

A photograph showing the silhouettes of several people standing in a room with large windows. The sun is shining through the windows, creating a bright, hazy light. The people appear to be in a meeting or collaborative work environment.

# Unemployment Insurance ADVISORY COMMITTEE



**Employment Security Department**  
WASHINGTON STATE

# Agenda



- I. Approval of March 19, 2025 meeting minutes
- II. Trust fund report
- III. Rulemaking updates
- IV. UI Peak Claim Season report out
- V. Legislative updates
- VI. Budget update
- VII. Public comment
- VIII. Adjourn

# Trust fund report

Vaughn Ellis, Actuarial Analyst, ESD



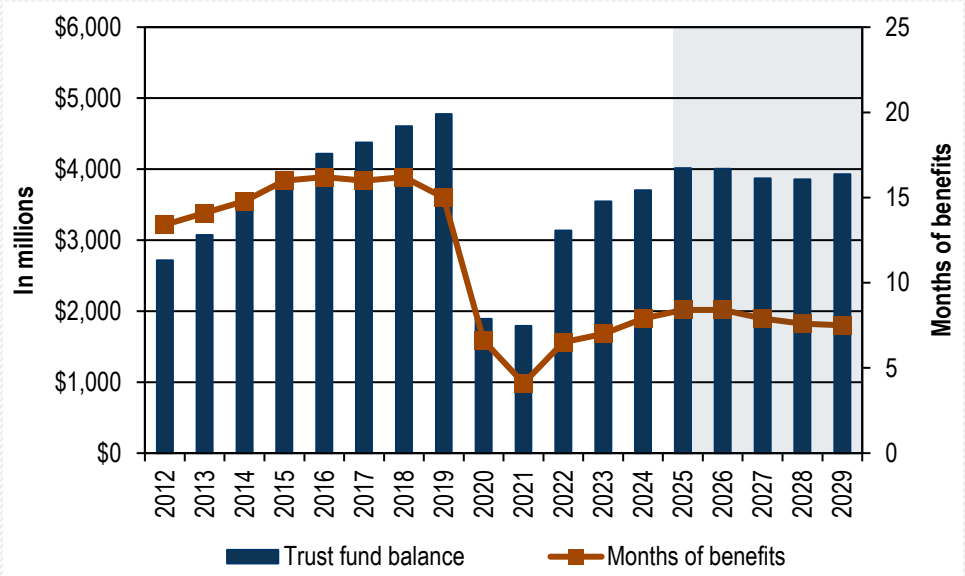
**Employment  
Security  
Department**  
WASHINGTON STATE



# Unemployment Insurance Trust Fund



On April 1, the UI trust fund held approximately \$3.47 billion, and we project a balance of \$4.01 billion as end of 2025 based on ERFC march forecast

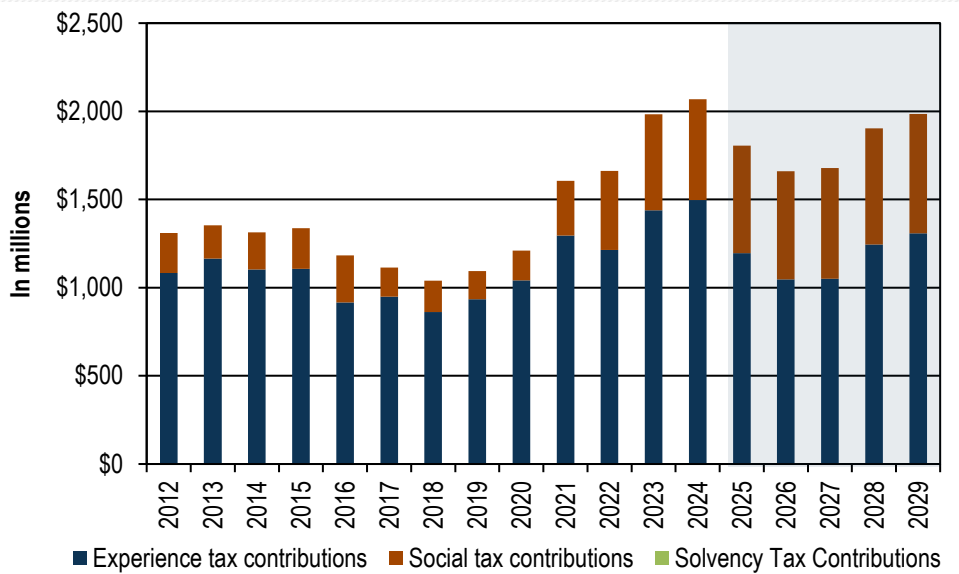




# Employer Contributions



Projected Employer Contributions	November 2024	March 2025
2025	\$2.0 Billion	\$1.8 Billion
2026	\$1.7 Billion	\$1.7 Billion

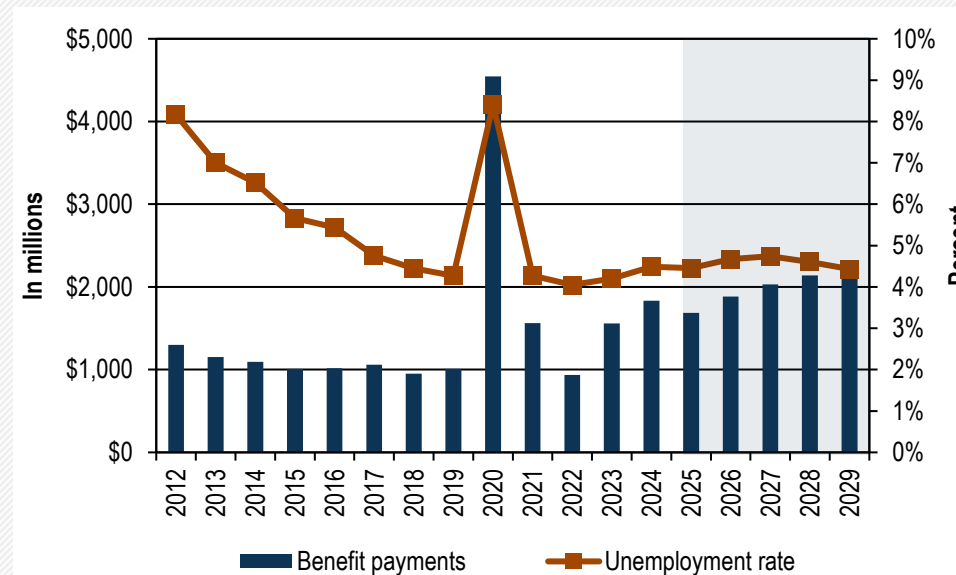




# Total Benefit Payments

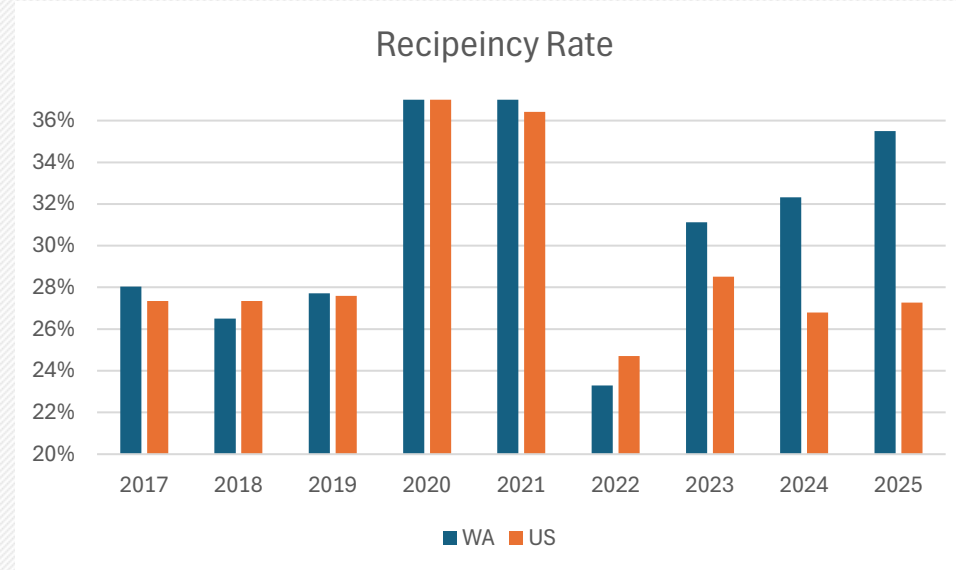


Projected Benefit Payments	November 2024	March 2025
2025	\$ 1.8 Billion	\$ 1.6 Billion
2026	\$ 1.9 Billion	\$ 1.9 Billion





# Increased Claim Volume



# Rulemaking update

Stephanie Frazee, Legislation and Rules Coordinator, ESD



**Employment  
Security  
Department**  
WASHINGTON STATE



# Rulemaking



- **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. The hearing was held on March 27. We are working on the CR 103 to formally adopt the new rule language.
- **Space Force** – We updated the rule on mandatory military transfers to include all members of the U.S. Armed Forces, including Space Force. The new rule language was adopted on April 1, 2025, and will be effective on May 2, 2025.
- **CRO Filing** – Working on the CR 101 for a rule amendment to clarify filing requirements with the Commissioner's Review Office.

# UI Peak Claim Season report out



**Employment  
Security  
Department**  
WASHINGTON STATE

JR Richards, Director Insurance Services, ESD

Brian Levy, UI Deputy Director, ESD

# Peak Mitigation Goals



- Reduce need for customers to call/email
- Less claimants stopped/stuck in the process
- Increase calls answered
- Improve timely payment of claims
- Proactive communication strategy for claimants, agency leaders and external authorizing environment

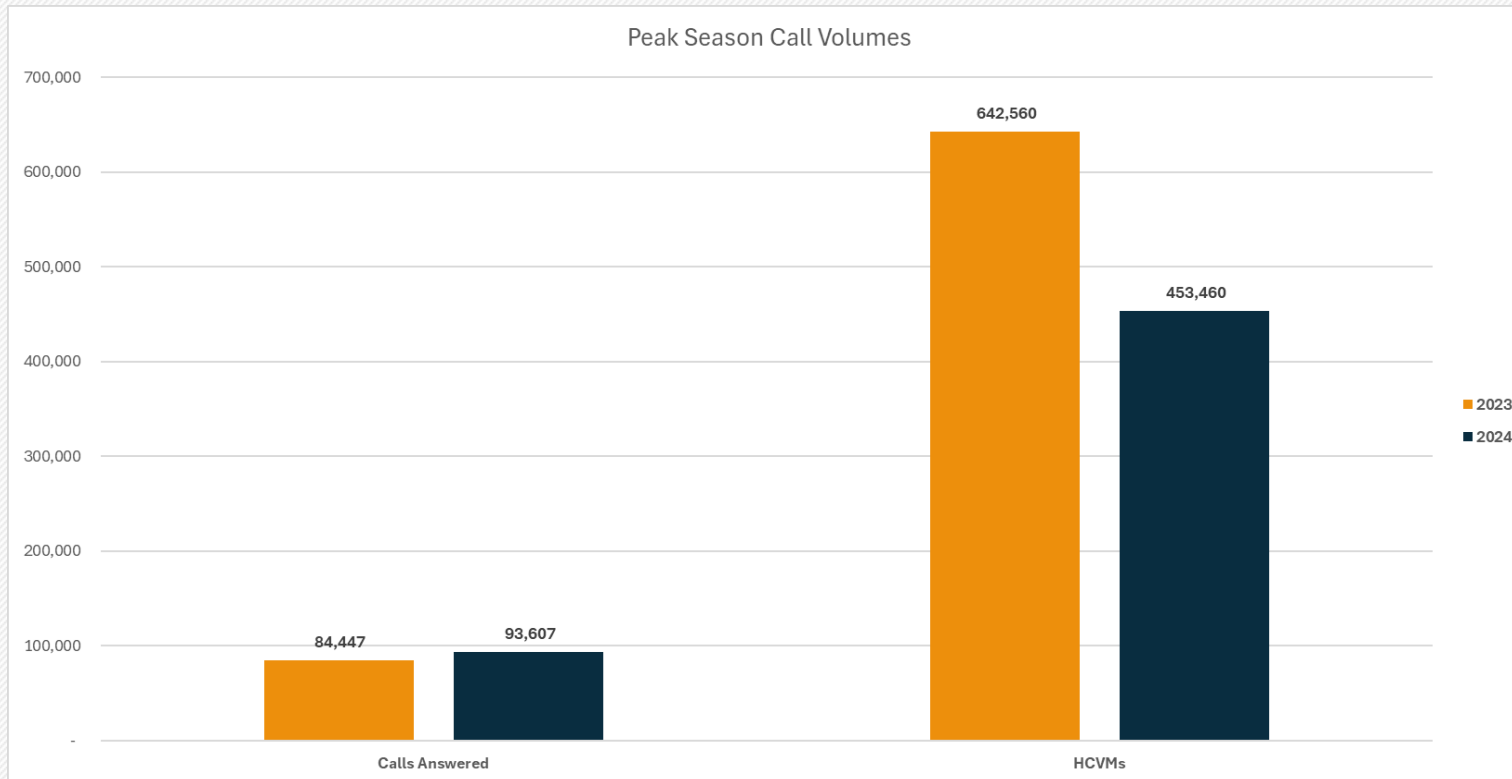
# Highest Impact Strategies



## **People – Process – Technology System**

- New approach to call and phone-queue management
- Leverage performance data dashboards and workload data differently
- Implementation of specialized teams in claim center
- Adjudication Process Changes
- Technology system improvements
- Strategic use of overtime

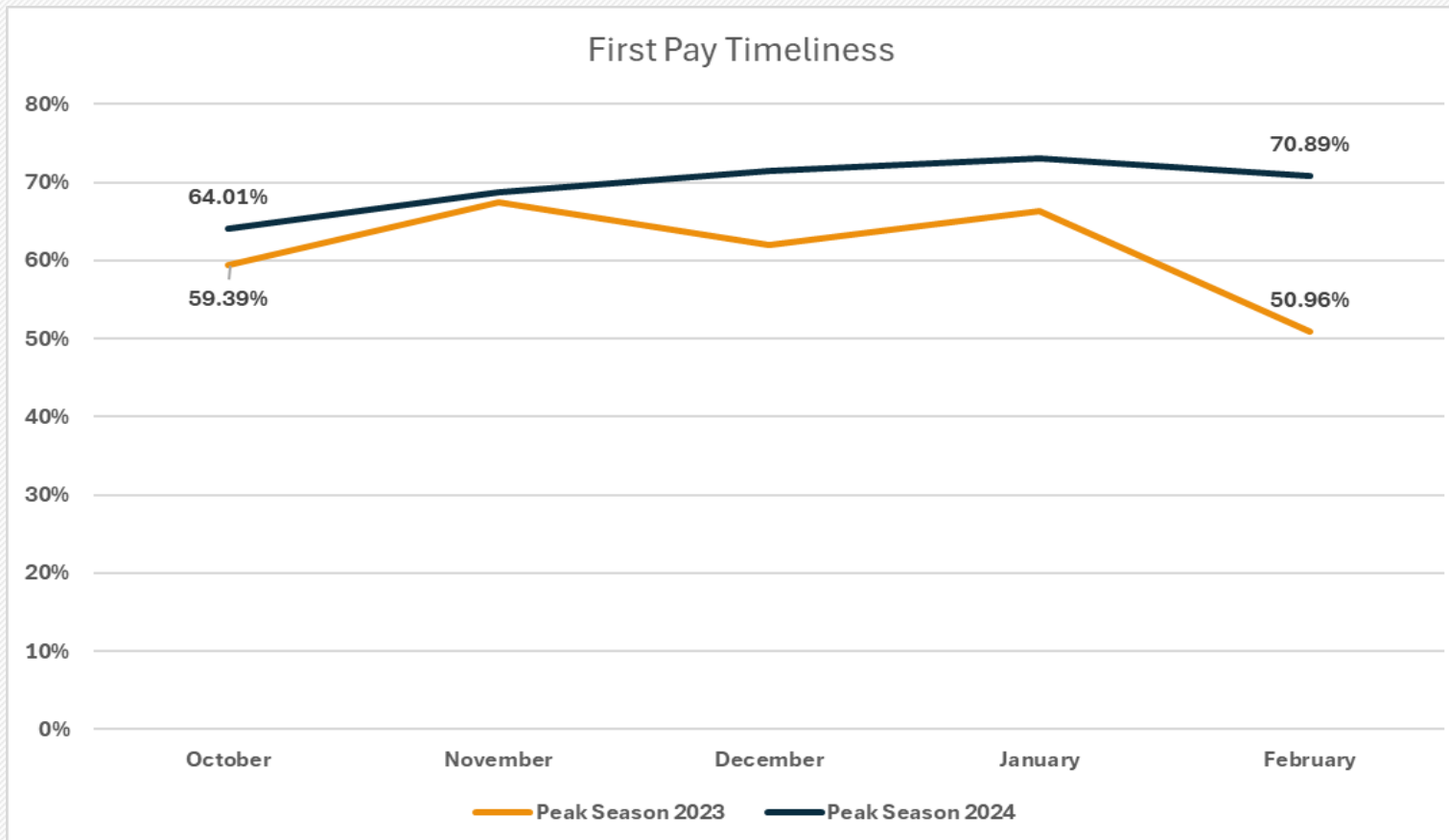
# Peak phone performance



## Results:

- 56% improvement in call wait times (18 min vs 32 min)
- 10% more answered calls
- 29% reduction in HCVM
- 4% increase calls per FTE
- 31% decrease in calls per customer
- 27% decrease in web notices per customer

# Peak performance



## Results:

- 46% increase in daily write rate per FTE (Adjudication)
  - Only 2% increase in appeals
- 5% decrease in issues set per customer
- Gains occurred despite
  - 9% increase in initial claims YoY
  - 17.7% increase in weekly claims YoY

# Legislation update

Josh Dye, Government Relations Director, ESD



**Employment  
Security  
Department**  
WASHINGTON STATE



# Legislation update



## ESSB 5525 – Concerning business closures and mass layoffs

- Employers with 50+ employees must provide at least 60 day written notice before conducting closure/mass layoff
- Employer may apply for exception from ESD under certain circumstances
- ESD may issue penalties for noncompliance of written notice
- Mass layoffs generally cannot include employees currently on paid family & medical leave (PFML)
- 90 days Sine Die effective date (July 27, 2025)





# Legislation update



## ESSB 5041 – UI Benefits for striking or lockout workers

- Allows UI benefits during strike or lockout
- Striking workers eligible beginning 2<sup>nd</sup> Sunday after start of strike; must serve waiting week; allowed for up to 6 weeks
- Overpayment assessment if retroactive wages granted or if strike prohibited by federal or state law
- Benefits paid due to strike apply to employers' experience rating
- ESD to do Legislative report beginning December 2026
- Effective January 1, 2026

# Budget Update

Dan Zeitlin, Chief of Staff, ESD



**Employment  
Security  
Department**  
WASHINGTON STATE

# ESD Base Funding



## **The conference budget reduces ESD's "base" funding:**

- One-time funding ends
- Reductions in number of management and administrative positions
- Federal revenue has declined, and the availability of CPP and P&I to cover shortfalls has increasingly become less of an option.

# ESD Decision Packages (in millions)



Title	Governor Budget	Senate Budget	House Budget	Conference Budget
UI Navigators	\$1.0	\$0.0	\$1.0	\$1.0
Federal Funding Shortfall	\$22.3	\$22.3	\$22.3	\$22.3
UI Customer Improvement Plan	\$11.2	\$9.8	\$11.2	\$11.2
Customer Compliance Integration	\$7.6	\$7.6	\$7.6	\$7.6
UI Customer Improvement Roadmap	\$0.5	\$0.5	\$0.5	\$0.5
Website Modernization	\$0.2	\$0.2	\$0.2	\$0.2

# ESD Decision Packages (in millions)



	Governor Budget	Senate Budget	House Budget	Conference Budget
Title				
WorkSource Integrated Tech (WIT)	\$9.2	\$9.2	\$9.2	\$9.2
Agricultural Outreach Services	\$0.6	\$0	\$0.6	\$0.6
EcSA – Expansion	\$5.4	\$0	\$0	\$0
Career Connect Washington	\$14.5	\$4.7	\$2.9	\$4.7

# ESD Funding Adjustments (in millions)

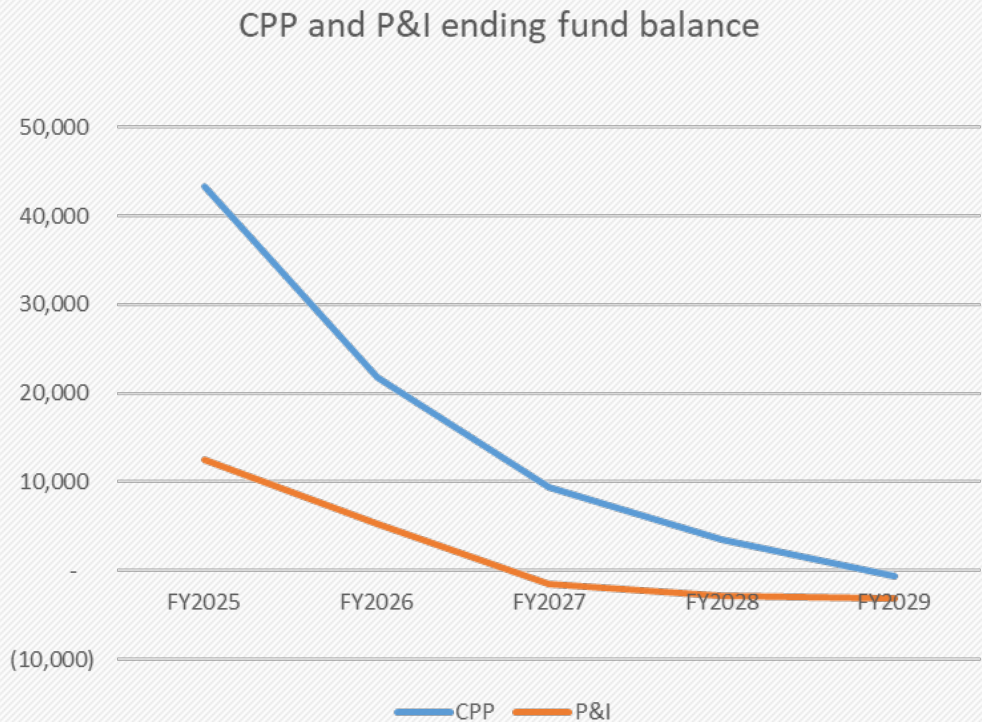


Fund		Governor Budget	Senate Budget	House Budget	Conference Budget
Title					
Fund Swap- Career Connect Learning	P&I (Fund 120)	\$14.5 M	\$4.7	\$2.9	\$4.7
Fund Swap-Economic Security for All	CPP (Fund 134)	\$12.4M	\$12.3	\$12.4	\$12.3
Fund Swap-Audit Coordination Staff	P&I (Fund 120)	\$0.0	\$0.6	\$0.6	\$0.6
Fund Swap – DSHS	P&I (Fund 120)	\$2.0	\$0.0	\$4.0	\$4.0

# ESD State Funding: CPP and P&I



**Conference Budget:** Employment Service Administrative Account-Fund 134 (CPP) and Administrative Contingency Account-Fund 120 (P&I)



# Public Comment



**Employment  
Security  
Department**  
WASHINGTON STATE



# Public Comment



- If you would like to make public comment, please state your name and spell it so we can capture it correctly for the minutes, as well as the organization you represent if any.
- **Reminder:** Your comments are being recorded.
- If you would like your comments to be included in the meeting minutes, please submit them in writing via email to Camille Galeno at [camille.galeno@esd.wa.gov](mailto:camille.galeno@esd.wa.gov). *(Camille's email will be posted in the chat)*
- Please limit your comments to **two minutes**.

A photograph showing the silhouettes of several people standing in a room with large windows. The sun is shining through the windows, creating a bright, hazy light. The people appear to be in a meeting or collaborative work environment.

# Unemployment Insurance ADVISORY COMMITTEE



**Employment Security Department**  
WASHINGTON STATE