



# Unemployment Insurance Advisory Committee

## Meeting details

**Date:** Friday, March 29th, 2024

**Time:** 2:00pm - 3:00 pm

**Location:** Zoom

### Committee members and alternates present

#### Employee Representatives

- Sybill Hyppolite, Washington State Labor Council
- Cindy Richardson, UNITE HERE Local 8

#### Employer Representatives

- Bob Battles, Association of Washington Business
- Josie Cummings, Avista Corp
- Julia Gorton, Washington Hospitality Association

#### General Public Representatives

- Anne Paxton, Unemployment Law Project
- Allyson O'Malley-Jones, Northwest Justice Project

#### ESD staff

- Joy Adams
- Joshua Dye
- Vaughn Ellis
- Stephanie Frazee
- Camille Galeno
- Colin Helsley
- Caitlyn Jekel
- Lawrence Larson
- Marypat Meuli
- Jared Nilsen

### Committee members and alternates absent

- Tammie Hetrick, Washington Food Industry Association (alternate employer rep)
- Monica Holland, Northwest Justice Project (alternate public rep)
- Joe Kendo, WA State Labor Council (employee rep)  
(alternate public rep)
- Josh Swanson, Operating Engineers 302
- William Westmoreland, Pac Mtn WF Dev Council
- Brenda Wiest, Teamsters 117

- Jeremy Satre
- Eve Sheng
- Stephanie Sams
- Daniel Zeitlin

## Summary

### Meeting Recorded

This meeting was [recorded](#) and also livestreamed by TVW.

### Welcome and Opening Remarks

Committee chair JR Richards, Director of Unemployment Insurance Customer Support, ESD welcomed everyone to the meeting and asked committee assistant Colin Helsley to call roll.

### Agenda

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

- Approval of Feb. 23, 2024 meeting minutes
- Rulemaking Update
- Legislative Session wrap-up
- Legislative Reports
- Service Delivery Update
- Web Modernization
- SHB 2308 Job Titles Project Update
- Pandemic Overpayments
- Public comment
- Adjourn

### Meeting Minutes

JR requested that everyone review the February 23, 2024 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 February 23, 2024 meeting minutes were approved.

### Rulemaking Update

JR then handed the meeting over to Stephanie Frazee, Legislation and Rules Coordinator, ESD, to provide an agency rulemaking update. Stephanie presented information from the following slides.

## Rulemaking

- **Failure to Respond** – Working on update to WAC 192-140-035 to address both disqualification and ineligibility for failure to respond. CR 101 was sent out March 22. Comments are due on April 12.
- **Expanded Voluntary Quits (HB 1106)** – Formally adopted definitions of family members consistent with PFML definitions and incorporated updates from the bill that are effective September 3, 2023. New rule language will be effective on March 31, 2024.
- Also working on drafting rules incorporating quitting due to inaccessible care for a child or vulnerable adult and defining a split shift. Draft rules should be published soon.

## Rulemaking

- **Transportation Network Companies (HB 1570)** – Working on drafting rules concerning relief of benefit charges for part-time workers and potential other rules needed to implement bill.
- **Cross-Program Payment Allocation** – Draft rules sent out on February 8. Working on drafting the CR 102 and scheduling the rulemaking hearing, likely in late May.
- **WAC 192-220-070 Cross Reference Clean Up**– Hearing will be held on April 12, 2024, at 9:00 a.m.

No questions were raised.

### Legislation Wrap-Up

Caitlyn Jekel, Government Relations Director, ESD presented information from the following slides to provide a legislation wrap-up.

## Legislation wrap-up

|         |                         |  |
|---------|-------------------------|--|
| HB 1975 | Overpayment Interest    | Eliminates interest charged on unemployment benefit overpayments resulting during the pandemic period – Feb. 2, 2020, through Sept. 4, 2021. Interest will not accrue on those overpayments until January 1, 2025. |
| HB 1898 | Benefit Charging        | Amends statute regarding when employers receive relief of benefit charges to help the statute better reflect the agency's current policies and practices.  |
| HB 1901 | Voluntary Contributions | Eliminates the sunset on provisions that make the voluntary contribution program more accessible to more employers   |

## Legislation wrap-up

|                        |                                    |  |
|------------------------|------------------------------------|--|
| Op Budget Sec. 225(37) | Apprenticeship training materials  | Develop and deploy training to assist apprentices and apprentice advocate groups in filing claims and navigating the unemployment insurance system.            |
| Op Budget Sec. 225(44) | Wage Replacement Program Workgroup | To convene a wage replacement program for undocumented workers' work group and report findings.<br><br>Report due Nov. 15, 2024.                               |
| Op Budget Sec 225(43)  | Demographic Data                   | Research and report on how ESD could collect race and ethnicity data on workers from employers in UI and PFML wage reporting.<br><br>Report due June 30, 2025. |

Julia Gorton asked whether the demographic information was already collected for paid family and medical leave. Caitlyn answered that it has not been collected on all workers, adding that the request of this report is that when employers are submitting wage reports that race and ethnicity data would be supplied at the time of that filing. So, race and ethnicity data would be collected from an individual who's a recipient of a benefit. This would ask for the employer to produce that data when wages and earnings are being recorded.

### Legislative Reports

Caitlyn continued to the following slide and was joined by Stephanie Sams to go over legislative reports on the agency's horizon.



## Legislative Reports

|   |                           |                          |                              |
|---|---------------------------|--------------------------|------------------------------|
| Impact of the Minimum Weekly Benefit Amount       |                           | Annually until Dec. 2025 | Dec. 1, 2023<br>Dec. 1, 2024 |
| Work Search Requirements                          |                           | Bi-annually (even years) | Jul. 1, 2024                 |
| ESD Financial Report                              |                           | Annually                 | Oct. 15, 2024                |
| Federal Funding Shortfall                         | Op Budget Sec. 225(25)(b) | Two (final)              | Nov. 1, 2024                 |
| Wage replacement program for undocumented workers | Op Budget Sec. 225(44)    | One-time                 | Nov. 15, 2024                |

Stephanie asked for thoughts from the committee about how they would like to provide feedback on the Work Search Requirements Report due July 1. Bob Battles noted that providing feedback at the May UIAC meeting might be the best way to do so. Sybill Hyppolite added that she agreed it would be good to look at the report and decide on the best feedback mechanism in the May UIAC meeting.

Caitlyn continued providing information on the legislative reports listed on the above slide as well as the following.

## Legislative Reports

|  |                       |          |               |
|--|-----------------------|----------|---------------|
| Collecting Race & Ethnicity Data                                       | Op Budget Sec 225(43) | One-time | June 30, 2025 |
| Use of Standard Occupation Code (SOC) data and educational investments | HB 2308 – 2019        | One-time | Nov. 1, 2026  |
| Expanded Voluntary Quits – inaccessibility of care                     | ESHB 1106 – 2023      | One-time | Nov. 1, 2028  |

Anne Paxton asked whether the new federal standards on race and ethnicity data collection would be incorporated at the state level. Caitlyn answered that yes, it is likely the federal requirements will be taken into account during the planning and determination of the feasibility of that report.

Caitlyn then moved to the next slide to provide more detail on the November 2023 Federal Funding Shortfall Report.

# Legislative Reports

Nov. 2023 Federal Funding Shortfall Report started the work that will be continued this year. It stated -

To address long-term sustainability of the state's UI program, various state funding options could be considered:

- Reducing non-UI program reliance on CPP and P&I funding through alternative funding sources, such as competitive discretionary grants
- Ongoing appropriation of general fund-state to support administration of the UI program; and
- Increase of revenue collected through state P&I or CPP accounts.

Bob Battles thanked Caitlyn for keeping the committee apprised of the progress on these reports and providing opportunities for feedback.

## Service Delivery Update

JR Richards provided a UI service delivery update to the committee using the following slides.

# Service Delivery Update

| Metric                         | 2019      | 2023      | % change |
|--------------------------------|-----------|-----------|----------|
| Average UI claims staff        | 245       | 223       | - 9%     |
| Number of continuing UI claims | 1,246,106 | 1,289,118 | + 3%     |
| Incoming call volume           | 565,340   | 1,114,982 | + 97%    |
| Identity issues set            | 5,295     | 105,073   | + 1,884% |

# Service Delivery Update

## Root Cause issues

### ■ Consumer behavior:

- 25% of customers apply for benefits over the phone instead of using the online services
- 48% of claims are being accessed by a mobile device, but the site is not mobile-friendly

### ■ Service delivery model requires some degree of self-service:

- During peak season, to address each unique claimant seeking service by phone would require an addition 135 FTE to be deployed to phones

### ■ Reduced FTE since pre-pandemic:

- Pandemic overpayment hiring
- Re-classification and per-FTE costs have reduced headcount to budget

### ■ Identity fraud and complex financial crimes were minimal pre-pandemic. Identity issues are ~70% of our fraud team's workload.

# Service Delivery Update

## Immediate actions to address backlog:

- Deploying overtime hours in UI adjudication team, fraud management, tax & wage
- Implementing in-person identity verification option in WorkSource offices with 24 -72 hour processing time once received.
- Expanding the role of UI Ambassadors in WorkSource offices to offer more in-person support available in communities.
- Contract with LexisNexis to clear lowest-risk claimants awaiting identity verification.
- Continued overtime for UI and fraud teams.
- 2024 budget request based on updated staffing model.

Bob Battles noted the large increase in incoming call volume and asked whether this was a gradual increase or not. JR answered that it was not a gradual increase, but rather that the number of claims in the first 18-months of the pandemic was the same as the number of claims made over the previous 18 years. JR added that they have come down since then but have not returned to 2019 numbers. Bob asked about tracking of call topics and whether the call volume has stayed high due to issues accessing the system or the increase in identity theft. JR answered that it is due to both of those reasons as well as a wide variety of other consumer behaviors and concerns such as customers feeling that their information is safer when given over the phone rather than online. JR added that the root cause of each of these is being investigated and that a range of approaches are being looked at to address these issues, one being the web modernization project/building a mobile friendly site.

Anne Paxton asked whether the fact that 150,000 potential people have questions about overpayment waivers contributes to the post-pandemic surge in calls. JR answered that although one would think it



would be a significant part of the surge, it's actually a very small percentage, noting again that there is no one thing driving the high call volume but rather an apparent shift in consumer behavior and that other states are experiencing similar differences post-pandemic. JR added that addressing these numbers will involve thinking differently about how the agency engages with claimants and trying to meet them where they are today.

JR concluded the service delivery update by outlining next steps.

## Next steps

- In-depth business analysis to support funding strategy across the agency
- Executive leadership strategic planning Mid-April
- Decision Package submitted to OFM/Gov Sept.
- Financial Report Oct. and Federal Funding Shortfall report Nov.
- Continued engagement with UIAC at subsequent meetings throughout this time

Sybill Hyppolite thanked JR for this work and for keeping the committee informed of the process, adding that she looks forward to helping however possible.

Due to time constraints, JR moved to the topic of pandemic overpayments. Web Modernization and the SHB 2308 Job Titles Project Update will be moved to the next meeting's agenda.

JR provided an overpayments update using the following slides.

## Pandemic Overpayments

**Phase 1 - Overpayment Blanket and Administrative Waivers**

|                                      |   |
|--------------------------------------|---|
| 21,364<br><small># Customers</small> | \$13.4M<br><small>Amount Waived</small> |
|--------------------------------------|---|

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|   |   |
|---|---|
| <b>Phase 2 - Overpayment Waivers Approved to Date</b> | <b>Phase 2 - Overpayment Waivers Denied to Date</b> |
| 26,089<br><small># Customers</small>                  | 1,096<br><small># Customers</small>                 |
| \$60.4M<br><small>Amount Waived</small>               | \$2.4M<br><small>Amount Denied</small>              |

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**Phase 2 - Waiver Applications Received to Date**

|   |   |   |   |   |
|---|---|---|---|---|
| 46,788<br><small># Submitted Applications to Date</small> | 28,974<br><small># Completed Applications</small> | 17,814<br><small># Pending Applications</small> | \$136M<br><small>Amount of Pending Applications</small> | 97%<br><small>% of all Waiver Applications Approved</small> |
|---|---|---|---|---|



# Pandemic Overpayments

- Outreach
  - Outbound Calls to ~8k Claimants with high dollar OPs.
  - Email and letter communications to individuals who experienced pandemic-era overpayments and have not responded to prior outreach.
- Reviewing remaining pandemic overpayments
  - Consider information on file .
  - Goal to close out project.

Sybill asked if the funding for this project ends at the end of this year. JR answered that ESD is tracking for this timeline currently but that the agency has requested an extension of the funding. JR added that she would follow up with specifics.

## 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](mailto:camille.galeno@esd.wa.gov).

One public comment was emailed after the meeting and is copied here:

“I sat in on the meeting today and wanted to bring attention to the SEAP program.

I applied for SEAP and was denied because it was determined due to my skills, experience and labor market data I would likely find work before my unemployment benefits ran out. There is a disconnect between this rationale and the purpose of SEAP.

I think overall the intention of the program is great. The criteria for acceptance into the program (WAC 192-200-050) needs attention.

The benefit of being in the SEAP program is that you do not need to apply for 3 jobs a week. You can focus on starting your new business.

I would argue that no one should be denied. Anyone trying to start a new business should be encouraged and supported by the state ESD and automatically eligible to receive unemployment benefits because they are attempting to create a new job that could lead to more job opportunities if successful. The state ESD should support in a more robust and clearly intentioned way - entrepreneurs and new enterprises. Any income reported reduces the unemployment benefits accordingly. This allows for assistance when needed and the ability to start replacing it when income is earned. There is no conflict here.

Also, it is important to understand that there are other factors why someone may not be as valued as an employee because of age.

I urge ESD to take a hard look at the SEAP program, it's purpose and then develop the program to support it.

Please let me know if there is an opportunity to work with ESD to consider making changes to the program. I will also be discussing with my state Rep. Liz Berry.

Thank you,  
Michael Smith”

### **Adjourned**

JR thanked everyone for joining and adjourned the meeting.

### **Action Items**

- Committee to hold a discussion on the Work Search Requirements Report at the May 2024 UIAC meeting.
- JR to provide end date of overpayments project funding.
- JR to send details to committee members on a recent agency press release, and an overpayments waiver communication being sent to claimants.

### **Next meeting:**

May 15, 2024, from 10:00am to 12:00 p.m. via Zoom.

## Addendum 1



### Agenda

#### Unemployment Insurance Advisory Committee (UIAC)

Friday, March 29, 2024 | 2:00 pm - 3:00 pm | Via Zoom | 212 Maple Park Ave SE, Olympia, WA 98501

| Time    | Topic   |
|---------|---|
| 2:00 pm | Welcome from JR Richards, Unemployment Insurance Customer Support (UICS) Director, Employment Security Department (ESD) <ul style="list-style-type: none"><li>o Agenda overview</li></ul> |
| 2:05 pm | Approval of Feb. 23, 2024 meeting minutes   |
| 2:10 pm | Rulemaking update – Stephanie Frazee  |
| 2:15 pm | Legislation wrap-up – Caitlyn Jekel   |
| 2:30 pm | Legislative Reports - Stephanie Sams & Caitlyn Jekel  |
| 2:40 pm | Service Delivery Update – JR Richards   |
| 2:45 pm | Web Modernization – Jeremy Satre  |
| 2:50 pm | Pandemic Overpayments - JR Richards   |
| 2:55 pm | Public Comment  |
| 3:00 pm | Adjourn   |

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

#### RECORDING DISCLAIMER:

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