**Employment Security Advisory Committee**

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| **Meeting details** |
| **Date:** Monday, October 26, 2020  **Time:** 1:00 to 3:00 p.m.  **Location:** Virtual [Webex]   |  |  | | --- | --- | | **Committee members in attendance:**   * Bob Battles * Mike Gempler * Mark Johnson * Joe Kendo * Chelsea Mason * Kevin Perkey * Mark Riker * John Tirpak (Anne Paxton representing) * Rod Van Alyne |  | |
| **Summary** |
| **Welcome and introductions**  Nick Demerice welcomed the committee members and participants.  **ESD update**  ESD Commissioner Suzi LeVine welcomed participants and thanked them for the support that they have provided over the past several months. She mentioned that ESD has paid $11.9 billion in claims to 1,060,531 people so far this year and said that she appreciates the work of the newly-formed Unemployment Insurance Advisory Committee.  Suzi explained that the ESD call center is currently training new staff and that ESD now has a second phone line to answer general, non-claims-related questions about unemployment insurance (UI). In addition, ESD has stopped transferring calls between one system and another in an effort to prevent calls from being dropped. With the changes that the agency has recently implemented, ESD is more frequently able to resolve UI questions in one call so that claimants don’t need to call repeatedly.  In another changes, ESD is now providing a voluntary callback service, so claimants now have the option of either waiting on the phone or scheduling a callback. The agency has also started doing more to address and engage people who have traditionally lacked access to ESD’s services, such as people who speak English as a second language.  Suzi reported that the National Association of State Workforce Agencies (NASWA) has asked leaders in Congress to counter pandemic-related UI fraud at the federal level and to implement new UI benefits at the federal level instead of at the state level. NASWA will continue to raise these issues to member of Congress and to the U.S. Department of Labor.  **Unemployment Insurance Update: Operations / Policy**  Julie Lord, Director of ESD’s Unemployment Insurance Customer Support Division, gave an overview of ESD’s efforts to improve claimants’ UI-related experiences. She said that the ESD Claims Center staff focus on two lines of work – answering calls and processing claims – and when the call volume is as high as it’s been over the past several months, balancing both tasks is quite difficult.  For this reason, starting on October 19th, the Claims Center will answer inbound calls from 8:00 a.m. to noon each day, then process claims from noon to 5:00 p.m. If callers enter the call queue between 8:00 a.m. and noon and the Claims Center isn’t able to answer their call before noon, then they can schedule a time for someone from the Claims Center to call them back. Although the Call Center will have limited hours of availability for inbound calls, the automated phone system and the online system (eServices) will remain open at all times.  The Claims Center is currently resolving an average of 80% of calls at the first call (“first-call resolution”) and hold times are now an average of 40 minutes. ESD has also started identifying claimants who are calling 30 or more times a day and are proactively reaching out to those claimants in an effort to reduce the overall call volume.  Since the start of the pandemic, ESD has paid benefits to over 1 million claimants – a third of the state’s workforce – paying over 85% of those claims within seven days. As of October 23rd, there were 17,000 people whose claims were in adjudication, and the agency has submitted nearly 8,000 appeals to the Office of Administrative Hearings since August.  Over the next few months, the agency will focus on changes to improve service to claimants, including but not limited to increasing first-call resolution and reducing the average number of weeks that claimants who have outstanding issues need to wait.  Dan Zeitlin (Director of the Policy, Data, Performance, and Integrity Division) discussed the agency’s work on the “voluntary quit” report required by SB 5473, which passed in the 2020 legislative session. The bill required ESD to conduct an analysis of the voluntary quit laws in other states and to provide an estimate on what the impact would be to the Unemployment Insurance Trust Fund if the Legislature expands the reasons for voluntarily quitting work with good cause when: 1) care for a child or vulnerable adult becomes inaccesssible and the claimant’s reasonable efforts to retain employment are unsucessful; (2) the employer significantly changes working conditions or substantially increases job duties without a commensurate change in pay; or (3) the claimant relocates out of the existing labor market to be in closer proximity to a minor child.  Scott Michael, Legal Appeals and Rules Coordination Manager, gave an overview of the pandemic-related rules that ESD adopted over the past several months. Several were emergency rules, and they covered topics such as waiving employers’ benefit charges for employees who were required to go into quarantine and denying extended benefits for claimants who refuse suitable work if the job offer was in writing or if the job was posted on an ESD job board. ESD also adopted several permanent rules since the beginning of the pandemic, including but not limited to expanding the list of permissible work search activities.  Joy Adams, Manager of UI Quality Assurance and Operations, gave an overview of payments under the Lost Wages Assistance (“LWA”) program. The President authorized this program through a memorandum in early August, and it provided additional money on a weekly basis for six weeks to eligible claimants. As of the date of the ESAC meeting, ESD had paid $664 million under the program.  Joy also gave an overview of the numerous federal UI programs that will expire at the end of the year, including but not limited to Pandemic Unemployment Assistance (PUA) and full federal funding for Extended Benefits, SharedWork, and waiting week charges.  Dan discussed the ESD-related proclamations that the Governor issued during the pandemic, explaining that ESD will ask for an extension on the proclamations regarding Shared Work and the waiting week.  **Update on Reemployment Services** Jairus Rice, Director of Employment Connections, gave an update on ESD’s recent work to help people get jobs. As part of this effort, ESD is focusing on:   * Building out virtual services to serve as many people as possible. * Preparing WorkSource offices for safe in-person service delivery, including but not limited to training staff to make sure they understand all of the safety requirements. * Using safe outreach, such as making plans to go to people who can’t come to us.   To assist with these efforts, ESD is making changes regarding phone systems, eServices and live chat programs, WorkSource scheduling tools, and virtual job fairs. As an example of one of these changes, now a WorkSource agent can answer a call that originates from any area of the state instead of only being able to answer calls that go to their local WorkSource office.  For a few months, about 400 WorkSource staff assisted the Claims Center in answering basic UI questions. Those employees have returned to their previous positions and are now receiving training on ESD’s new virtual services. The WorkSource offices are identifying “UI ambassadors” to assist customers with issues involving both UI benefits and reemployment services. ESD is also increasing the number of staff to help meet demand, and is working with the ESD Policy Office to align the restart of RESEA with emergency rule considerations.  Employment Connections is also partnering with Results Washington and working with the Washington Recovery Group, a group that the Governor formed about two weeks ago, to ensure that there is alignment between state agencies and other affected organizations regarding initiatives and outcomes.  **Trust Fund Update**  Steven Ross, Director of Labor Market Information, gave an update on the Washington labor market. Since February 2020, Washington lost 559,000 [non-farming] jobs, but the state regained 332,500 jobs between April and September. As of September, the unemployment rate was 7.8% statewide and 7.4% in Seattle, both slightly lower than the national average of 7.9%.  Dan Zeitlin gave an update on the UI Trust Fund, which is currently just slightly above $2 billion. For comparison, at its lowest point during the last recession, the Trust Fund was just slightly below $2 billion. However, the federal government funds many of the COVID-related UI benefits, so those costs won’t affect the state Trust Fund.  Dan also discussed experience rating, which is the tax rate that most employers pay on unemployment insurance. The average experience rate in claim year 2020 was .78%, but the rate will rise to .97% and 1.52% in claim years 2021 and 2022, respectively. Rates will continue to rise in claim years 2023 (1.73%) and 2024 (1.75%), and will begin to decrease in claim year 2025 (1.49%).  Under federal law, states must maintain their UI trust funds at a level that allows them to pay out three months of projected benefits. If the trust fund balance goes below this threshold, then the governor or governor’s designee must submit a letter to US Secretary of Labor to formally request money, which basically serves as a line of credit that the state can draw on if it runs out of its own money to pay UI benefits. Although it appears that ESD will need to make this request in the relatively near future, the agency probably will not have to borrow the money.  **Wrap-up**  The meeting ended at 2:42 p.m. |
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