**Employment Security Advisory Committee**

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| **Meeting details** |
| **Meeting date:** Wednesday, October 24, 2018  **Meeting time:** 9:00 a.m. to 12:00 p.m.  **Location:** Employment Security Department Maple Park Building, Maple Leaf Room   |  |  | | --- | --- | | **Committee members present** | **Committee members absent** | | * Bob Battles * Mike Gempler * Mark Johnson * Joe Kendo | * Larry Brown * Mark Riker | | * LaKesha Edargo-Jones on behalf of Linda Nguyen * Anne Paxton on behalf of John Tirpak |  | |  |  |  |  |  | | --- | --- | | **ESD staff present** | | | * Cami Feek * Nick Streuli * Cheryl Brown * Rafael Colón * Tim Gates * Janelle Guthrie * Gary Kamimura | * Julie Lord * Jeff Robinson * Steven Ross * Larry Sheahan * Bianca Stoner * Sharon Wallace * Dan Zeitlin | |
| **Summary** |
| **Welcome and introductions**  Employment Security Department (ESD) Deputy Commissioner Cami Feek explained that she will now manage the Employment Security Advisory Committee (ESAC) instead of Nick Streuli. She reminded the committee members that Commissioner LeVine sent an e-mail to them on October 2nd regarding this change.  **Economic recession readiness presentations** Four speakers – Dan Zeitlin, Steven Ross, Julie Lord, and Rafael Colón – gave presentations regarding various aspects of ESD’s economic recession readiness.  General overview – Dan Zeitlin, ESD Employment System Policy Director  Dan began by introducing himself and giving a quick overview of his division.  Dan explained that some of the presentations regarding recession readiness will address ESD’s experiences with unemployment insurance (UI) claims during the annual peak season (November through March) because peak season provides an early indication of what the next recession will look like.  Dan mentioned that ESD already has some resources that it will be able to use when the next recession occurs. For example, the Rapid Response program provides funding to bolster local areas that are experiencing major job losses. Rapid Response teams work with employers to provide onsite services and inform employees of workforce services. The funding for Rapid Response comes from the workforce funding that ESD receives from the U.S. Department of Labor (USDOL).  Dan discussed the work of the Oregon Economic Task Force. He said that ESD has started the process of reviewing and analyzing the work that the agency performed during the last recession. As part of this process, the agency is seeking input from its partners, particularly in regard to lessons learned and missed opportunities.  Dan and the committee members discussed ESD’s budget for training benefits. Although ESD receives $20 million a year for training benefits, the agency usually only uses a portion of the money.. In the event of a recession, if ESD uses all of this money and needs more, the agency could request more money from the Legislature.  Committee members shared some of their observations from the Great Recession. For example, the committee members saw jobseekers who became too discouraged to look for work after hearing many national media reports that made finding work sound nearly impossible. Committee members also saw many jobseekers who did not know about the WorkSource system and did not want to receive WorkSource services. Mike Gempler observed that it’s important to build awareness and connections regarding WorkSource now so that during the next recession jobseekers will already be familiar with and willing to engage with WorkForce services. Cami said that this is something ESD and its partners have been working on and will continue to maintain as a focus.  Economic indicators and trust fund solvency – Steven Ross, ESD Workforce Information Operations Manager  The third slide in Steven’s presentation was titled “Nonfarm employment in Washington.” This prompted Mike Gempler to ask why ESD separates farm employment from non-farm employment. Steven promised to look into the issue and get back to him. After the meeting, Steven provided this information for inclusion in the minutes:  “Current Employment Statistics draws its sample and sets its benchmark employment level from the business establishment list maintained by the Quarterly Census of Employment and Wages (QCEW) program. This universe for business establishments is based on Unemployment Insurance (UI) administrative records, so workers who are not covered by UI will not be captured. In Agriculture there are numerous exemptions to requirements for UI coverage, making the sample frame for Agriculture insufficient for calculating statistically sound estimates. In addition, a substantial number of Agricultural enterprises are self-proprietorships, which are out of scope for the CES survey.  Historically, the U.S. Department of Agriculture's Census of Agriculture has been the primary survey used to measure farm labor. The Census of Agriculture is available at [www.agcensus.usda.gov/index.php](http://www.agcensus.usda.gov/index.php).  Some BLS data about Agricultural employment can be obtained from the QCEW ([www.bls.gov/cew/home.htm](https://www.bls.gov/cew/home.htm)), Current Population Survey ([www.bls.gov/cps/home.htm](https://www.bls.gov/cps/home.htm)), and Occupational Employment Statistics ([www.bls.gov/oes/home.htm](https://www.bls.gov/oes/home.htm)) programs.”  Steven said that the total current Washington workforce is 3.4 million, and as of September, retail trade is the second largest industry in the state. The current unemployment rate is the lowest since the 1970s at 4.4% overall and 3.4% in the Seattle Metropolitan Statistical Area.  As of the end of September, ESD’s UI Trust Fund is $4.5 billion, which is enough to pay approximately 15.7 to 16.3 months of benefits. The number of unemployment recipients (just over 40,000) is at a record low, and the average duration of benefits is 15.3 weeks. In terms of solvency, Washington’s UI Trust Fund is 13th in the nation.  Update on Unemployment Insurance peak season – Julie Lord, ESD Director of UI Customer Support  At the July ESAC meeting, Julie gave an overview of changes that Unemployment Insurance Customer Support (UICS) was planning to implement in September. At the October ESAC meeting, Julie discussed the results of those changes.  The new 30-person UICS triage team started in September and is triaging incoming calls, answering basic questions, and schedulings callbacks for taking claims and handling complicated issues. In addition, UICS hired 12 new intake agents who handle more complex issues. The UICS call connect rate has moved from 56% at this time last year to 100% now. The average call wait time has dropped from 43.49 minutes in October 2017 to 3:23 minutes in October 2018.  UICS has also started making faster decisions regarding whether claimants are eligible for UI, and 34 WorkSource offices and affiliates now have a direct line to the UICS claim center. In addition, UICS has started processing appeals more quickly, sending appeals to the Office of Administrative Hearings within 24 hours of receipt instead of taking an average of 41 days.   Overview of SharedWork program – Rafael Colón, ESD SharedWork Marketing Manager  SharedWork is a federal program that ESD has implemented in Washington state. At the federal level, the program is called “Short-Term Compensation.” This program lets eligible employers reduce employees’ work hours while allowing the employees to collect partial unemployment benefits and training benefits.  During the recession, there were over 3,000 employers and 50,000 employees participating in the SharedWork program. As of September 2018, there were 521 participating plans and 8,381 participating employees.  Rafael said that approximately 52,000 businesses in Washington state are eligible to participate in SharedWork. Bob Battles asked what criteria ESD uses to determine this number, and Rafael promised to look into the issue and get back to him. After the meeting, Rafael provided this information for inclusion in the minutes:  Businesses are eligible if they:   * Have been legally registered in the state of Washington for at least six months, * Have a calculated tax rate for the current year of under 5.4 (not rate class 40), and * Have at least two employees approved on the plan at the time employers apply.   **Update on Paid Family and Medical Leave communication activities – Carla Reyes, ESD Acting Paid Family and Medical Leave Director**  The PFML program will provide weekly wage replacement for a portion of employees’ wages for up to 12 weeks (18 weeks in exceptional circumstances) for employees’ own medical conditions, caring for family members, the birth or placement of a child, or for certain military-related events.  Employers started submitting applications for voluntary plans in September. So far, 11 employers have applied, and ESD has approved or plans to approve five of those plans.  The first PFML Customer Care team started working in June 2018. The second team started in October, and the third team will start in mid-November. These employees will answer questions from employers regarding what the requirements are and how to meet those requirements.  ESD recently sent a PFML mailer to 180,000 Washington employers, and has been conducting numerous webinars and outreach events throughout the state. The agency is also getting the word out through earned media and social media, and is sending frequent communications through e-mail and postal mail to all employers using DOR and UI data.  Mike Gempler asked PFML to add clear, easy-to-understand information to the PFML website summarizing how PFML affects employers in seasonal industries. He offered to work with PFML to let employers and employees know how PFML affects seasonal industries.  Mike also encouraged PFML to work with Spanish-language assistance programs such as the Northwest Justice Project to create educational materials that address questions that seasonal Spanish-speaking employees are likely to ask regarding PFML. Carla thanked him for his offer of assistance and promised to follow up with him after the meeting to pursue his suggestions.  **Closing comments**  Cami Feek said that she will soon contact each of the ESAC members one-on-one to solicit their input and feedback. |
| **2019 meetings** |

The 2019 Employment Security Advisory Committee meetings are scheduled to occur from 1:00 to 4:00 p.m. at the ESD headquarters in Olympia on:

* Monday, May 6th
* Monday, July 22nd
* Monday, October 21st