



Unemployment Insurance Advisory Committee

Meeting details

Date: Wednesday, October 30, 2024

Time: 10:00 am - 12:00 pm

Location: Zoom

Committee members and alternates present

Employee Representatives

- Sybill Hyppolite, Washington State Labor Council
- Cindy Richardson, UNITE HERE Local 8
- Josh Swanson, Operating Engineers 302
- Brenda Wiest, Teamsters 117

Employer Representatives

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

General Public Representatives

- Anne Paxton, Unemployment Law Project
- William Westmoreland, Pac Mtn WF Dev Council

ESD staff

- Joy Adams
- Gustavo Aviles
- Chris Barron
- Sara Brito
- Matt Buelow
- Joshua Dye
- Vaughn Ellis

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

- Stephanie Frazee
- Gerald Gabbard
- Camille Galeno
- Colin Helsley
- Kennidi Hunsicker
- Caitlyn Jekel
- Matthew Klein
- Lawrence Larson
- Marypat Meuli
- JR Richards
- Eve Sheng
- Stephanie Sams
- 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
- 2025 Proposed Meeting Schedule
- Government Relations Update
- September Trust Fund Report
- Peak and Employer Performance
- State Quality Service Plan Submission to USDOL
- Minimum Weekly Benefit Amount Report
- Relief of Benefit Charging Report Out
- Rulemaking Update
- Public Comment
- Adjourn

Meeting Minutes

JR requested that committee members review the September 4, 2024, draft UIAC meeting minutes and provide their feedback. William Westmoreland moved to approve the minutes. Anne Paxton seconded the motion. All in favor said “aye”. No members were opposed. The September 4, 2024, meeting minutes were approved.

2025 Proposed Meeting Schedule

JR Richards, UICS Director, reviewed the 2025 meeting schedule. These dates and times were proposed to the committee and feedback was requested.

2025 Proposed Meeting Schedule			
January 29 th February 19 th March 19 th April 30 th	• One-hour legislative session meeting • Rulemaking update	September 17 th	• Legislative & rulemaking updates
June 25 th	• Trust Fund Report • Legislative Session follow up & 2026 prep • Rulemaking update	October 22 nd	• Legislative & rulemaking updates • State Quality Service Plan submission to USDOL • Legislative reports • Benefit Charging Relief report out
August 20 th	• Legislative and budget submissions to OFM/Gov office • Rulemaking update	December 10 th	• Legislative session prep • Rulemaking update • Governor's budget • Trust Fund report • OAH appeals updates

Recording timestamp 00:05:40

Question from Anne Paxton: Is July normally when we skip?

Answer from JR Richards: Thank you for the excellent question. Last year, the committee discussed the frequency and duration of our meeting. There was some concern that monthly meetings might be too frequent, especially during longer legislative sessions, while meeting every other month could feel infrequent. As a result, we proposed a six-week cadence, which we believed would strike a balance. However, this is still open for discussion, and if there's a preference for returning to monthly meetings or adjusting the schedule we can certainly consider that.

Recording timestamp 00:06:56

Question form Anne Paxton: I assume we can reset the meetings if it becomes necessary.

Answer from JR Richards: Absolutely. And I think we did that this last year where we added a meeting in because we had some topics and reached out to the committee to get everyone's interest and availability to add one meeting in. And we did do that this last year.

Recording timestamp 08:10.000

Question form Anne Paxton: The time seems to shift sometimes between afternoon and morning is there a way to preplan that?

Answer from Stephanie Sams: I was looking at historical and it looked like we kind of flopped. I don't know if that was trying to be accommodating to you all. I think we can make it morning or afternoon if that's a preference.

Follow up from JR: I know there have been times where we've moved because there's members of the committee that had other commitments for other events or other committees. We wanted to make sure we're accommodating there. But I think the goal is to try to always keep it either it's mornings or it's afternoons.

Recording timestamp 10:04.000

Question form JR Richards: Would the committee like to move forward and propose a motion to approve, or do you all want to take this away and approve next time?

Lindsey Hueer then moved to approve the 2025 proposed schedule. William Westmoreland seconded the motion. All in favor said "aye". No members were opposed. The 2025 proposed schedule was approved

JR Richards then committed ESD to getting the 2025 schedule posted to our public facing website and sending calendar holds for the upcoming meetings.

Government Relations Update

Caitlyn Jekel, Government Relations Director, ESD to present information from the following slides on Government Relation Updates.

Cailyn then let the committee know she is leaving ESD starting November 1st and introduced Josh Dye as the Interim Government Relations Director.

Josh Dye then provided his contact information (josh.dye@esd.wa.gov) if anyone would like to reach out to him

Government Relations Update



- GR Director transition
- Legislative reports on the horizon
 - Report**
 - ESD Financial report
 - Federal Funding Shortfall report
 - Wage Replacement for Undocumented Workers
 - Minimum Weekly Benefit Amount report
 - Annual Labor Market and Economic report
 - Status**
 - OFM review
 - OFM review
 - OFM review
 - Submitting to OFM following this meeting
 - in progress, due December 31st
- Preparing for legislative session
 - Agency request legislation: ESD's Administrative Contingency Fund revenue

No questions were raised.

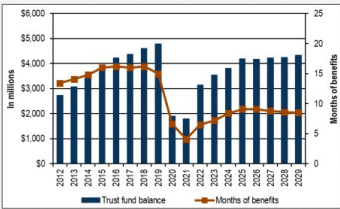
September Trust Fund Report

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

Unemployment Insurance Trust Fund



On September 30, the UI trust fund held approximately \$3.7 billion, slightly lower than our projected \$3.8 billion.

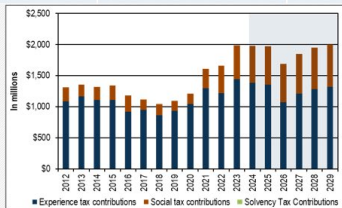


Year	Trust fund balance (in millions)	Months of benefits
2012	2,500	10
2013	3,000	12
2014	3,500	14
2015	4,000	15
2016	4,200	15
2017	4,300	15
2018	4,500	15
2019	4,000	12
2020	3,500	10
2021	3,200	10
2022	3,000	10
2023	3,200	10
2024	3,400	10
2025	3,600	10
2026	3,700	10
2027	3,700	10
2028	3,700	10
2029	3,700	10

Employer Contributions



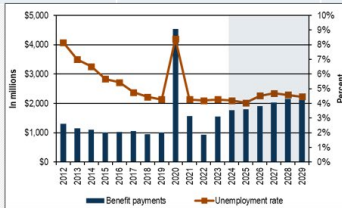
Projected Employer Contributions	June 2024	September 2024
2024	\$2.0 Billion	\$2.0 Billion
2025	\$1.8 Billion	\$2.0 Billion



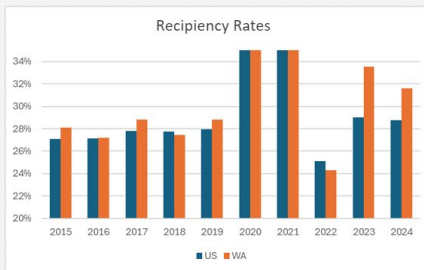
Total Benefit Payments



Projected Benefit Payments	June 2024	September 2024
2024	\$1.6 Billion	\$1.8 Billion
2025	\$1.5 Billion	\$1.8 Billion



Increased Volume of Claims



Recording timestamp 22:57.000

Question form Lindsey Hueer: In this chart, you're comparing the US national rate versus Washington rate, and it looks like historically we've kind of mirrored the national rate closely. And then we have these last two years. Are we seeing any other states that are paralleling this pattern as well?

Answer from Vaughn Ellis: That's an excellent question. I looked into whether this is a broad trend across all U.S. states, and it appears it's not. You can break it down into three cohorts: First, there are states like ours that are trending above the national average. Some of these states have historically been above average and continue to stay there, while others have seen an increase. Then, there are states that are hovering around the national average, and finally, some states are experiencing a decline. My current hypothesis—though it's somewhat speculative—is that our agency responded fairly well to the pandemic. People became accustomed to using unemployment insurance (UI), so when they found themselves needing to file again, they thought, "Oh, this is something I've done before. It's useful, and I know how to navigate it." That might explain why our reciprocity rate has increased. However, this is just a gut feeling on my part.

Recording timestamp 26:48.000

Question form Julia Gorton: The axis on the left, what is that percent measuring?

Answer from Vaughn Ellis: The reciprocity rate is a percentage of total unemployed who are filing for unemployment benefits. If we had a thousand people unemployed a reciprocity rate of 30% would mean out of those 1,000 unemployed folks 300 people are filing for unemployment.

Recording timestamp 27:23.000

Question form Julia Gorton: Okay, thank you for that. Is this reflective or connected in any way to our unemployment rate? Do we have a higher unemployment rate than the rest of the country, or is that just a part of that?

Answer from Vaughn Ellis: I'm sure they're related, but I don't know if it's a straight correlation because we've had times before where the unemployment rate is maybe a little higher and we're still sitting at that lower reciprocity rate. So, it's kind of hard to connect those dots.

Recording timestamp 28:00.000

Question form Anne Paxton: Is there any short explanation for what the dip that you mentioned in 2022. two and why it researched in 2023.

Answer from Vaughn Ellis: I don't have a strong explanation other than maybe there was talk about the labor market being a little flooded in 2022. So, I think of it a little bit like a rebound effect after the pandemic. There was high unemployment and then we had a bunch of people in more positions than there were jobs. Then we've had a to bounce back. Now we're seeing a little bit of the opposite, especially in those industry shifts.

Recording timestamp 28:54.00

Question form William Westmoreland: Has the agency looked at how this correlates to the RESEA program? Because this is similar timeline to the evaluation period that we just went through for the report. So, it might be worth looking at how this intersects. If we're seeing high reciprocity we see people going back on UI, it could be because maybe the placement and the service strategy we have with that client could have been there, and there might be some data and information we can learn there on how we serve clients in Wagner-Peyser or RESEA than potentially other services through the work source system.

Answer from Vaughn Ellis: I'll say I haven't looked at that correlation but is an interesting factor to consider. I'll take a look into that.

Recording timestamp 29:51.00

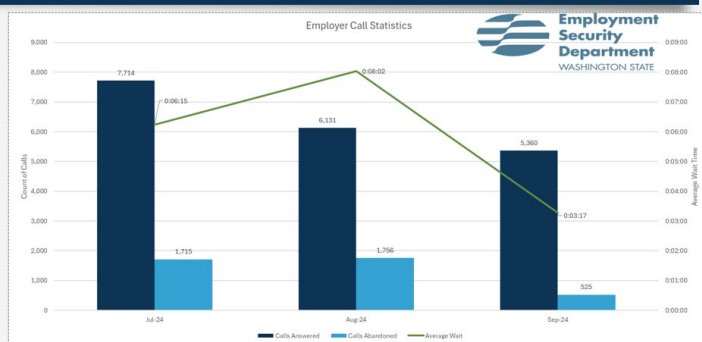
Question form William Westmoreland: It's likely all of those that return back for services went through RESEA, Wagner-Peyser, and probably Title 1 B as well. So, I'd be curious to see, is there any commonality in that? Are there things that maybe we can learn from that to impact the restructuring RESEA across the state, and then also referrals and things like that.

Answer from JR Richards: Thank you William. We'll capture.

Peak and Employer Performance

JR Richards, UICS Director, presented information from the following slides on Peak and Employer Performance.

Employer Call Performance



UI Benefits Performance history

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%

Analysis of CY 2024 Peak Season issues



- 33% increase in issues set on claims (192,657 total) set in 2023 vs. 2019
- High false positive rate on ID issues
- Work search reporting issues
- Confusing questions in the application
- Internal workflow complexity

Metric	Goal	Current Performance (Apr. 24 – Jun. 24)	Peak Season (Oct. 23 – Mar. 24)
Queued calls answered in goal time	80% within 20 minutes	51%	41%
High Call Volume	Zero during non-peak season Limited during peak season	52 K	237 K
Timely first payment (USDOL standard of 21 days)	> 87%	68.7%	56.7%
Timely non-monetary determination (USDOL standard of 21 days)	> 80%	56.9%	52.6%
Improper payments	< 10%	TBD	10.5%



No questions were raised.

State Quality Service Plan Submission to USDOL

Nicole Walker, UI Quality Assurance Manager, ESD to present information from the following slides on the State Quality Service Plan Submission to USDOL.

SQSP Overview



1. Report performance to the US Department of Labor (USDOL) using a variety of data sources
2. Address failure to meet USDOL Acceptable Levels of Performance (ALPs)
3. Write Corrective Action Plans (CAPs) when ALPs are not met
4. Develop and track milestones required to meet CAPs
5. Report progress on CAPs and ALPs using milestones
6. Enter progress on SQSP workbook and send to USDOL quarterly

How does SQSP work?



- USDOL provides ESD with the SQSP workbook that includes ALPs ESD is not meeting identified by area of performance.
- ESD then establishes CAPs and MILESTONES by area of performance.
- Quarterly, ESD sends the SQSP workbook back to USDOL with progress information.
- Half-way through the plan year, USDOL reevaluates the SQSP based on more current performance data and provides a revised plan (SQSP Alternate Year Plan (AYP)).
- SQSP CAPs are set using data from quarter ending 3/31 for both Biennial Year Plan (BYP) and AYP

SQSP Guidance and Connections



- The State Plan is intended to be a dynamic document that states can use as a management tool – much like a business plan – not only to ensure program performance, but also to guide key management decisions, such as where to focus resources. *It should focus the states' efforts to ensure well-balanced performance across the range of UI activities. ET Handbook 336, p. I-iii*
- ESD 2024-2028 Strategic Plan one of the goals is: People receive safe, accessible, and equitable services at the right time the way they need it. KPI category for this goal addresses the community we serve: Focusing on timely claimant payments, accurate and timely decision making, reducing call wait times, supporting the journey to employment, and understanding our customers satisfaction.
- Programs and measures do not live in isolation. They all link to one another.

What is included as part of SQSP?



Materials Shared With UIAC:

1. Narrative: Provides a high-level overview of program areas that are not currently meeting USDOL ALPs, including background on what caused the program to fall short of the ALPs and the steps ESD plans to take to meet performance expectations.
2. Workbook: Used to provide quarterly updates to USDOL, includes an in-depth look at each program area not currently meeting ALPs. Each program tab contains quarterly ALP tracking compared to federal expectations, a full CAP summary, and agency-directed milestones.
3. Integrity Action Plan (IAP): Ties directly to agency performance with improper payments, detection of overpayments, and services ESD provides claimants. The plan includes eight national priority topics that are required to be addressed in relation to fraud detection, prevention, and recovery efforts. Each state was directed to specify which areas are being addressed and to include details of processes, partnerships, and use of USDOL and NASWA resources.
4. Other document as part of our state package include a cover letter to USDOL, signature page, budget documents, State strategic plan, and organizational charts.

SQSP Key Points



The SQSP broadly captures all UI quality assurance needs and, as such, is an opportunity for UIAC to get a general sense of how the program is performing and the agency's activities in this realm:

1. During this review period, WA failed to reach the ALP in most areas, consistent with performance across the nation in response to the pandemic and related recovery efforts.
2. USDOL is particularly focused on fraud prevention, detection, and recovery, quality customer service and equitable access to the program. The Integrity Action Plan addresses the 8 topics identified by USDOL and what they consider to be national priorities.
3. Many of the grant projects are referenced throughout the SQSP Narrative, workbook and IAP which cover projects such as website modernization, translation services, standard work and quality review projects.
4. ESD has a structure for monitoring the milestones included in the SQSP, tracking progress, and working through planning and project timelines. Relevant staff, including leadership, meet regularly to provide updates, gather information, and collaborate on milestone completion.
5. The SQSP is a living document that will continue to be shared regularly with UIAC and other partners to obtain their feedback and collaboration on progress moving forward.

State Quality Service Plan (SQSP)



- DRAFT plan was submitted to USDOL October 9th, 2024
- USDOL sent WA feedback on October 24th, 2024
- Note that Quarter 1 for SQSP Program year began October 1st, 2024
- Quality Assurance team began to work with leadership to finalize the Narrative, workbook and IAP in prep for Commissioner approval and signature on October 25th, 2024
- FINAL SQSP package is due back to USDOL by November 12th, 2024
- First quarter reporting is due to USDOL by February 27th, 2025
- Integrity Action Plan is only updated once every 6 months and will not be due until after Q2 and submitted with the Q2 update to USDOL (to be submitted in May 2025)

BYP 2025 Washington Overview



Washington									
WIA BUREAU PROGRAMS TO BE AUDITED FOR THE 2025 FISCAL YEAR (FY) 2025									
Program/Activity	Program/Activity Description	Program/Activity Code	Program/Activity Category	Program/Activity Subcategory	Program/Activity Subcategory Code	Program/Activity Subcategory Description	Program/Activity Subcategory Code	Program/Activity Subcategory Description	Program/Activity Subcategory Code
1	Unemployment Insurance (UI)	1000	1000	1000	1000	Unemployment Insurance (UI)	1000	Unemployment Insurance (UI)	1000
2	Unemployment Insurance (UI) - Claims	1000	1000	1000	1000	Unemployment Insurance (UI) - Claims	1000	Unemployment Insurance (UI) - Claims	1000
3	Unemployment Insurance (UI) - Benefits	1000	1000	1000	1000	Unemployment Insurance (UI) - Benefits	1000	Unemployment Insurance (UI) - Benefits	1000
4	Unemployment Insurance (UI) - Appeals	1000	1000	1000	1000	Unemployment Insurance (UI) - Appeals	1000	Unemployment Insurance (UI) - Appeals	1000
5	Unemployment Insurance (UI) - Overpayment Recovery	1000	1000	1000	1000	Unemployment Insurance (UI) - Overpayment Recovery	1000	Unemployment Insurance (UI) - Overpayment Recovery	1000
6	Unemployment Insurance (UI) - Tax Quality	1000	1000	1000	1000	Unemployment Insurance (UI) - Tax Quality	1000	Unemployment Insurance (UI) - Tax Quality	1000
7	Unemployment Insurance (UI) - Promptness	1000	1000	1000	1000	Unemployment Insurance (UI) - Promptness	1000	Unemployment Insurance (UI) - Promptness	1000
8	Unemployment Insurance (UI) - Average Age Appeals	1000	1000	1000	1000	Unemployment Insurance (UI) - Average Age Appeals	1000	Unemployment Insurance (UI) - Average Age Appeals	1000
9	Unemployment Insurance (UI) - Separation Issues	1000	1000	1000	1000	Unemployment Insurance (UI) - Separation Issues	1000	Unemployment Insurance (UI) - Separation Issues	1000
10	Unemployment Insurance (UI) - Able + Available	1000	1000	1000	1000	Unemployment Insurance (UI) - Able + Available	1000	Unemployment Insurance (UI) - Able + Available	1000

- Although WA made progress from 2024 to 2025, we are still not quite meeting many ALPs.
- We did make notable progress towards First Payment Promptness, Average Age Appeals, and Tax Quality, Overpayment Recovery.
- Improper Payment Rate is currently at 10.03%, (ALP is <10%). Top 3 root causes of WA Improper Payment Rate:
 - Work Search (28%)
 - Separation Issues (21%)
 - Able + Available (20%)

SQSP Integrity Action Plan



- USDOL is particularly focused on integrity, fraud prevention, detection, and recovery, tax operations and equity. The Integrity Action Plan addresses the 8 topics identified by USDOL and what they consider to be national priorities.
 - Ensuring UI program integrity by assessing and evaluating fraud risks, implementing and maintaining an array of sufficient controls to effectively mitigate the likelihood and impact of fraud, and reducing improper payments.
 - State plans and actions to address the state's top three improper payment root causes in 2023 for Payment Integrity Information Act (PIIA) purposes.
 - State coordination and collaboration with the Department of Labor's Office of Inspector General, Office of Investigations (DOL-OIG) and other state and Federal law enforcement agencies to investigate and prosecute UI fraud and recover overpayments.
 - State plans to strengthen program integrity in UI tax operations, including current activities and plans to identify and prevent worker misclassification, State Unemployment Tax Act (SUTA) Dumping, and Fictitious Employer schemes, and development/use of effective employer audit strategies (i.e., use of remote audits).

SQSP Integrity Action Plan – Cont.



- State plans and actions to strengthen internal security and ensure that all appropriate internal controls and processes are in place and are adequate to assess internal risks and threats, ensure program integrity, and minimize program vulnerabilities (see UIPL No. 14-17).
- State plans and actions to balance the need to identify and prevent fraudulent activity while ensuring that eligible individuals with legitimate claims get the benefits they are entitled to when they are due.
- State plans and actions to mitigate negative consequences for victims of UI ID fraud, including ensuring simplified processes to remove victim's liability for overpayments resulting from ID fraud.
- If the state has not provided complete and accurate overpayment reporting on the ETA 227 and 902P, the state must provide information for plans for improvement.

SQSP State Plan Narrative



The narrative focuses on strategies to support WA ESD's three overall goals: Healthy ESD, Happy Customers and a Bright Future.

Progress towards these three goals is measured by key performance indicators, with measures assessed routinely using a scorecard. Scorecard categories include employee belonging, equity and wellbeing; customers and stakeholders; project delivery; and organization health. As ESD phases in its balanced scorecard approach, leaders will be better able to consider performance across different perspectives, consistently apply an equity lens, and incorporate data-driven decisions reflecting agency goals.

The right approach and the right time: prioritization and completion

ESD continues to work through the aftereffects of the pandemic, from PUA-related backlog queues to overpayment recovery. At the same time, ESD is better able now to address short- and long-term project prioritization through its portfolio management system. With the numerous projects under each portfolio, including those under its ARPA Umbrella, ESD is working to understand the connections between individual projects and project delivery impacts.

Plan for 2025 is supported by ongoing collaboration and partnership with USDOL, NASWA and other external agencies. ESD continues to move forward with grant-funded projects from Tiger Team, ARPA, Equity and Integrity grants. ESD continues to work through the multiple projects under these grant umbrellas, including: Intake Standard Work, Unemployed Worker Handbook Update, Case Management System improvements, Translation Services, Web Modernization, Data Equity and others. Weekly updates for all projects are provided to USDOL Regional Offices under an ARPA Umbrella, where updates encompass six USDOL ARPA Grants, across four portfolios, totaling 16 projects.

Recording timestamp 01:04:34

Question from Anne Paxton: What is the main thing about work search that is causing the improper payment? Can you give any indication on that?

Answer from Nicole Walker: Maybe somebody else who's directly in that space wants to comment. I think what we tend to see from our perspective when we're reviewing cases and there's been so much change in the work search requirements over the last few years that it tends to be a little confusing, right? What's a work search versus a job search activity? I think it's providing customers a better understanding of what they're looking for. But please, anybody else feel free to chime in there.

Recording timestamp 01:05:27

Question from Anne Paxton: I've never heard of fictitious employer schemes. And I just wondered if you could elaborate on that at all.

Answer from JR Richards: What we're seeing on a national level with fictitious employers. We talk about fraud and it's much more sophisticated and organized than it ever was pre-pandemic, especially in actors who are impersonating someone else or not who they say they are in collecting. What we're seeing at a national level, what other states are seeing with fictitious employer is you're having fraud rings that are actually setting up an employer. They are doing all of the legal things to look like they're a legitimate employer. There are even some states have reported they're even going as far as to submit quarterly reports and taxes for multiple quarters. They then close their business and collect all of the unemployment on the fictitious employees that they had working for them. It's part of the fraud conversation and how significantly the landscape has changed around unemployment insurance fraud. Post-pandemic and the increased sophistication organization of all kinds of fraud in that space. I want to do a plug and a call out, while US Department of Labor is very aware of this and they're looking at ways to help support states across the board with navigating it, it is new and it is unfunded work. We're very focused on it. We have a lot of resources attached to it. It's work that is not historically, nor is it currently called out specifically to have dedicated funding from US Department of Labor to manage. I'm sure in the future you'll hear us talk about this more. It's a topic that we're really focused on inside the agency and connecting with states across the US on what they're seeing and really kind of comparing. For example: what are you doing? What are you seeing? How are we focusing on this?

Minimum Weekly Benefit Amount Report

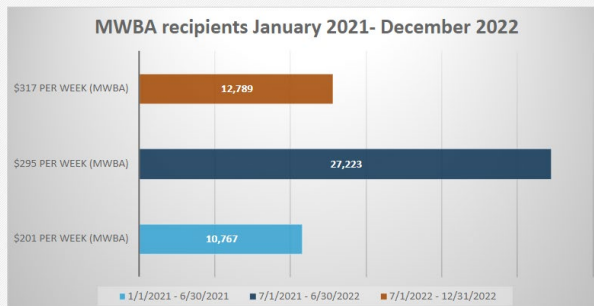
Caitlyn Jekel, Government Relations Director, ESD to present information from the following slides on Minimum Weekly Benefit Amount Report.

Minimum Weekly Benefit Amount data

Q1-Q2 2021	Q3-Q4 2021	Q1-Q2 2022	Q3-Q4 2022
MWBA: \$201	MWBA: \$295	MWBA: \$295	MWBA: \$317
	Calculation % increases from 15-20%	WBA capped at claimant weekly wage	WBA capped at claimant weekly wage
	13,842 experienced frontloading 2,700 did not experience frontloading	10,678 received MWBA 496 received less than MWBA / experienced prolonging	12,788 received MWBA 761 received less than MWBA (capped)
10,767 claimants who received MWBA	16,542 claimants who received MWBA	11,174 claimants who received MWBA	13,549 total claimants

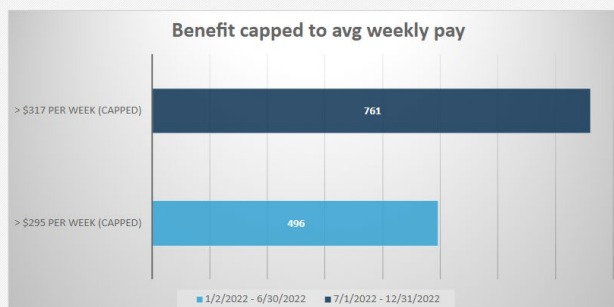
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Minimum Weekly Benefit Amount data



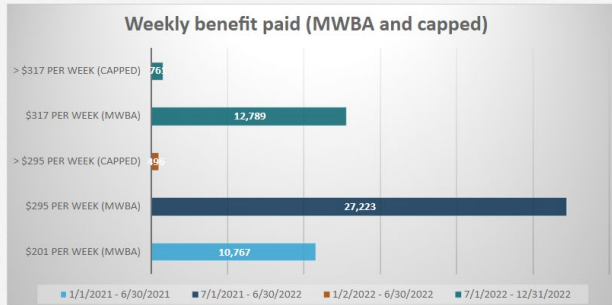
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Minimum Weekly Benefit Amount data



31

Minimum Weekly Benefit Amount data



32

Recording timestamp 01:16:00

Question from Julie Gorton: I'm just curious if there's any data tracking the folks who are exhausting benefits quicker than they would have without the increased minimum weekly benefit amount? Are they exhausting benefits and then finding work or are they exhausting benefits and then have no safety net? I'm just curious how those individuals are impacted.

Answer from Matthew Klein: I'm not familiar enough to report to answer that question off the top of my head. We can definitely look into it and get back to you. It's a great question. Front loading reduced the potential time someone could claim. My recollection from a few years ago when I was working on this is that it resulted in a much higher rate of exhaustion, much higher meaning probably something like an increase of like eight percentage points. That number is probably foggy based on a very foggy recollection. But we'll look into it and we'll get back to you in writing. Thank you for the nice question.

Relief of Benefit Charging Report Out

Stephanie Frazee, Lead Tax Policy Specialist, ESD provided a relief of benefit charging report out using the following slides.

Relief of Benefit Charging Report Out



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 2023 to Third Quarter 2024

- Relief has been granted 20 times, related to claimant not having the required license or certification or failing to complete a background check
- Total potential benefit charge relief across all 20 instances is \$109,978.60
 - Potential benefit charge relief = Maximum Benefits Payable X Employer's Percent of Base Year Wages

No questions were raised.

Rulemaking Update

Stephanie Frazee, Lead Tax Policy Specialist, 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 have filed the CR 101. Comments were due on October 28.
- **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. Comments are due November 11.
- **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 is scheduled for December 2, 2024, at 9:00 AM via Zoom.

Rulemaking Update



- **Failure to Respond** – Formally adopted amended rule on October 7; new rule language will be effective November 6.
- **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.

Rulemaking Update



- **Emergency Rule for Standby** – We are preparing to file an emergency rule that would allow workers who are furloughed or temporarily laid off as a result of the Boeing strike to be on standby with their employers.

Recording timestamp 01:28:15

Question form Cindy Richardson: Would this include subcontracted concession type workers, food and beverage workers, who run the cafeterias in Boeing.

Answer from Stephanie Frazee: I believe it would. I'd have to pull up the language again, but we have it worded so that it's if you are furloughed or laid off as a result of the strike. I believe that those that would fall into that category, those people would be in that situation because of the strike. We do have discretion to look broadly at this. Our goal is to allow these employers to maintain their connection, their relationship with these employees, so that as soon as the strike is over, these people can go back to work. The employers aren't in a position to have to hire all new people because we have required these workers to go out and do work searches and maybe they've gotten a job in the meantime. We are trying to be more inclusive as far as who's affected rather than less inclusive.

Recording timestamp 01:29:36

Question form Julie Gorton: Yeah, thank you. I was just curious if you anticipate the emergency rule having an expiration date or do you anticipate it being permanent? I think Cindy had the same question if this was going to be right available for all employers or just those who've heard.

Answer from Stephanie Frazee: Yeah, that's a great question. So once the emergency rule is filed, it will go into effect immediately. It will be, in effect, for 120 days, and then it will expire. We are looking at updating our standby rule on a permanent basis but making broader changes to it. We've identified a number of things that we'd like to update on that rule. We're not going to make this specific emergency rule permanent. We're at least at this point, planning to have it be in effect, for first 120 days. Then we're going to look at updating that rule on a permanent basis. In the meantime.

Recording timestamp 01:30:34

Question form Julie Gorton: Can you remind me? For folks who are utilizing the standby program are those charged benefits or socialized benefits.

Answer from Joy Adams: They are charged benefits, Julia.

Recording timestamp 01:32:16

Question form Josh Swanson: Yeah, I think you answered my question. Joy. I think, both Cindy and Julie asked the question about ancillary employees which you just spoke about. So that sounds like contractors or any of anybody else like vendors would also potentially be all within this umbrella. Then I heard you say, and I appreciate that, it's an employer driven standby status. I gather that to that end that there may be some effect on the system as well?

Answer from Joy Adams: Well, that's a piece of what we need to talk with you all about. We have looked at the impact of putting this into programming the impact of manual work. Neither is great. But we're trying to balance what would be best with what the anticipated impact is going to be. And JR I'd ask you to hop in if you have more information on this, but it really comes down to. We're not sure if we are over preparing under preparing, the rule itself would allow for this. The path we take can make a difference based on how many employers we actually expect to use this if that makes sense.

JR then provided further detail around the rule and the complexity of operationalizing it and putting it into practice.

Joy Adams then offered the committee to provide feedback on the rule and if it's not needed.

Recording timestamp 01:37:10

Question form Lindsey Hueer: What are your next steps for this emergency rulemaking? And what's the timeline for it?

Answer from JR Richards: Yeah, great question, Lindsey. What we're working on right now is operationalizing. Meaning, what does it take for us to do this work. How big is the lift? If we made the change in our technology system versus, what is the impact to resources in business if we don't, but instead do the work outside of the business. The team has been working on that so that they don't have to start it. They're well into that process to look at a path forward. The one outstanding question that we were discussing yesterday was, if this is a workload and a lift in either one of those spaces that we need to balance against the other workloads and lifts that we have, so how do we gauge? Are we over building something that's not going to get a lot of use? Or is there a need that we can see that in data or in feedback from all of you that says, "Yeah, it's absolutely worth making that trade off." Or that opportunity cost of focusing on this. knowing that we have limited resources to do all of the things. So that's really where we are right now, Lindsey. Timeline. that's also a great question. I don't have the exact timeline. I don't have all my team here, but we can absolutely follow up or share more information on what we're looking at for timeline.

New Website Demo

Chris Barron, Communications Director, ESD provided a demo on the new website.

Recording timestamp 01:47:11

Question from Julia Gorton: How does this website update interact with SAW? You've got all the information here. But then folks still have to go through the other portal benefits. Is there any crossover there, where some of the improvements here are also seen over there.

Answer from Chris Barron: This project didn't touch that project. But our hope is this is a better front door. That explains that information that they can then help them when they get into self-service. This is more of the front door project. I think JR has probably talked about or wanting to talk about improvements to eServices. But so this, this doesn't touch that, but hopefully gets people the better information. Right up right up front.

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

- Gather committee notes where 2024 schedule was discusses.
- ESD will get 2025 schedule posted to our public facing website and send out calendar holds over the next few days.
- Vaughn Ellis, ESD will look into the September Trust Fund Report and how it correlates to the RESA program.
- Matthew Klein, ESD will report back on how many claimants exhaust benefits because of frontloading?
- JR, ESD will follow up on what we're looking at for emergency rulemaking timeline.

Next meeting

December 11th, 2024, from 1:00 p.m. to 3:00 p.m. via Zoom.

Addendum II



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