



Unemployment Insurance Advisory Committee

Meeting details

Date: Wednesday, December 11th, 2024

Time: 1:00 pm – 3:00 pm

Location: Zoom

Committee members and alternates present

Employee Representatives

- Sybill Hyppolite, Washington State Labor Council

Employer Representatives

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

General Public Representatives

- Anne Paxton, Unemployment Law Project
- John Glynn, Pac Mtn WF Dev Council

ESD staff

- Gustavo Aviles
- Heather Campbell
- Joshua Dye
- Vaughn Ellis
- Stephanie Frazee
- Camille Galeno
- Colin Helsley
- Xuetao Huang
- Kennidi Hunsicker
- Matthew Klein
- Olga Kondratjeva

Committee members and alternates absent

- Monica Holland, Northwest Justice Project (alternate public rep)
- Joe Kendo, WA State Labor Council (alt employee rep)
- Allyson O'Malley-Jones, Northwest Justice Project
- Cindy Richardson, UNITE HERE Local 8
- Josh Swanson, Operating Engineers 302
- Brenda Wiest, Teamsters 117
- Lindsey Hueer, Association of Washington Businesses

- Lawrence Larson
- Marypat Meuli
- JR Richards
- Connie Riker
- Anneliese Vance-Sherman
- Eve Sheng
- Dan Zeitlin

Summary

Meeting Recorded

This meeting was [recorded](#) and livestreamed by TVW. Please reference this recording for further meeting details and full dialogue 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.

Agenda

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

- Approval of September 4, 2024, meeting minutes
- OAH Appeals Update
- Legislative & Government Affairs Updates
- Labor market presentation
- Nov. Trust Fund Report
- Project/Portfolio report out
- Rulemaking Update
- Public comment
- Adjourn

Meeting Minutes

JR requested that committee members review the October 30, 2024, draft UIAC meeting minutes and provide their feedback. Julia Gorton moved to approve the minutes. Anne Paxton seconded the motion. All in favor said “aye”. No members were opposed. The October 30, 2024, meeting minutes were approved.

OAH Appeals Update

Brendon Tukey, Deputy Chief Administrative Law Judge, OAH to provide an update on OAH appeals. OAH.

UI Appeals: The Backlog is Done!



Inventory – Then & Now

- Pre-Pandemic (Nov 30, 2019): 2,392 cases.
- Peak Inventory (March 2022): 46,129 cases.
- Inventory as of Nov 30, 2024: 2,298 cases.

Average processing time pre-pandemic vs post-pandemic

- 2019: 28.09 Days.
- Peak pandemic processing time (May 2024): 240.59 days.
- As of Nov 2024: 22.53 days.
- **Made DOL Metrics in Oct & Dec – first since Dec 2019**
 - Oct: 72% w/in 30, 86% w/in 45
 - Nov: 82% w/in 30, 94% w/in 45

Average monthly intake pre-pandemic vs post-pandemic

- 2019: 2,473 / month.
- 2023: 3,323 / month.
- As of Nov 2024: 3,439 / month.
 - Down substantially over last three months: 2,551 average across Sep, Oct, Nov

UI Appeals: Looking Forward



- Intake seems to be reverting to pre-pandemic “normal”.
- We are no longer scheduling group dockets or using Brief Adjudicative Proceedings (BAPs) and have reduced caseloads per ALJ – effectively building reserve capacity.
- Focused on consistently making DOL metrics:
 - Prior to pandemic we missed more often than not.
 - Team effort with ESD.
 - Need to keep ADHS in the mid-20 day range or lower to ensure success.

No questions were raised.

Government Relations Update

Josh Dye, Interim Government Relations Director, ESD to present information from the following slides on Government Relation Updates.

Legislative & Government Affairs Updates



Reports

Minimum Weekly Benefit Amount Report

- No comments received from committee members

Federal Funding Shortfall Report

- Submitted to OFM for review

Updates

Commissioner Feek has been reappointed by Governor-elect Ferguson

Labor and Workplace Standards

- UI Service Update and Overview of 2025 Legislative Requests.

- presented Dec 10 during Assembly Days

Recording timestamp 00:16:11.000

Question from Julia Gorton: Thanks, Josh. At the last meeting we had asked for, I think more data on the minimum weekly benefit report specific to. Sorry. I'm trying to remember what we had requested.

Answer from Josh Dye: I've got, and I was going connect with you before and just have not yet. So yeah, I'll connect with you within shares what the team was able to pull together for that.

Josh Dye will follow up on the Minimum Weekly Benefit Amount Report

Recording timestamp 00:43:01.000

Question from Katie Beeson: Josh, you probably won't be able to answer this until you see the governor's budget but are you anticipating having to prepare a secondary package given the original request packages came out, I think we have a clearer picture of the budget shortfalls that we're looking at over the next 4 plus years. As you had highlighted yesterday with the team, that most of the requests coming from ESD are all Budget related. I just feel like you guys are kind of in a tough spot, and I'm wondering if there are plans to pivot at all.

Answer from Josh Dye: Yeah, your kind of right, we'll be able to talk good about it in more detail next week. Once we see the governor's budget, I will say we, our financial services team and executive leadership have been in pretty close contact with OFM. So I'm hopeful that what is represented in the Governor's budget will capture the priorities that we're looking for. But it's all obviously going to reflect the financial situation. The State's looking at. So that's a long way of saying, Yeah, you're right. I can get you more information next week.

JR Richards added that ESD will be able to discuss the budget in more detail when it comes out next Tuesday (December 17th, 2024). JR will provide the budget to the committee once published. ESD will have an opportunity to review the budget, understand the impacts, and what actions ESD will be taking. JR will provide more information to the committee once that review is complete.

JR Richards also provided an update on Governor Inslee directive on hiring freeze, services contracts, goods and equipment purchases, and travel. It went into effect on December 2nd and will last until it's rescinded by the current governor, or the governor elect. JR will send a link to the directive for those interested.

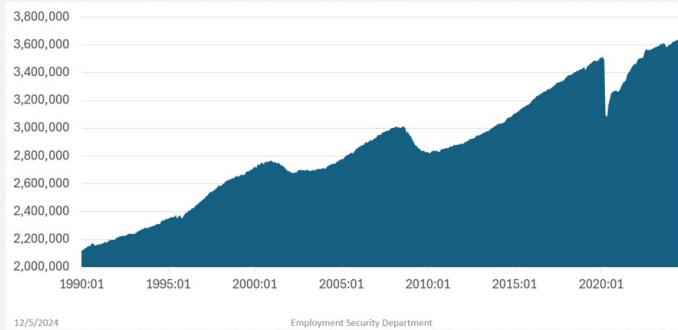
Labor Market Update

Annelise Vance-Sherman, Chief Labor Economist, ESD to present information from the following slides on the labor market.

Labor market report



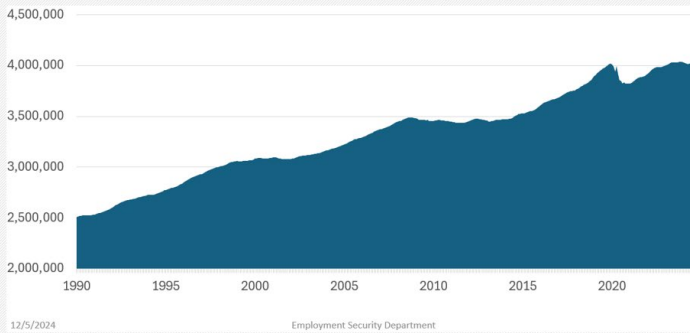
Job recovery after the pandemic was swift



Labor market report



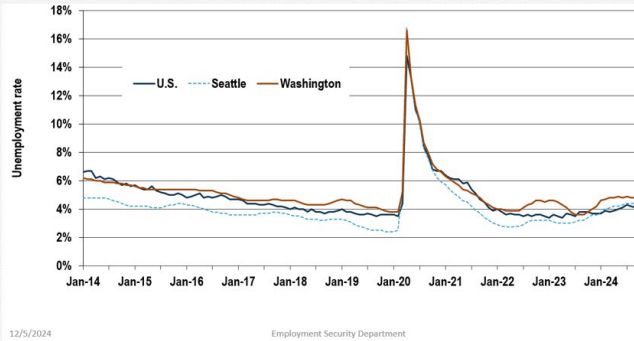
Washington's labor force recovered more slowly



Labor market report



The Unemployment rate was 4.7% in October



Labor market report



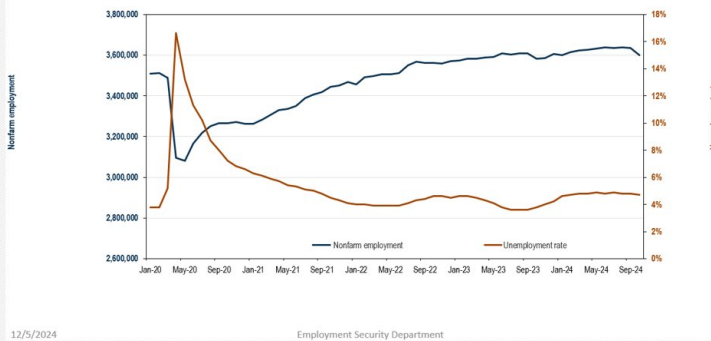
The labor force participation rate has been dropping



Labor market report



Payroll employment and the unemployment rate have been relatively steady



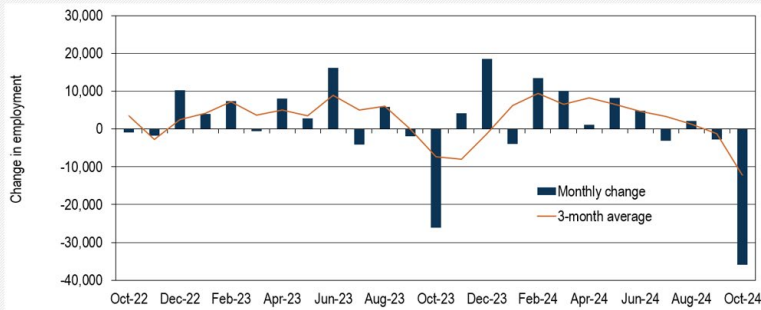
12/5/2024

Employment Security Department

Labor market report

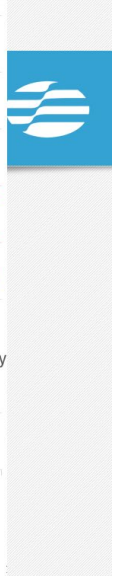
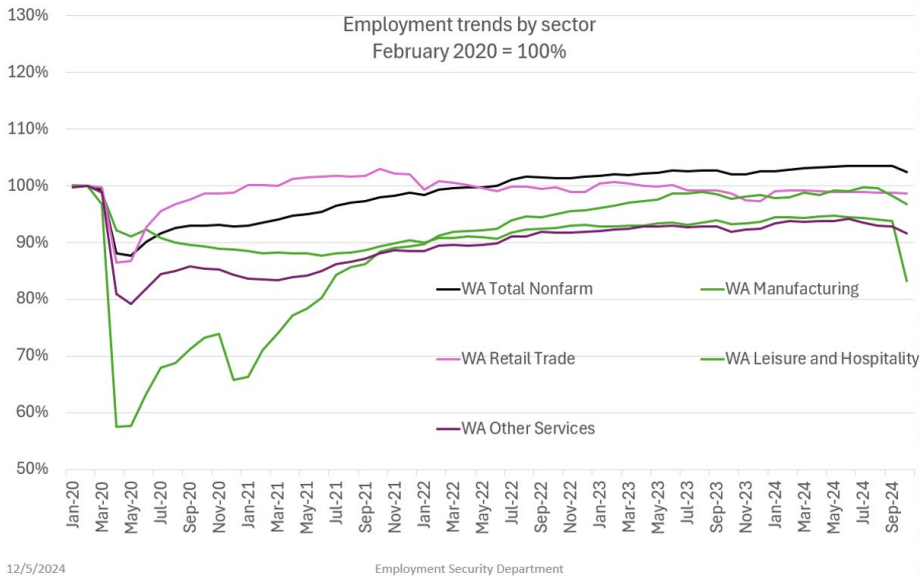
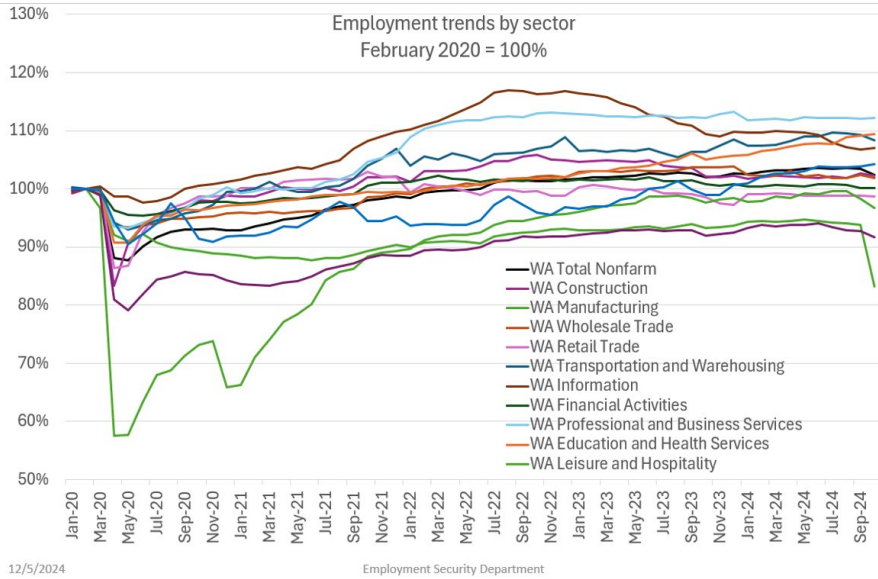


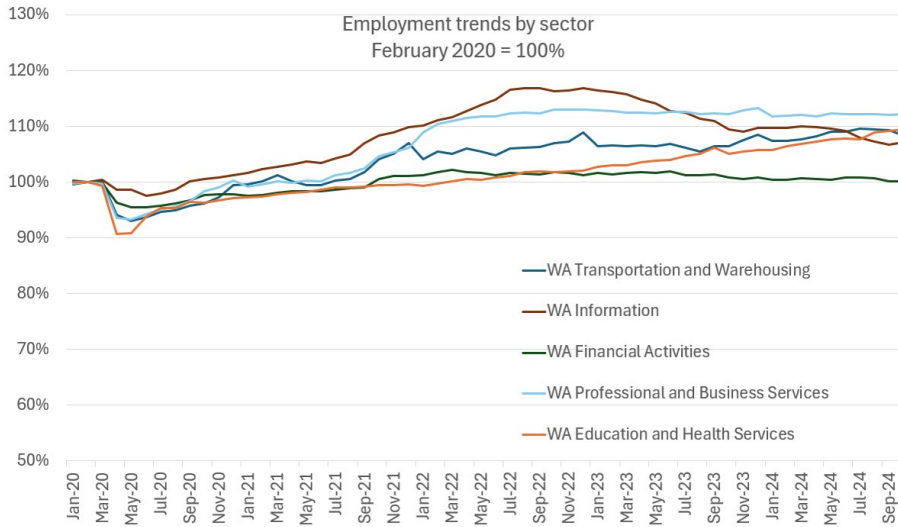
Washington lost 35,900 jobs in October



12/5/2024

Employment Security Department





12/5/2024

Employment Security Department

Labor market report

12-month employment changes

Total nonfarm	9,100
Government	24,300
Education and health services	21,200
Transportation, warehousing and utilities	3,000
Professional and business services	2,600
Wholesale trade	2,300
Construction	500
Mining and logging	-200
Information	-1,100
Other services	-1,300
Financial activities	-1,400
Retail trade	-1,800
Leisure and hospitality	-5,300
Manufacturing	-29,100

Employment Security Department

Labor market report



One-month employment changes

Total nonfarm	-35,900
Government	2,400
Education and Health Services	1,800
Information	500
Professional and Business Services	300
Mining and logging	0
Financial Activities	0
Retail Trade	-400
Wholesale Trade	-600
Construction	-800
Transportation, Warehousing and Utilities	-1,200
Other Services	-1,500
Leisure and hospitality	-5,400
Manufacturing	-31,000

Employment Security Department

Labor market report



Questions now or later?

Anneliese Vance-Sherman, Ph.D.

Chief Labor Economist

Labor Market Information and Research Division

Employment Security Department

Anneliese.Vance-Sherman@esd.wa.gov

[Recording timestamp 00:43:00.000](#)

Question from Julia Gorton: On your earlier slide about labor force participation. I heard you say that the age group 25 to 54 actually had a really high participation rate. I was just wondering if it was the youths or the folks who are further along in their career that are bringing down the average.

Answer from Anneliese Vance-Sherman: I would be happy to reference those and bring those numbers to the committee as well. What we saw was a stable picture when we're looking at youth labor force participation rate more or less unchanged. We saw an increase in that 25 to 54 and we've been seeing decreasing labor force participation in workers age 55 and over.

Anneliese Vance-Sherman will follow up with more information on labor force participation rate by age.

JR Richards asked Anneliese Vance-Sherman to share with the committee some of the services her team can provide to the committee and larger groups. Anneliese shared that her team would work with the public sector,

private sector, and nonprofits to provide data insights, environmental scans, and presentations. A consultation is a great place to start to see how this department can support.

Recording timestamp 00:46:27.000

Question from Julia Gorton: Do you have any conclusions or observations about the, at least it looked like, a huge increase in government employment.

Answer from Anneliese Vance-Sherman: Government employment is very large sector to begin with, so that might be a small percentage change, but a large overall change. Government tends to be pretty steady overall. When looking at (I cannot tell you off the top of my head), I think one of the things to keep in mind is that we tend to picture government is something that is one sector. But really there are a lot of different activities. It includes everything, from tribal enterprises and governments to administrative functions, to K-12 and higher ed. We have been seeing the largest portion of that is state and local government. Lately I would have to jump in. We can differentiate the trends that we're seeing in higher ed local education and then the administrative functions of traditional government, as it were. I'd be happy to connect with you and draw out what some of those trends beneath the surface look like.

Anneliese Vance-Sherman will provide a breakdown of government employment by function in the latest report.

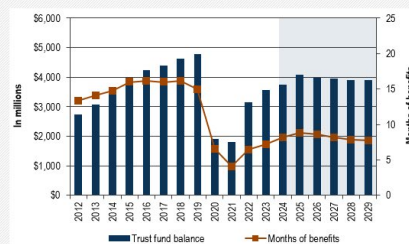
September Trust Fund Report

Vaughn Ellis, Actuarial Analyst, ESD to present information from the following slides on September Trust Fund Report.

Unemployment Insurance Trust Fund



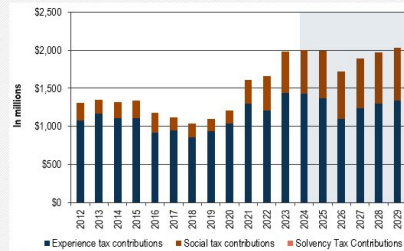
On December 1, the UI trust fund held approximately \$3.86 billion, and we project a balance of \$3.74 billion as end of 2024



Employer Contributions



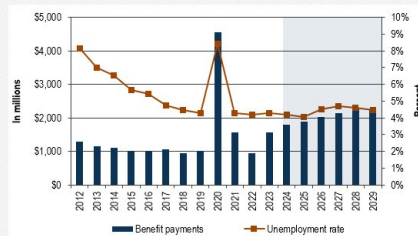
Projected Employer Contributions	September 2024	November 2024
2024	\$2.0 Billion	\$2.0 Billion
2025	\$2.0 Billion	\$2.0 Billion



Total Benefit Payments



Projected Benefit Payments	September 2024	November 2024
2024	\$1.8 Billion	\$1.8 Billion
2025	\$1.8 Billion	\$1.9 Billion



No questions were raised.

Project / Portfolio Report Out

JR Richards, UI Customer Service Director, ESD provided a project and portfolio report out using the following slides.

UI Project/Portfolio report out



Project	Status	Project	Status
1. UI Peak Mitigation	On Target	6. ARPA – UI Equity Grant – Customer Experience Data Product	On Target
2. Pandemic Era Overpayment Relief	On Target	7. Tiger Teams funding – Intake Standard Work Documentation	On Target
2. Bill 5187 (Proviso 225/226) Dedicated Overpayment Processing	On Target	8. Tiger Teams funding – Workers and Employers Handbooks	On Target
3. Bill 1106 (2023) Voluntary Quits	On Target	9. Tiger Teams funding – Customer Journey mapping	On Target
4. US Bank Employer Refund Management	At Risk	10. Tiger Teams funding – Online Videos & Apprenticeship materials	On Target
5. ARPA – UI Equity Grant – Translation Services	On Target	EAMS (Employer Account Management System) Improvement	On Target

UI Project/Portfolio report out



▪ Up Next

- Tax data accuracy project
- SHB 1570 (2023) Transportation Network Companies – 25% reduction hours/wages
- Operating Budget (2024) Sec 225(43) Demographic Data
- WIT UI Interface

No questions were raised.

Rulemaking Update

Stephanie Frazee, Legislation and Rules Coordinator, ESD provided a rulemaking update using the following slides.



Rulemaking Update

- **Address Change Requirement** - We are adding an explicit requirement that employers provide their new address to the Department within 30 days after an address change. We are reviewing comments to the CR 101 and are working on draft rule language.
- **Space Force** – We are updating the rule on mandatory military transfers to include all members of the U.S. Armed Forces, including Space Force. We have filed the CR 101 and shared draft rule language. Comments are due December 6.
- **Rescinding Withdrawal of Appeal** – Working on a process and standard of review for situations where a claimant or employer withdraws an appeal and later wishes to request to reinstate the appeal. Hearing was held on December 2, 2024. We are drafting the CR 103.

Rulemaking Update

- **Relief of Benefit Charges** – Updating our rule to mirror the statutory language. CR 101 has been filed, published on our website, and shared via GovDelivery. Working on draft language.
- **Transportation Network Companies (HB 1570)** – Drafted rules concerning relief of benefit charges for part-time workers and potential other rules needed to implement bill. These have been published on our website and shared via GovDelivery.

Recording timestamp 01:03:06

Question from Josie Cummings: Thanks, Stephanie, appreciate the overview. I had a couple of questions on the address change requirement. I was wondering if you were able to share if there's going to be a penalty and if there's any type of plan for communication with employers. What is the strategy after this rule goes into effect, to let them know of this change.

Answer from Stephanie Frazee: We are not including any kind of penalty in this rulemaking. It's just a requirement that an employer lets us know that their address has changed and provide that new address to us. But there's no penalty associated with this rulemaking. I have been talking to our communications team on this rulemaking and they are planning on including information about it in their employer newsletter, and I'm not sure exactly what else they are planning, but they are aware of it.

We want to make sure that employers get that information and are aware that there is going to be a 30-day requirement. If you need more detail on what the communications plan is, I can get that and send it out through GovDelivery. Anybody who's signed up for any rule making updates will also get all the information as the rule moves along. Anything that comes will be above and beyond what we normally do, but I know they are aware of it, and want to make sure that employers are not surprised by it in any way.

Recording timestamp 01:04:56

Question from Julia Gorton: Can you share a little bit more about why that's a priority for the department.

Answer from Stephanie Frazee: This came about because we have had issues with sending notices to employer's tax rate notices or their monthly benefit charge statements, and things like that that get returned to us. It's to make sure that we have employers most recent information and they're in statute and the RCW does require employers to keep their information up to date with us. We have never associated any sort of formal requirements as far as address change and our rules. We want to make sure that we've got the best information that we have to get in touch with employers when we need so they are not surprised if they're not getting mail from us and things like that. That's really where it's been coming from is finding out that employers aren't getting the notices that we're sending them, because we haven't been told that their address is up to date.

Recording timestamp 01:06:07

Question from Julia Gorton: Is there going to be a requirement for the pay? I'm assuming most companies work with a payroll company and so information gets sent to the payroll company rather than the physical address of the business.

Answer from JR Richards: Can we capture that question? I'll get some of the details of that, and then share it back with the committee. Camille can capture that as a takeaway, and then I can work with my employer services manager and provide some of those more nuances of how we work with 3rd parties on this and what that looks like. We have a high volume of returned notices, and it becomes problematic for employers down the road. We'll gather some more information on some of the specifics around this for you.

JR Richards then offered to the committee the opportunity to share if there were agenda topics they would like to see at future meetings. No agenda topics were shared.

JR Richards reminded the committee that meetings will be held for 1 hour instead of 2 during leg session. Calendar invites have been sent to committee members.

Sybill Hyppolite let the committee know she will be on leave in 2025 and will not be on the UIAC. The Labor Council will reach out with a replacement during her absence.

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

- Josh Dye will follow up on the Minimum Weekly Benefit Amount Report
- Anneliese Vance-Sherman will follow up with more information on labor force participation rate by age.
- Anneliese Vance-Sherman will provide a breakdown of government employment by function in the latest report.
- ESD will provide the new budget to the committee once published.
- ESD will provide Governor Inslee directive on hiring freeze, services contracts, goods and equipment purchases, and travel.
- Stephanie Frazee will provide more information on the address change requirements using GovDelivery.
- ESD will provide more specifics around the address change requirements to the committee. Specifically, how we work with 3rd parties and how returned notices becomes problematic for employers.

Next meeting

January 29th, 2025, from 10:00 a.m. to 11:00 a.m. via Zoom.

Addendum I



Agenda

Unemployment Insurance Advisory Committee (UIAC)

Wednesday, Dec. 11, 2024 | 1:00 pm- 3:00 pm | Via Zoom | 212 Maple Park Ave SE, Olympia, WA 98501

Time	Topic
1:00pm	Welcome from JR Richards, Director, Unemployment Insurance Customer Support, Employment Security Department (ESD) <ul style="list-style-type: none">o Agenda overview
1:05pm	Approval of Oct. 30, 2024, meeting minutes – JR Richards
1:10pm	Office of Administrative Hearings Appeals Update – Brendon Tukey
1:25pm	Legislative & Government Affairs Updates – Josh Dye <ul style="list-style-type: none">• MWBA Report (final review)• UI Funding report• Legislative session prep
1:45pm	Labor market presentation – Anneliese Vance-Sherman
2:10pm	Nov. Trust Fund Report - Vaughn Ellis
2:25pm	Project/Portfolio report out – JR Richards
2:35pm	Rulemaking Update - Stephanie Frazee
2:45pm	Public Comment
3:00pm	Adjourn

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

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Addendum II



Unemployment Insurance Advisory Committee
July 2024 – December 2024 Meeting Dates

Table with 4 columns: Date, Location, Host, Notes. It lists five past meetings from July to December 2024, all held via Zoom and hosted by ESD, with a note that they were recorded.

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