**Employment Security Advisory Committee**

ESD logo-2 color-hori

|  |
| --- |
| **Meeting details** |
| **Date:** Monday, August 17, 2020  **Time:** 1:00 to 3:00 p.m.  **Location:** By Webex   |  |  | | --- | --- | | **Committee members in attendance:**   * Bob Battles * Mike Gempler * Mark Johnson * Joe Kendo * Chelsea Mason * Kevin Perkey * Mark Riker * John Tirpak * Rod Van Alyne |  | |
| **Summary** |
| **Increase in Reemployment Services** Jairus Rice (Employment Connections Director) discussed ESD’s efforts to prepare WorkSource for the anticipated upcoming increase in demand. He explained that although we don’t know when customers will begin returning to WorkSource, there’s a lot of work to do before they arrive, such as beefing up WorkSource technology and staffing.  As part of this effort, Employment Connections is working closely with local Workforce Boards to learn more about how some businesses and lines of work are disappearing as a result of the pandemic. Committee member Kevin Perkey weighed in, describing the work that the state Workforce Board is doing in this arena and thanking ESD for their efforts. Committee member Mark Johnson of the Washington Retail Association asked Jairus to let him know if there’s anything that his organization can do to assist with this work.  **State of the State**  Jeff Robinson (Labor Market Analysis / Current Labor Force Statistics Manager) gave an update on the unemployment insurance Trust Fund and the current state of the Washington labor market. Between March 7th and August 1st of this year, ESD paid $9.2 billion in benefits, although $6.3 million of that money came from federal funding.  Jeff explained that, under current estimates, ESD anticipates that the Trust Fund will become insolvent by the end of 2020. [Per U.S. Department of Labor requirements, state unemployment trust funds are considered to be “insolvent” when they don’t have enough money to pay out three months’ worth of benefits]. If that happens, ESD will take out a loan from the federal government, which the agency won’t need to repay until November 2021.  Jeff said that ESD is projecting that the social tax will hit the maximum amount (1.22%), and said that under a 2010 state law, there’s a maximum cap on the unemployment insurance tax of 6%.  Discussing the state of the Washington labor market, Jeff said that as of June, the state unemployment rate was 9.8% as of June, while Seattle – which always has a lower unemployment rate than the rest of the state – was at 9.3%. Approximately 58% of Washington residents are currently employed.  Bob Battles of the Association of Washington Business asked whether ESD is taking measures to avoid taking a loan from the federal government, and Nick Demerice confirmed that the agency is looking into this. Jeff pointed out that the federal government is waiving interest on the loans through December 2021.  **ESD Bill Implementation**  Larry Sheahan (Unemployment Insurance Policy Manager) discussed ESSB 5473. This bill, which the Legislature passed in 2020, requires ESD to write and submit a report to to the Legislature and the Governor’s Office on the law regarding voluntary quits in Washington state, including an analysis of other states’ voluntary quit laws. The report also needs to include an estimate of impacts to the Trust Fund if the legislature expands reasons for voluntary quits. Bob asked what stakeholders ESD’s work team is reaching out to and Larry explained that the team will schedule meetings with stakeholders (including Bob) in the near future.  **Unemployment Insurance Update: Operations / Policy**  Several agency staff from the Unemployment Insurance Customer Support Division provided current claims information, including but not limited to mention that there are still 81,000 claimants who have applied for unemployment insurance benefits but haven’t received them. They explained that the division is now shifting its focus to clearing the appeals backlog.  Dan Zeitlin (Director of the Policy, Data, Performance, and Integrity Division) and Joy Adams (Unemployment Insurance Quality Assurance Manager) provided an unemployment insurance policy update. The Federal Pandemic Unemployment Compensation Program, which provided unemployment claimants with an additional $600 a month, ended on August 1st. Congress hasn’t agreed to whether or how to replace it, and President Trump signed an Executive Order on August 8th creating the Lost Wages Assistance (LWA) Program. This program provides a weekly $400 benefit to claimants who are on either traditional unemployment insurance or the Pandemic Unemployment Assistance Program (created in March by the CARES Act), but claimants would need to certify each week that they are unemployed as the result of COVID.  Joy explained that seven states have already applied for LWA, and Washington is still deciding whether to participate in the program. Implementing LWA would take time and money, and ESD can’t use money from the Trust Fund or from the federal Unemployment Insurance administrative grant to pay for it. With these limitations in mind, ESD is holding discussions with the Governor’s Office.  **Wrap-up**  The meeting adjourned at 2:36 p.m. |