these programs and services that we're delivering and not just a one-dimensional government approach.

Dan Zeitlin: We are aware of that for all our decision packages. We have federal funding on the UI side to fund the UI navigators working with these CBOs. The outreach is intended to get information out about both programs and gain efficiencies for both [UI and PFML].

Recording timestamp 58:03

Question from Bob Battles: If you don't get the grants, does this program survive and if so, what do you take away from somewhere else?

Answer from Dan: There's federal funding to do this work until May of 2025 and if there's not another funding source for it, the work ceases. As we'll continue to discuss with you all, our agency is in a situation in which we have a variety of needs and limited resources and working with you and going through this process is the mechanism by which we'll sort through questions like this. But ultimately, we have X amount of dollars and resources.

Recording timestamp 01:00:10

Question from William Westmoreland: This feels like an ask to sustain your current efforts, but what were the outcomes of your efforts so far, and what would we get in exchange for this budget increase to retain the program?

Answer from Dan: We do have a dashboard that shows customers served and the impacts it's had on their claims experience, and other metrics of effectiveness and we're happy to share that.

Follow-up from William: If this investment was worthwhile and funding is not given, what are the options beyond increasing the agency's budget to retain the model that was funded under a grant from DOL.

Answer from Dan: We will commit to setting up a mechanism for engaging with the local workforce areas around what this looks like in the long term, assuming it's funded. If it's not funded, I think we're all ears on brainstorming with the local areas on how we can continue to do work like this.

Recording timestamp 01:05:01

Question from Julia Gorton: When was the executive office of outreach created within the agency?

Answer from Dan: Nino currently reports to the commissioner as an individual, this ask would create the office.

Follow-up from Julia: Is this a legislative directive or an agency initiative?

Answer from Dan: The position as an agency initiative. The ask is to create an office.

Recording timestamp 1:06:28

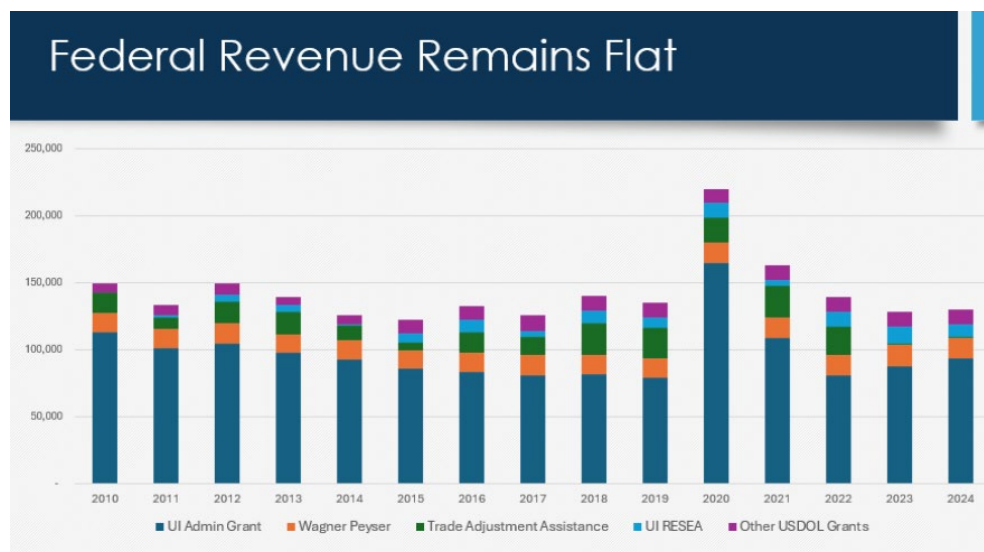
Comment from Caitlyn Jekel: I did want to clarify a distinction that in the Paid Family Medical Leave law there is a specific mandate to ESD to manage an outreach and engagement strategy, and as we think about what you need coming out of this meeting, there's a variety of follow up materials we can send you about outreach.

Recording timestamp 01:07:56

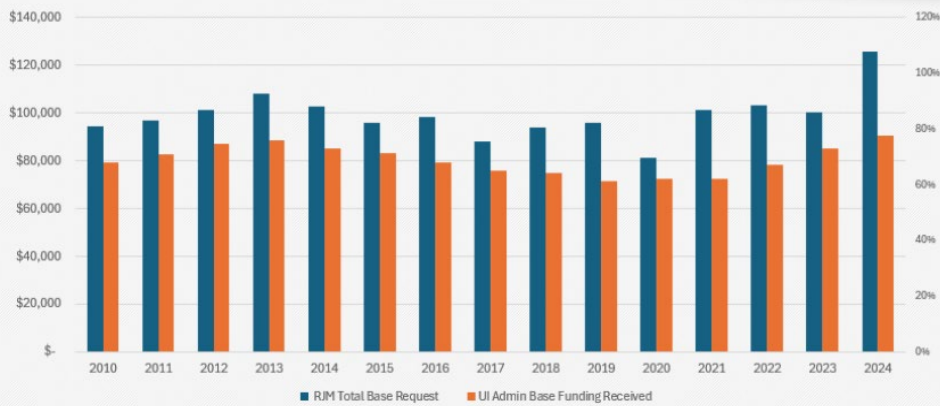
Comment from Sybill Hyppolite: Regarding outreach, the State Labor Council was awarded an outreach grant, and my coworker Michael's work as a navigator has been effective and helpful to workers. He's been providing training to workers so they know how to file claims correctly, which has helped to reduce some delays and backlogs. He's had a big impact on registered apprentices, who can have challenges navigating the UI system. The CBOs awarded this grant do work statewide, and he's also been able to partner directly with a point of contact at ESD to help resolve some of these issues.

Financing the UI Program

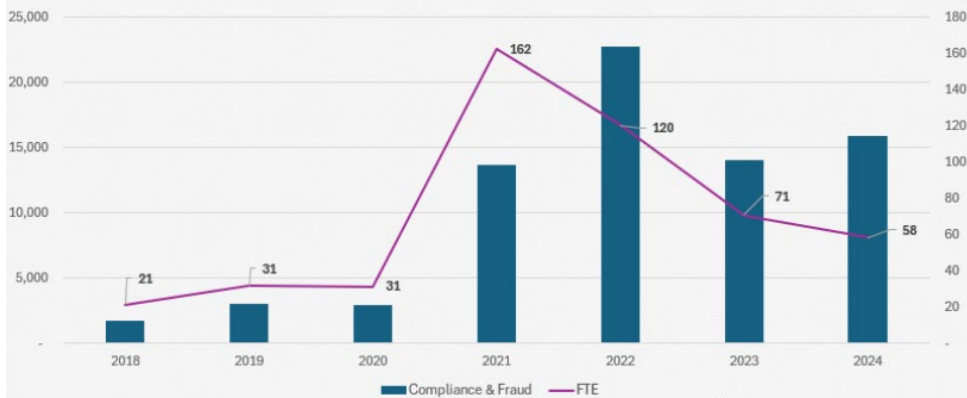
Dan Zeitlin, Chief of Staff, ESD introduced this portion of the meeting and Danielle Cruver, Chief Financial Officer, ESD presented on the agency's revenue and cost drivers for the UI program and agency writ large using the following slides.



UI Federal Funds Can't Keep Up w/Costs



Cost Driver: Identity Theft Changed Fraud Landscape



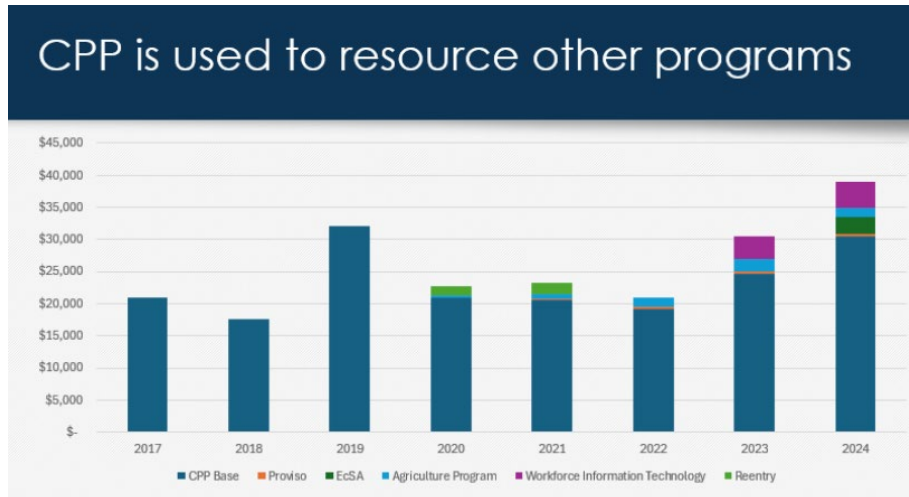
Cost driver: Average personnel costs increasing



Recording timestamp 01:17:01

Question from Bob Battles: I assume salary increases are included in the state budget already, so aren't those already anticipated? Shouldn't this come from the general fund, not the program fund?

Answer from Danielle Cruver: Those costs are not offset by general fund state, they have to be born out of our federal awards/base costs.



Recording timestamp 01:20:55

Question from Julia Gorton: Of the expenditures from CPP, what are legislatively directed, and what are agency initiatives?

Answer from Danielle: On average, there is about \$20 million in our base that is primarily used to support IT contract costs for the UI program and then to offset Wagner Pizer and the Employment Connections program in the workforce offices when Wagner Pizer has been reduced. It also covers data FTE that are not fully funded by a BLS grant.

Recording timestamp 01:22:46

Question from Julia: Regarding the average personnel costs, do you have an idea of the employment numbers in these categories, and where employment growth has occurred?

Answer from Danielle: For UI they have stayed at about 440. Technology has increased but it's roughly 40. There is an increased need for technology to support the systems.

Recording timestamp 01:24:21

Question from Katie Beeson: As a follow-up to the increased IT staff, do you anticipate that this level of staffing will be a long-term need, or will the same level not be needed once the systems are rocking and rolling?

Answer from Danielle: With our decision packages, you'll see a request for some early technology improvement through the development of Core 21 and within that there's also going to be a request for a feasibility study for UI modernization. So, what I'm projecting on the budget side is an elevated need for technology by this upcoming biennium and the next biennium as we build that UI modernization and the newer systems. And then, once that new technology is on board, the anticipation would be some efficiencies in FTE.

Recording timestamp 01:25:42

Question from William Westmoreland: If the funding for the additional 14 positions and the \$1.5 million for the new outreach team are approved and become part of the budget, will the narrative continue that federal resources for UI are not funding this team completely? If we're adding other positions that now fall into this category that those Federal dollars should be supporting, and now

we're leaning into CPP to fill the gap, is this gap because we have a specific desire to approach the service strategies in a way that isn't supported by the Federal resources?

Answer from Dan Zeitlin: I think the next part of this, and Eve's presentation will get to what you're speaking to, which is in our view, the way that we're currently operating and the revenue we need to do that are mismatched. We're getting about 70, 75% of what we need to operate the program. Eve's presentation will speak to current costs to run the program, meeting that gap, what it would mean to fund these decision packages, and what it would mean for those to be funded over the long term.

William: We need to understand the return on these additional investments because we're performing at a service level that we're not funding. So, if we're asking in a limited resource time when the Governor is instructing us not to grow agency, are we getting a return that's worth advocating for through a decision package?

Dan: We hear you. In the end it's deciding what kind of employment services programs we want to invest in as a state with, to your point, key outcomes expected with those investments that go beyond the current state. And as we're trying to demonstrate here, that's something that requires a level of resource beyond what the feds provide. The fact is the feds haven't changed the way that these programs are financed in literally decades, so all states are struggling with this and left on their own to decide what kinds of programs to operate and what investments to make in those programs.

Recording timestamp 01:33:05

Question from Julia Gorton: When I think IT, I'm thinking, someone who has technical expertise in equipment or software. Is that what the IT staff referenced here includes? Or are we talking about different classifications of positions and project managers and things like that?

Answer from Danielle Cruver: It includes all the IT job class series FTE, and IT product and project managers as well.

Dan Zeitlin introduced the 3 funding scenarios in the below slide.

Financing ESD Programs: Scenarios

Actuary Provided 3 Scenarios:

Scenario #1: Assumes current ESD program (UI, Workforce, and LMI) needs with a 3-month contingency buffer.

Scenario #2: Assumes current ESD program needs, 3-month contingency buffer and approval of DPs for which ESD is requesting CPP funding.

Scenario #3: Assumes current ESD program needs, 3-month contingency buffer and approval of all DPs financed with CPP regardless of funding source request.

***Note:** Funding amounts are estimates.

Eve Sheng, Managing Actuary, ESD then provided more detail on each scenario using the following slides.

UI Funding Status vs. Operational Needs

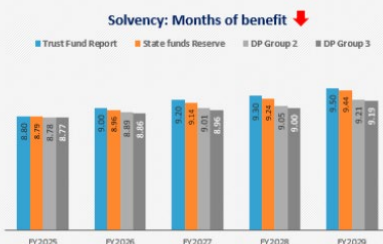
- Federal Tax (FUTA) remains flat* on \$7000 wage base since 1983
- State funds supplement continuous federal funding shortfall**
 - ❑ Exhausting state funds by 2029
 - ❑ Reducing support against rising demands
 - ❑ Delaying investments to future needs
 - ❑ Widening gaps to meet expectations over time
- Explore additional funding streams
 - ❑ Fund appropriation from social tax
 - ❑ Increase CPP tax
 - ❑ General fund
 - ❑ Hybrid

Note: estimate state funds ending balance about \$15 million by FY2027 and potential deficit of \$8.8 million by FY2029
 *0.8% between 1983-2010 and 0.6% post 2010 after FUTA credit
 **about 0.015%~0.02% of taxable income in near term, and the gap will grow overtime if no increase from federal funding in the future

Short-term Impact on Trust Fund Solvency, Flat Social Cost Factor*

Appropriating fund by diverting social tax

- Trust fund solvency level (months of benefit) down by **0.31 month** (9.50 vs. 9.19) by 2029
- Over time, continuous demand weakening trust fund solvency and posting greater solvency risk



Months of Benefit	Social Cost Factor	Solvency Tax
<7-month		0~0.20%
<10-month	0.60%	
<11-month	0.50%	
<12-month	0.40%	
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Note:
 scenario1: namely, state fund reserve (3-month payroll)
 scenario2: state fund reserve + DP group 2, including UI customer improvement operations, customer compliance, system modernization, UI navigators and WIT
 scenario3: state fund reserve + DP group 2 + DP group 3 which includes re-entry employment services, service corps support and agriculture workforce services

Recording timestamp 01:43:22

Question from William Westmoreland: If we reduce the average time someone's on UI, I'm assuming it would have a positive impact on solvency over time.

Answer from Eve Sheng: If we assume everything else is equal, but we know that everything else is never equal. Currently our average duration is sitting close to 14-15 weeks, so, if all our efforts and the decision package reduces the duration, I think at that point there will be an improvement to the trust fund solvency, but the question is the magnitude. That's a calculation we have to think about. The other thing is the economic scenario which changes every day. That's why there are too many factors at play in this picture.

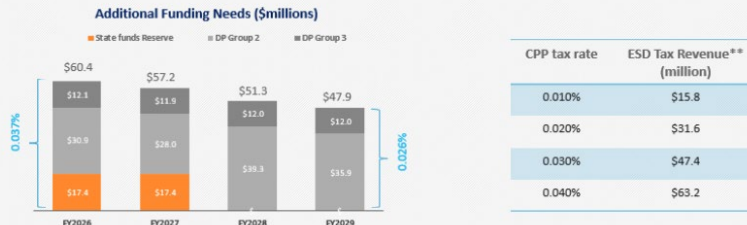
William: If the percentage of people on UI went up, are we looking at those different scenarios over time?

Eve: Based on the economic forecast council and the employment rate projection, we're not going to go into a recession by 2029 but if a recession were to happen in 2029, then the months of benefit would reduce. The story here is not about how much we're going to lend, it's about the change. What we're trying to show is by funding everything the impact to the trust fund solvency is about .31 months, and regardless of whether we go into a recession or not, the incremental data difference will remain the same.

Additional Funding to Support Program and Implied Taxable Wage

Increasing CPP tax

- Combined annual funding needs account for 0.026~0.037% tax increase, FY26-27 CPP tax up to 0.057% (vs. 0.02%)
- Employers at Rate class 10 tax rate up to 1.537% from 1.500% and incur \$ 15,370 tax (vs. \$15,000) for every million taxable wage in 2026



CPP tax rate	ESD Tax Revenue** (million)
0.010%	\$15.8
0.020%	\$31.6
0.030%	\$47.4
0.040%	\$63.2

Note:
 scenario1: namely, state fund reserve (3-month payroll)
 scenario2: state fund reserve + DP group 2, including UI customer improvement operations, customer compliance, system modernization, UI navigators and WIT;
 scenario3: state fund reserve + DP group 2 + DP group 3 which includes re-entry employment services, service corps support and agriculture workforce services
 ** Use closest calendar year taxable wage as the base

Recording timestamp 01:49:18

Question from William Westmoreland: How does this compare to peer states and other states across the country in terms of what employer contributions look like.

Answer from Eve Sheng: so this is a very challenging question because the base is different and so is the way they calculate the rate. It's more like an apple to orange comparison, and I think it's not really meaningful. I can say that Washington provides almost the highest benefits to employees that are out of work.

William: Have we gauged employer input on an increase?

Dan Zeitlin: That's what we're starting to do here. The state comparison is tricky because every state has a different approach to UI on both the benefits and the tax side.

Recording timestamp 01:51:04

Question from Bob Battles: How does this \$370 tax increase compare to previous times when there were increases, not including the pandemic? Is this consistent with what we've seen in the past (aside from the pandemic), or will this be a higher rate increase than we've seen before?

Answer from Dan Zeitlin: CPP has been unchanged since I think it was established, but I think what you're asking for and what we could provide is a history of how employers have seen, on average, their experience in social tax rates fluctuate over the years, and what it would look like in comparison to adding a 10th of a percent or 2 tenths percent what the options are here, am I capturing that right?

Bob Battles: I think that's what I'm looking for. I'm trying to understand whether my employers are going to see this and get very concerned or if this is something that is consistent so we can react appropriately.

Eve: To give you one more data point, if we look at tax year 2025 forward, we see employers experienced a rate of reduction way more than this one. So currently, their average experience rate is .88 and I think for 2025, they're probably coming to point .79, close to .8. So, to that extent you can see that from year to year fluctuation on the experience rate is more than the increase for the CPP tax year.

Comment from Julia Gorton: I think what we need is the taxable wages, so that we know what 2 tenths of a percent increase is for the business community.

Recording timestamp 01:49:47

Question from Julia Gorton: What's the total amount we're looking for here?

Answer from Eve: About 210 million across four years.

Julia: Is the customer focused decision package inclusive of this or is it just the items that were discussed today?

Eve: I think the customer compliance and outreach is only part of this decision package. In the notes [see above slide] I think group 2 and group 3 together is basically everything we're asking for. So, not just what we talked about today but also what was talked about last meeting and the meeting prior.

Hybrid Approach Mitigating Risks/Impacts		
Leveraging all funding streams		
Funding Stream	Usage of Funds	Impact
Fund Appropriation	Social Tax Diversion to CPP Account State Fund Reserve	Month of Benefits down by 0.06 <ul style="list-style-type: none"> Annual \$17.4 million FY26-27 No impact post FY26-27
CPP Tax Increase	Decision Package Group 2	Annual CPP tax up by 0.02% <p>For example:</p> <ul style="list-style-type: none"> Rate class 10 tax rate @ 1.52% vs. 1.50% Rate class 20 tax rate @ 3.12% vs. 3.10% Rate class 40 tax rate @ 6.04% vs. 6.02%
General Fund	Decision Package Group 3	Annual request of \$12 million

Note:
scenario#1, namely, state fund reserve (3- month payroll)
scenario#2, state fund reserve + DP group 2, including UI customer improvement operations, customer compliance, system modernization, UI navigators and WIT;
scenario#3, state fund reserve + DP group 2 + DP group 3 which includes re-entry employment services, service corps support and agriculture workforce services

Dan Zeitlin then gave an overview of next steps for these decision packages.

Next Steps

- Decision Packages Impacting the UI program
 - Maintain Existing Services (CPP)
 - Customer Improvement/Call Center Operations (CPP)
 - UI (Core21) Technology Improvement (Reed Act)
 - ESD Outreach (CPP and PFML)
 - Website Modernization (CPP and PFML)
- Decision Packages impacting CPP
 - Workforce Information Technology
- General Fund State Decision Package Requests
 - Service Corps
 - Justice Involved Employment Services
 - Economic Security for All (EcSA)
 - Agricultural and Seasonal Workforce Services (ASWS)

Agency Request Legislation

- Diversion of social tax appropriation and adjusting the CPP rate

Public Comments

JR reminded meeting participants that if they would like their comments captured in the meeting minutes to please email them to camille.galeno@esd.wa.gov.

No public comments were made.

Adjourned

JR thanked everyone for joining and adjourned the meeting.

Action Items (ESD)

- Provide further info on the causes of increased claims as root cause analysis is conducted (see pg. 7)
- Provide dashboard that shows customers served through ESD's Navigator Program, impacts on claims experience, and other metrics of effectiveness (see pg. 9).
- Provide materials relating to the PFML mandate that the agency manage an outreach and engagement strategy (see pg. 11).
- Provide history of tax rate fluctuations for employers over the years (see pg. 16).

Next meeting

September 4th, 2024, from 1:00pm to 3:00 p.m. via Zoom.

Addendum I



Employment Security Department WASHINGTON STATE

Agenda

Unemployment Insurance Advisory Committee (UIAC)

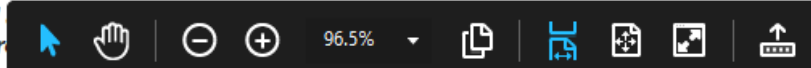
Wednesday, Aug. 7, 2024 | 1:00 pm- 3:00 pm | Via Zoom | 212 Maple Park Ave SE, Olympia, WA 98501

Time	Topic
1:00 pm	Welcome from JR Richards, Director, Unemployment Insurance Customer Support, Employment Security Department (ESD) <ul style="list-style-type: none">o Agenda overview
1:05 pm	Approval of July 24, 2024 meeting minutes
1:10 pm	June Trust Fund Report – Vaughn Ellis
1:15 pm	Customer Compliance Decision Package-UI – Matt Buelow
1:25 pm	Outreach Decision Package - Nino Gray and Caitlyn Jekel
1:35 pm	Financing the UI Program – Dan Zeitlin, JR Richards, Caitlyn Jekel, Danielle Cruver and Eve Sheng
1:50 pm	Rulemaking Update – Stephanie Frazee
1:55 pm	Minimum Wage Benefit Amount (MWBA) report – Caitlyn Jekel
2:25 pm	Public Comment
2:30 pm	Adjourn

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

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Unemployment Insurance Advisory Committee

July 2024 – December 2024 Meeting Dates

[illegible]

NOTE: Hosts may have the opportunity to present to the committee and bring invited guests as part of our meeting agenda.

Per vote of UI Advisory Committee members, meetings are being recorded as of 08/03/2020 meeting.

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Updated: 8/21/2023