

HOUSE BILL REPORT

ESSB 5193

As Reported by House Committee On:
Labor & Workplace Standards

Title: An act relating to unemployment insurance systems enhancements, including creating a reserve force of unemployment claim adjudicators, effective and equitable claims processing, and transparent performance metrics.

Brief Description: Concerning unemployment insurance systems enhancements, including creating a reserve force of unemployment claim adjudicators, effective and equitable claims processing, and transparent performance metrics.

Sponsors: Senate Committee on Labor, Commerce & Tribal Affairs (originally sponsored by Senators Conway, Keiser, Hasegawa and Wilson, C.).

Brief History:

Committee Activity:

Labor & Workplace Standards: 3/10/21, 3/19/21 [DPA].

Brief Summary of Engrossed Substitute Bill
(As Amended By Committee)

- Requires the Employment Security Department (ESD) to create a training program for unemployment insurance claim adjudicators.
- Requires the ESD to implement various changes related to claims processing and provide certain data.
- Requires the ESD to provide legislative reports regarding implementation and related information.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass as amended. Signed by 7 members: Representatives Sells, Chair; Berry, Vice Chair; Hoff, Ranking Minority Member; Mosbrucker, Assistant Ranking

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Member; Bronoske, Harris and Ortiz-Self.

Staff: Lily Smith (786-7175).

Background:

The federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act provided many new and extended unemployment insurance (UI) benefit programs, which the Employment Security Department (ESD) administers.

One program under the CARES Act was the Pandemic Unemployment Assistance Program, providing UI benefits to self-employed individuals, workers with insufficient work history, and others who are not eligible for regular state UI benefits. Another program was the Federal Pandemic Unemployment Compensation (FPUC) program, which provided an additional \$600 per week of benefits. The FPUC program expired at the end of July, 2020. The Lost Wages Assistance (LWA) program was authorized through a presidential memorandum signed on August 8, 2020. The LWA program provided an additional \$300 per week of benefits for the weeks ending August 1 through 29, 2020 and September 5, 2020.

Many of the federal CARES Act programs continue through the Continued Assistance for Unemployed Workers Act, which was signed into law on December 27, 2020, for weeks of unemployment after 2020 through March 14, 2021.

During the COVID-19 pandemic, UI claims, including claims under the new federal programs, increased substantially. The ESD hired and trained new staff to process claims, including members of the National Guard.

Summary of Amended Bill:

The ESD must implement various changes and plans related to claims processing.

Training Program.

The ESD must create an annual training program to train qualified persons to perform as UI claim adjudicators in a reserve capacity. Among other requirements, the program must be of sufficient quality that persons completing the training, and any required continuing education, would be ready to work as a UI claim adjudicator within one week of commencing employment with the ESD.

The Office of Financial Management must collaborate with the ESD to identify agencies with state employees who meet the minimum qualifications for UI claim adjudicators. Those employees may attend trainings and be selected to assist the ESD in claims

processing activities.

The ESD must provide an annual report to the Legislature on:

- the number of persons with current adjudicator certifications;
- the number of people employed by the ESD; and
- the adjudicator training and hiring costs.

Claims Processing.

The ESD must use plain, tested language in letters, alerts, and notices. Determinations and redeterminations must clearly convey:

- applicable statutes and explanations of law; and
- an outline of relevant facts, reasoning, decision, and result.

The ESD will work with an advisory committee to explore:

- establishing thresholds that trigger automatic adjustments in staffing and a pilot to provide a caseworker approach;
- increasing language access; and
- training frequency for the new claims adjudicator program.

The ESD must dedicate a toll-free number for certain claimants.

Public Information.

The ESD must maintain an online data dashboard, and provide quarterly reports with performance metrics that include updates of unemployment rates, claims data, claims center phone statistics, staffing ratios, overpayment data, and other information.

Other Reports to the Legislature.

By September 1, 2021, and at least quarterly through September 1, 2022, the ESD must report to the Legislature:

- progress in implementing the bill;
- updates on federal programs or funds;
- any relevant software or technology issues;
- updates on protocols and processing for protecting sensitive data; and
- any other relevant issues or information.

Amended Bill Compared to Engrossed Substitute Bill:

The amended bill removes the condition that the ESD only provide certain data when the unemployment rate equals or exceeds 5 percent. The legislative work group is removed. The ESD is required to report to the Legislature at least quarterly through September 1, 2022, on the implementation of the bill and other information and issues related to claims processing, administration, and data.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This has been a joint effort to resolve issues that impact all of us, and needs to continue to be a bicameral and bipartisan effort. Workers have had a great need for benefits, adjustments, and flexibility in the unemployment insurance process. The ESD staffing model is built on an assumption of a very small percentage of the current claims volume, and there are not enough adjudicators. Having a contingency reserve that can be quickly deployed is an elegant contribution to solving these issues. Dashboard data metrics would be useful to have regardless of where we are in an economic cycle. A language access program should also be included. This bill will ensure more equitable claims handling and accountability.

(Opposed) None.

Persons Testifying: Senator Conway, prime sponsor; Anne Paxton, Unemployment Law Project; and Joe Kendo, Washington State Labor Council, American Federation of Labor and Congress of Industrial Organizations.

Persons Signed In To Testify But Not Testifying: None.