



Employment Security Department

WASHINGTON STATE

PRELIMINARY COST BENEFIT ANALYSIS (RCW 34.05.328)

Introduction

Pursuant to RCW 34.05.328, the Employment Security Department hereby analyzes the costs and benefits of adopting the proposed rules modifying requirements for claimant directives to participate in reemployment services under RCW 50.20.010(1)(e). These rules are being adopted as part of a larger project to implement an automated scheduling service to allow claimants to self-schedule the dates they will participate in reemployment services, as recommended by Unemployment Insurance Program Letter (UIPL) 3-17 (Dec. 8, 2016).

Costs

The administrative costs to build the information technology necessary to give claimants the opportunity to self-schedule their reemployment services are currently being funded by a federal grant from the United States Department of Labor. If the Employment Security Department does not complete the self-scheduling project, it will have to return those grant funds to the federal government.

Benefits

Wisconsin implemented a system to allow its unemployment claimants to self-schedule their reemployment systems that is similar to the one currently being implemented by the Department. Before Wisconsin implemented a self-scheduling system, only 55% of claimants who were directed to participate in reemployment services actually participated. After Wisconsin's self-scheduling system was implemented, 82% of claimants who were directed to participate in reemployment services actually participated.

In Washington, currently only 60% of claimants who are directed to participate in reemployment services actually participate. After the self-scheduling system is implemented, the Department anticipates seeing increases in participation rates similar to those experience in Wisconsin. Specifically, the Department has set a goal to increase the participation rate to 85% within six to nine months after the self-scheduling system begins operations.

With increased participation in reemployment services, the Department anticipates more claimants will receive the services they need to return to work before they exhaust their unemployment benefits, which will in turn reduce the amount of unemployment benefits the Department will pay, which will in turn reduce the amount of benefits charged to employers. Also, with increased participation, the Department anticipates it will deny benefits less often, which will reduce the Department's administrative costs related to investigations, adjudications and appeals.



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Conclusion

Adoption of these rules will help the agency implement a self-scheduler project funded by a federal grant. Implementation of this project is anticipated to increase claimant participation in reemployment services, help claimants return to work sooner, and reduce employer tax rates. Therefore, the Department concludes that the anticipated benefits of adopting this rule outweigh the costs.