**Employment Security Advisory Committee**

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| **Meeting details** |
| **Meeting date:** Wednesday, April 25, 2018  **Meeting time:** 9:00 to 11:00 a.m.  **Location:** ESD Maple Park Building, Maple Leaf Room   |  |  | | --- | --- | | **Committee members present** | **Committee members absent** | | * Bob Battles * Mark Johnson | * Larry Brown * Mike Gempler | | * Linda Nguyen | * Joe Kendo | | * Mark Riker |  | | * John Tirpak |  | |  |  |  |  |  | | --- | --- | | **ESD staff present** | | | * Nick Streuli | * Anna Nikolaeva | | * Cami Feek * Cynthia Forland | * Jennifer Peppin * Bianca Stoner | | * Kelly Lindseth | * Scott Wheeler | | * Julie Lord |  | |  |  | |
| **Summary** |
| **Update on Unemployment Insurance Trust Fund**  Cynthia Forland, ESD CIO and Assistant Commissioner, gave an update on the Unemployment Insurance Trust Fund.  The agency paid over $1 billion in unemployment benefits in 2017. As of January 2018, the average duration of benefits was 14.7 weeks.  In 2017, Washington employers paid over $1 billion in unemployment taxes. The Trust Fund balance is currently over $4 billion, enough to pay more than 16 months of benefits. This puts the State of Washington in the top three in terms of unemployment insurance reserve levels.  The State of Oregon has the third-highest UI tax rate, while the State of California is #24. Washington is #23.  **Overview of ESD Paid Family Medical Leave work**  Cami Feeks, Paid Family and Medical Leave Director, gave an overview of ESD’s work on implementing the Paid Family Medical Leave (PFML) bill.  Washington is the first state that is simultaneously implementing both family leave and medical leave.  Mark Johnson encouraged ESD to keep the program as simple and easy-to-understand for employers as possible.  The group discussed the PFML small business assistance grants, which are available for employers with 150 or fewer employees and for employers with 50 or fewer employees who opt to pay all premiums. These employers are eligible for grants of $3,000 if they hire a temporary worker to replace an employee who is on leave for seven or more days, or up to $1,000 to reimburse them for significant additional wage-related costs related to an employee’s leave.  Premium assessment begins on January 1, 2019, and ESD will start accepting applications from employers for voluntary plans late summer of 2019. Employees can start taking benefits on January 1, 2020.  Participants discussed the importance of reaching out to small businesses. Cami said that this is a high priority for the PFML team and that they have hired a small business outreach specialist.  The PFML program applies to all employers in this state except for tribes and sole proprietors, although sole proprietors have the right to opt in if they wish. However, employers who have less than 50 employees are exempt from paying the employer share of the premiums.  ESD can assess penalties against employers who fail to comply. Although there is not a grace period, Cami said that when the program first goes into effect the PFML team will work with employers to try to correct problems before issuing penalties.  Bob Battles observed that that the real pushback may come from employees, not employers. Although at this point most Washington employers are now aware of the PFML program, employees are not, so they may be surprised when the money starts coming out of their paychecks.  Cami encouraged people to sign up for the various PFML listservs, which are all available through <https://esd.wa.gov/paid-family-medical-leave>:   * Paid Family and Medical Leave listserv * Small business listserv * Voluntary plan listserv   **Overview of Career Connect Washington**  Anna Nikolaeva, Career Connect Washington Manager, gave an overview of Career Connect Washington.  The two-year goal is to have 217 youth apprenticeships, 4,301 internships, and 29,000 other career-connected learning experiences. The long-term goal is to make apprenticeships and internships a routine part of high school for all students.  Under the program, employers register their apprenticeships with Labor and Industries.  Mark Riker said that 87% of apprenticeships in Washington are in the construction industry, and pointed out that completing the hours to qualify for a Career Connect apprenticeship won’t automatically qualify for any particular position in the construction industry. Qualifying for credentials in the construction industry sometimes requires up to several thousand hours of training, depending on the position.  Mark Johnson expressed interest having in the retail industry offer apprenticeships through Career Connect.  **Review of 2018 legislative session**  Nick Streuli gave an overview of the bills that affect ESD from the 2018 legislative session, including SHB 2703 (the “Reasonable Assurance” bill), ESSB 6199 (the DSHS consumer-directed employer bill), and EHB 2957 (the finfish bill).  Nick will provide a comprehensive overview of ESD’s 2019 request bills during the July ESAC meeting. |
| **Upcoming meetings** |

The remaining meetings for 2018 are both at the Employment Security headquarters in Olympia and are on:

* Wednesday, July 25, 2018 from 9:00 a.m. to 12:00 p.m.
* Wednesday, October 24 from 9:00 a.m. to 12:00 p.m.