**Employment Security Advisory Committee**

ESD logo-2 color-hori

|  |
| --- |
| **Meeting details** |
| **Date:** Monday, May 13, 2019  **Time:** 1:00 to 3:00 p.m.  **Location:** Employment Security Department Maple Park Building, Maple Leaf Room   |  |  | | --- | --- | | **Committee members present** | **Committee members absent** | | * Bob Battles * Mike Gempler * Mark Johnson * Chelsea Mason | * Joe Kendo * Linda Nguyen * Mark Riker * John Tirpak | |  |  | |  |  |  |  |  | | --- | --- | | **ESD staff present** | | | * Cami Feek * Joy Adams * Sandi Fairchild * Tim Gates * Julie Lord * Anna Nikolaeva * Tim Probst * Bianca Stoner * Nick Streuli * Sharon Wallace * Dan Zeitlin |  | |
| **Summary** |
| **Welcome and introductions**  Cami Feek welcomed everyone and introduced Chelsea Mason, the newest ESAC committee member. Chelsea is the Legislative and Political Director of Aerospace Machinists 751.  **Legislative session highlights** Nick Streuli gave an overview of the bills that passed during the 2019 legislative session that will require significant ESD implementation work.  One of ESD’s request bills, the data privacy bill ([ESB 5439](https://app.leg.wa.gov/billsummary?BillNumber=5439&Year=2019&Initiative=false)), makes technical changes to existing ESD data privacy laws. To implement the bill, ESD will need to update manuals, do rulemaking, update existing Public Records Unit processes, and hire or designate an official privacy officer, among other tasks.  The H-2A bill ([E2SSB 5438](https://app.leg.wa.gov/billsummary?BillNumber=5438&Year=2019&Initiative=false)), another ESD request bill, will also require significant implementation work. ESD will establish an Office of Agricultural and Seasonal Workforce Services that will process H-2A applications and conduct field checks and field visits to meet U.S. Department of Labor requirements. ESD will also convene and run an advisory committee that will discuss H-2A related issues, comment on ESD rulemaking, and submit a biennial report to the Legislature.  The third ESD request bill is Paid Family and Medical Leave technical bill ([SHB 1399](https://app.leg.wa.gov/billsummary?BillNumber=1399&Initiative=false&Year=2019)), which makes numerous technical changes to existing state laws in areas such as employment benefits, taxable wages, and recodification. To implement these changes, ESD will need to do rulemaking.  In addition to ESD’s request bills, there are several additional bills that will require ESD to do implementation work, most notably the long-term care bill ([2SHB 1087](https://app.leg.wa.gov/billsummary?BillNumber=1087&Initiative=false&Year=2019)). This bill creates a state long-term care program that will provide a limited amount of benefits for long-term care services. The funding will come from a .58% premium on employee wages, which employers will remit to ESD starting 1/1/22, so the agency will need to build the necessary infrastructure to be able to accept the premiums.  Some of the additional bills that will require ESD implementation work are the non-union apprenticeship work search bill ([SB 5398](https://app.leg.wa.gov/billsummary?BillNumber=5398&Initiative=false&Year=2019)), which provides a work search waiver to non-union electrical apprentices, and the limited cooperative associations bill ([SB 5002](https://app.leg.wa.gov/billsummary?BillNumber=5002&Initiative=false&Year=2019)), which creates a new form of business entity.  Mike Gempler said that the agricultural industry is paying close attention to ESD’s efforts to implement the H-2A bill. Mike said that he appreciates what ESD has done so far, and he believes the agency will accept and incorporate the Advisory Committee’s input.  Bob Battles thanked Nick Streuli and ESD for working on the H-2A bill. He said that there are still some remaining issues, most notably regarding future funding. Dan Zeitlin and Nick said that the advisory committee will definitely look at future funding. Mike Gempler said that there currently is federal support for providing funding for these efforts, so this is a good time to build support for federal funding.  Bob said that in the future there will need to be additional changes to the PFML law. Nick agreed and said that ESD will probably run an additional PFML technical bill in the 2020 legislative session.  **Unemployment insurance – improper payments**  Dan Zeitlin (Director of ESD’s Employment System Policy division), Julie Lord (Director of ESD’s Unemployment Insurance Customer Support Division), and Joy Adams (Unemployment Insurance Quality Assurance Manager) discussed improper unemployment insurance (UI) payments.  “Improper payments” occur when ESD pays UI benefits to a claimant and later learns that the claimant did not actually qualify for the benefits (for example, if the claimant did not comply with the work search requirements or if the employer provides information disqualifies the claimant from eligibility for UI benefits). When ESD finds that it has made an improper payment to a claimant, ESD notifies the claimant and requires repayment.  Federal law requires ESD to keep the rate of improper payments below 10%, but ESD’s average rate is around 14%. The U.S. Department of Labor (USDOL) put ESD on a corrective action plan, which means that USDOL is providing additional technical assistance to ESD in an effort to resolve the issue. ESD is using a variety of methods to address this issue, such as addressing the root causes and changing some processes. Dan, Julie and Joy asked the ESAC committee members for their input on additional steps that ESD can take to decrease the rate.  Chelsea Mason asked whether USDOL assesses penalties to states that have high improper payment rates. Dan and Joy explained that there isn’t a monetary penalty. Instead, USDOL provides high-rate states with additional technical assistance.  Mike Gempler asked whether ESD is considering changing the UI process. Julie explained that although ESD is not planning any major changes, the agency definitely wants to make some small changes, especially to modernize some processes. For example, ESD might allow claimants to maintain electronic job search records instead of paper records, and might add some additional activities (such as working with a headhunter) to the list of eligible “work search activities.”  **Unemployment Insurance Customer Support survey** Julie Lord also gave an overview of changes that UICS recently made to improve services to claimants during the annual peak unemployment season (mid-October through mid-March).  UICS hired a 30-person triage team last fall, and the team members answered 170,000 calls during the 2018-2019 peak season. Although the number of claims during the 2018-2019 peak season was significantly higher than the previous year, the call wait times were much shorter this year compared to last year. In addition, during this peak season the “call connect” rate was almost 100%, which means that almost 100% of the calls went through to a live agent instead of dropping after the claimant spent a long time on hold. In comparison, the call connect rate in the prior peak season was 52%.  In addition to making improvements in the claim center, UICS also improved some e-services, such as making it easier to find information on the ESD website and having the Office of Administrative Hearings send notifications to claimants electronically instead of by mail.  UICS recently sent a survey to almost 60,000 claimants, and 73% of the claimants who responded said that they were satisfied with the UI services. Claimants suggested some improvements that ESD is may adopt, such as expanding the hours of the ESD call center.  **Update on Paid Family and Medical Leave program** Carla Reyes, Director of ESD’s Paid Family and Medical Leave (PFML) Division, gave an update on the PFML program. Although PFML will not start processing benefits until January 2020, employers started collecting premiums from employees on 1/1/19 and will start submitting those premiums to ESD this year.  PFML launched its technology platform on 4/30/19 by having a limited number of pre-selected employers report and submit payments. They will conduct Beta Two testing in June with another small, pre-selected group of employers. The remaining employers will submit their first payments in July.  Under the state PFML law, employers can offer their own paid family and medical leave plans (called “voluntary plans”) if they comply with the requirements of state law. So far, 329 employers have applied to ESD to offer voluntary plans, and ESD has approved 220 of those plans.  Mike Gempler asked Carla to explain the differences between the paid sick leave law and the PFML program. Bob Battles said that this information is available on the [PFML website](https://www.paidleave.wa.gov/files/Documents/Paid-Family-Medical-vs-Paid-Sick-1-1.pdf).  **Update on Career Connect program** Anna Nikolaeva, ESD’s Career Connect Washington Manager, gave an update on the Career Connect program and discussed the Workforce Investment bill ([E2SHB 2158](https://app.leg.wa.gov/billsummary?BillNumber=2158&Year=2019&Initiative=false)) that passed in the 2019 legislative session.  The Governor’s Office created the Career Connect program because Washington employers have over 250,000 job openings a year, the majority of those openings require some post-secondary education, but less than half of young adults have any post-secondary education. The Career Connect program bridges the gap by providing young people with career-connected learning experiences.  Among other things, the Workforce Investment bill ([E2SHB 2158](https://app.leg.wa.gov/billsummary?BillNumber=2158&Year=2019&Initiative=false)) provides funding to ESD to write and administer some grants.  **Closing comments**  Cami Feek thanked everyone for their input and participation and ended the meeting. |
| **2019 meetings** |

The remaining 2019 Employment Security Advisory Committee meetings are from 1:00 to 3:00 p.m. at the ESD headquarters in Olympia on:

* Monday, July 22nd
* Monday, October 21st