

Welcome

Unemployment Insurance ADVISORY COMMITTEE



Employment Security Department
WASHINGTON STATE

Agenda



- I. Approval of meeting Sept. 11 meeting minutes
- II. WBA report recap, Q&A
- III. Legislation and Rule Making
- IV. Legislative & Apprenticeship reports
- V. Sept. Trust Fund Report
- VI. Break (10 mins)
- VII. UI Equity Grants
- VIII. State Quality Service Plan update
- IX. Overpayments report
- X. Relief of Benefit Charges of Discharges
- XI. Public Comment
- XII. Adjourn

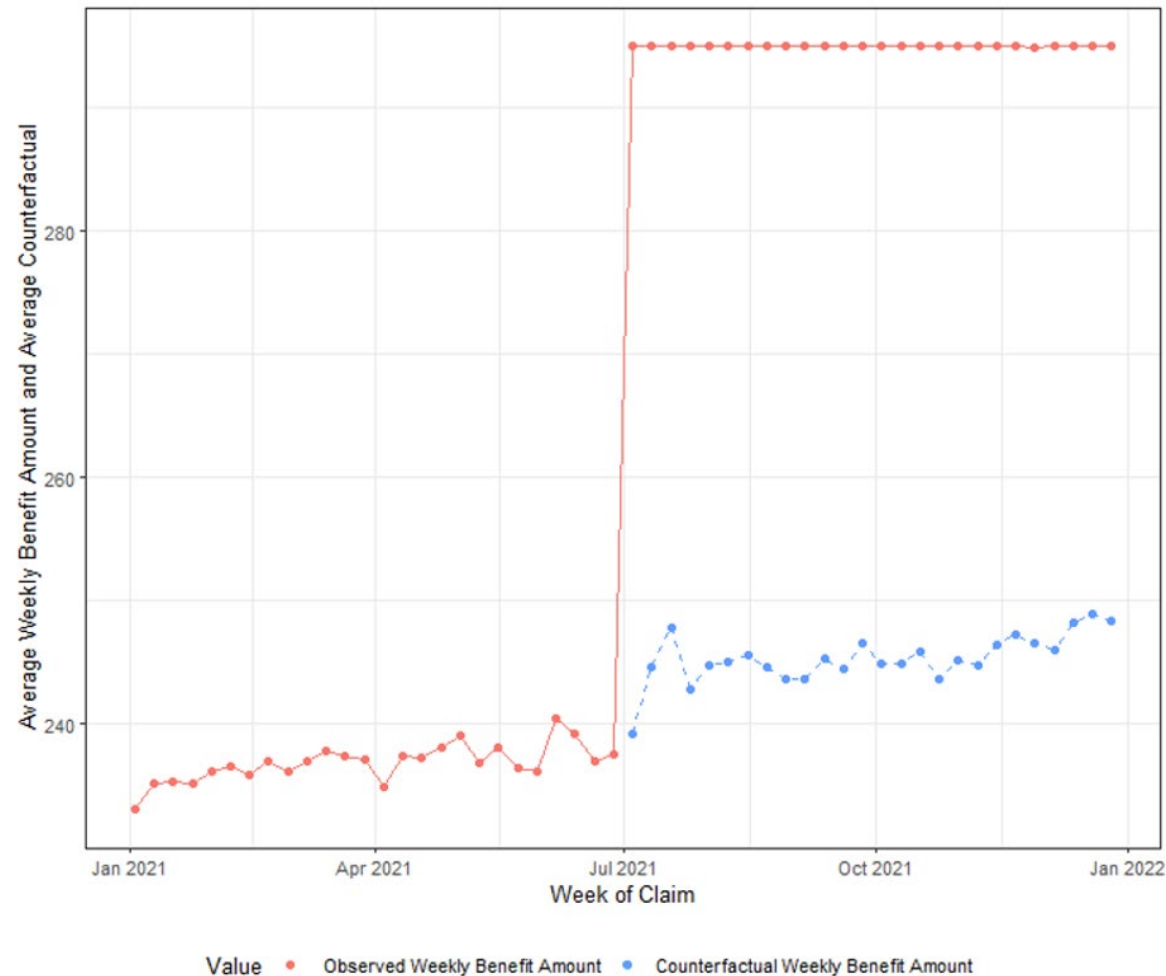
MWBA report recap, Q&A

Matt Klein, Operations Research Specialist, ESD



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Minimum WBA increased to \$295/week



Modeling exercise



- Regression analysis – condition on observables
- Model impact on:
 - Earnings in the 4 quarters after the claim
 - Employment probability in the 4 quarters after the claim
 - Hours worked in the 4 quarters after the claim
 - Hourly wages in the four quarters after the claim

Effect of the MWBA increase



- Longer job search
 - Lower probability of employment in the quarter after claim
 - Similar probability of employment by 3rd quarter after claim
- Higher Wages
 - \$0.36/hour in 3rd quarter after the claim
- More hours worked, once reemployed
 - 36.6 hours more in the third quarter after the claim
- More money earned, once reemployed
 - \$918.26 more in the third quarter after the claim

Legislation and Rule Making



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Caitlyn Jekel, Government Relations Director, ESD
& Stephanie Frazee, Legislation and Rules Coordinator, ESD

Legislation and Rule Making



Unemployment Insurance proposals submitted to OFM for consideration in the 2024 legislative session, awaiting approval:

- **Pandemic-era overpayment interest:** not charge interest on any overpayments that were paid for weeks claimed from February 2020 through September 2021, lapsing the pause on Jan 1, 2025.
- **Relief of Benefit Charges:** employers may receive relief without being required to file an application for relief under various circumstances.
- **Voluntary Contribution sunset:** remove sunset to temporary changes to voluntary contributions program in 2021, which removed the 10% surcharge and opened the program to more employers.

Rulemaking



- **Public Records Procedures** – Formally adopted rules allowing persons making public records requests to ask for an internal agency review of the response to their public records requests and removing requirement for requestors to provide their mailing address in their request. Rules become effective November 6, 2023.
- **SOC Code Reporting for Tribes (HB 1684)** – Officially proposed rules allowing tribes to report or not report SOC Codes or job titles on their quarterly reports as they see fit. Hearing held October 5, 2023. Working on formally adopting rules.

Rulemaking



- **Expanded Voluntary Quits (HB 1106)** – Officially proposed rules with definitions of “family member” consistent with PFML definitions and incorporating updates from the bill that are effective September 3, 2023. Hearing is October 26, 2023. Held a listening session regarding other aspects of rulemaking on September 28, 2023.
- **Transportation Network Companies (HB 1570)** – Officially proposed rules stating that “hours worked” for purposes of driving for a TNC should be reported as “passenger platform time” doubled. Hearing is October 31, 2023.

Rulemaking



- **Overpayment Waivers** – Extended emergency rules a second time, until February 3, 2024. Permanent rulemaking has started, and we are working on formally proposing permanent rules.
- **Conditional Benefit Definition** – Working on formally proposing rules defining the circumstances under which the Department pays benefits on a conditional basis.
- **Wildfires and Other Disasters** – Filed emergency rules in response to wildfires in the state. Emergency rules expire December 23, 2023. Filed preproposal statement on permanent rulemaking and shared with stakeholders.

Legislative reports



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Caitlyn Jekel, Government Relations Director, ESD

Legislative reports



Apprenticeship Workgroup (SHB 1458, 2023)

The Legislature directed Employment Security to convene a workgroup to identify and address legal and procedural barriers faced by eligible claimants participating in apprenticeship programs when those claimants seek timely access to unemployment benefits.

Recommendations:

- Establish training on filing claims and navigating the unemployment system for apprentices and apprentice advocate groups.
- Educate apprentices to be proactive in getting ready to file a claim and resolving issues.
- Technological changes that would streamline the benefit application process.
- Additional sources of funding, such as state and federal grants, can be developed to help fill gaps where unemployment insurance is not an appropriate source of funding to meet the needs of apprentices.
- State law could be adjusted so a higher percentage of earnings are “disregarded” for claimants who are working part-time while claiming benefits.

Report due to the legislature: December 1, 2023.

Legislative reports



The 2023-25 Enacted Operating Budget contained a General Fund-State appropriation for Employment Security to backfill the agency's shortfall in federal funding.

The department will issue two reports which detail the use of these funds and provide recommendations for long-term solutions to address the impact of federal funding reductions on administration of the unemployment insurance (UI) program.

Highlights include:

- Federal funding never fully supports Washington's UI program.
- Ongoing funding challenges will require continued and increased leveraging of state accounts.
- Employment Security will continue to identify program efficiencies that reduce cost, but additional state revenue sources should be considered to ensure long-term sustainability and a UI program that provides equitable access to services while maintaining program integrity.

Report due to the legislature: December 1, 2023.

September Trust Fund Report



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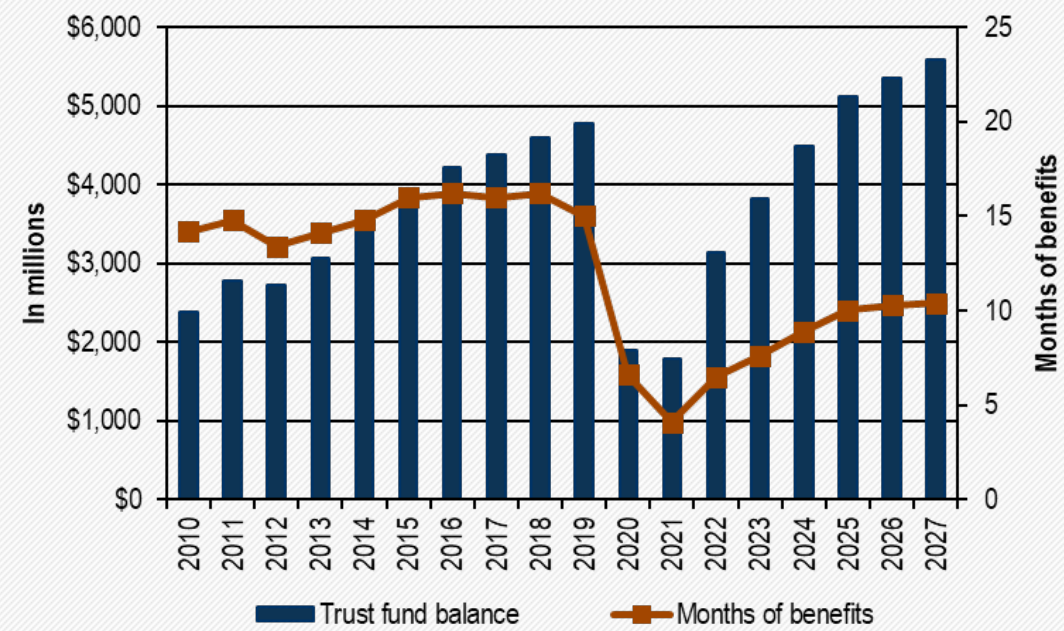
Vaugh Ellis, Actuary Analyst, ESD



Unemployment Insurance Trust Fund



- On September 30th, the UI trust fund held approximately \$3.52 billion, in line with [projections](#)

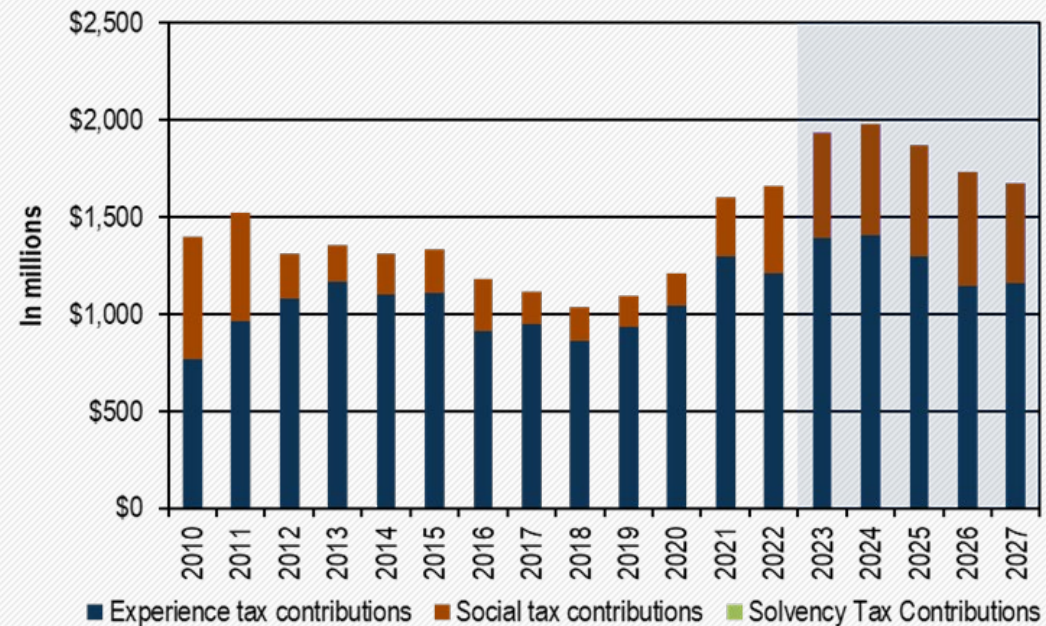




Employer Contributions



Projected Employer Contributions	June 2023	September 2023
2023	\$1.9 Billion	\$1.9 Billion
2024	\$1.9 Billion	\$2.0 Billion

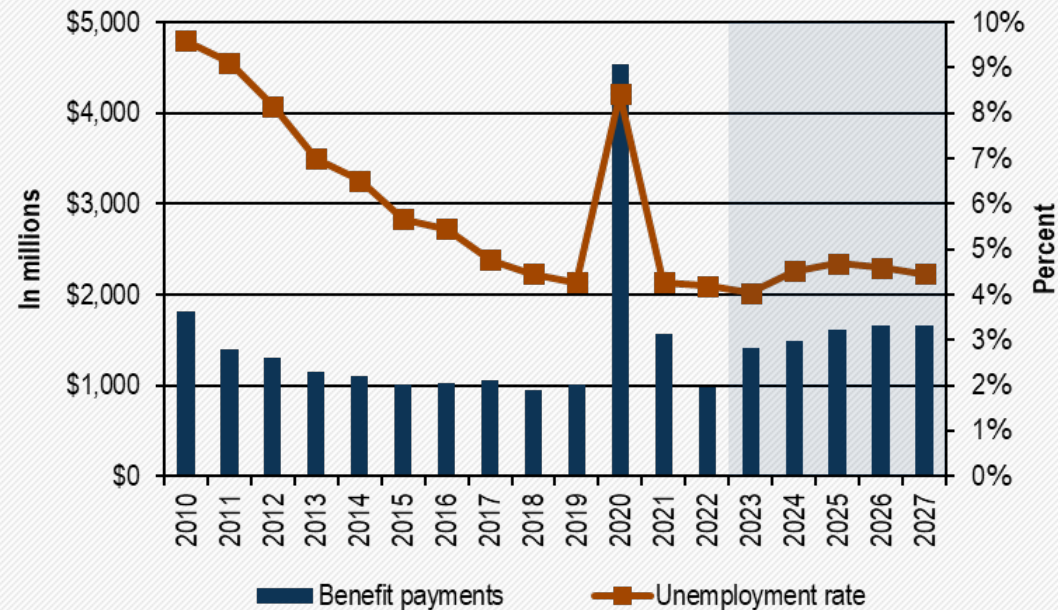




Benefit Payments



Projected Benefit Payments	June 2023	September 2023
2023	\$1.4 Billion	\$1.4 Billion
2024	\$1.6 Billion	\$1.5 Billion



10-minute break

Please return by
11:10 am

UI Equity Grants



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Stephanie Sams, UICS Policy & Legislative Implementation Manager,
ESD

UI Equity Grants



Project Name	Project Status	Funding Source
UI Navigators Grant - Navigator Grant Project	Active- In Progress	ARPA
Tiger Teams - Prioritize SQRs	Completed	Tiger Teams- ARPA
Tiger Teams Adjudication Tool - Standard Work Content Modernization	Active- In Progress	Tiger Teams- ARPA
Translation Services Project	In Discovery	UI Equity- ARPA
Customer Experience Data Product	In Discovery	UI Equity- ARPA
ESD Website Modernization	Active- In Progress	UI Equity- ARPA
UC Equity Data Partnership	Active- In Progress	UI Equity- ARPA
UC Data Adverse Impact & Analysis (Equity Investigations & Evaluations)	Active- In Progress	UI Equity- ARPA
Upstream Identity Verification (UIV)	Closed/Moved	ARPA

State Quality Service Plan Update



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Nicole Sherman, UI Quality Assurance Manager, ESD

Zoe Zadworny, UI Quality Assurance, ESD

State Quality Service Plan Update



Program Re-cap:

- USDOL provides ALL States with an SQSP workbook at the start of each Biennial Federal Fiscal Year that covers all UI program areas that did not meet USDOL Acceptable Levels of Performance (ALPs).
- Each State then establishes Corrective Action Plans (CAPs) and MILESTONES to address those areas that did not meet the USDOL ALPs.
- Half-way through the Biennial Year Plan (BYP), USDOL reevaluates the states performance using more current data and provides each state with a revised plan (SQSP AYP) - CURRENT STATE.
- Once the SQSP plans are finalized and approved for each BYP and AYP, states then report quarterly performance data and milestone progress to USDOL Regional Office(s).
- SQSP CAPs are typically set using data from quarter ending 3/31 for both BYP and AYP. Many of the measures tracked are assessed using a 12-month rolling average of performance data.

State Quality Service Plan Update



	MEASURES & PROGRAMS	Acceptable Level of Performance (ALP)	SQSP FY24	SQSP FY23
BENEFITS	First Payment Promptness	≥ 87%	62.62%	62.51%
	First Payment Promptness (IntraState 14/21 Days)	≥ 87%	63.11%	61.79%
	First Payment Promptness (InterState 14/21 Days)	≥ 70%	49.33%	53.52%
	First Payment Promptness (IntraState 35 Days)	≥ 93%	80.46%	72.77%
	First Payment Promptness (InterState 35 Days)	≥ 78%	69.89%	67.32%
	Nonmonetary Determination Timeliness	≥ 80%	66.37%	57.30%
	Nonmonetary Determination Quality - Separations	≥ 75%	56.93%	52.94%
	Nonmonetary Determination Quality - Nonseps	≥ 75%	85.96%	80.21%
APPEALS	Lower Authority Appeals (30 Days)	≥ 60%	1.83%	1.90%
	Lower Authority Appeals (45 Days)	≥ 80%	3.50%	2.54%
	Average Age of Pending Lower Authority Appeals	≤ 30 days	141.5	109.2
	Average Age of Pending Higher Authority Appeals	≤ 40 days	9.5	11.3
	Lower Authority Appeals Quality	≥ 80%	93.88%	96.91%
TAX	New Employer Status Determinations Timelapse	≥ 70%	80.3%	84.90%
	Tax Quality (Part A)	No more than 3 tax functions fail in one year	Pass	Pass
	Tax Quality (Part B)	One tax function cannot fail for 3 consecutive years	Fail: Status-Inactivations, Collections Debits-Reimbursable	Fail: Collections, Debits-reimb
	TPS Sample Reviews	Pass	Pass	Fail: Collections, Debits-reimb
	Effective Audit Measure	Pass 4 factors/score ≥ 7	Fail: Factor 1: 0.9	Fail: Factor 1: 0.9
INTEGRITY	Improper Payments Measure	< 10%	18.48%	7.83%
	Detection of Overpayments - 3 Year Measure	≥ 50% & ≤ 95%	351.81%	448.64%
	Overpayment Recovery Measure	≥ 68%	15.80%	19.15%
	Data Validation - Benefits (All Submitted & Passing)	All Benefit Pops Submitted & Passing	Fail: Benefits 4 & 12 Not Submit: Benefits 1, 3, 3a, 5, 13-15; BTQ 1-3; Module 3	Not Submitted: Populations 3-5, 12, 13, 15; BTQ 2 & 3
	Data Validation - Tax (All Submitted & Passing)	All Tax Pops Submitted & Passing	Not Submit: Tax 2; TPS 1; Wage Items	Fail: TPS 1 Not Submitted: Tax 5

State Quality Service Plan Update



Focus for upcoming year and National Priorities (UIPL 09-23):

- Moving forward
 - Rebuilding and improving program performance by addressing the significant impact that the workload created by the COVID-19 pandemic continues to have on the UI system
 - Focus on improving timely delivery of benefit payments and reduction of the UI appeals and adjudication backlog
 - Ensuring equitable access to UI programs
 - Addressing worker misclassification
 - Ensuring accurate and complete reporting of ETA required reports
- Re-employment services
 - Supporting claimants through Reemployment Services and Eligibility Assessments (RESEA), Short-Time Compensation (STC), robust work search activities and other targeted initiatives.
- Recovery
 - Ensuring integrity by assessing and evaluating fraud risks, implement and maintain sufficient controls to mitigate fraud and reduce improper payments

Overpayments Update



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JR Richards, Unemployment Insurance Customer Support Director, ESD

Overpayments Update



Milestones

- 2.8 million waived (1,184 customers)
- @ 90% waiver approval rate

Next

- Communication and outreach
- Hiring and training

Relief of Benefit Charges for Discharges Required by Law

Scott E. Michael, Legal Services Manager, ESPI



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Relief of Benefit Charges



RCW 50.12.200(2) requires the Department to report to UIAC the amount of benefits not charged to employers because the employer discharged an individual because they were unable to satisfy a job prerequisite required by law or administrative rule

From Fourth Quarter 2022 to Third Quarter 2023

- Relief has been granted 6 times, all related to claimant not having the required license or certification
- Total potential benefit charge relief across all 6 instances is \$14,465.17
 - Potential benefit charge relief = Maximum Benefits Payable X Employer's Percent of Base Year Wages

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. *(Camille's email will be posted in the chat)*
- Please limit your comments to **two minutes**.

Thank you!



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