

ESSB 5193 - H COMM AMD

By Committee on Labor & Workplace Standards

ADOPTED 04/05/2021

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds with roughly
4 \$4,700,000,000 in the state unemployment insurance trust fund,
5 Washington entered the COVID-19 pandemic with one of the strongest
6 and best-funded trust funds in the nation. During an unprecedented
7 time, the state's unemployment insurance trust fund provided critical
8 economic support to Washington workers and businesses through
9 unemployment benefits and helped bolster the state's economy.

10 The legislature recognizes that the employment security
11 department maintains a recession readiness team that prepares the
12 agency to respond to economic changes, helping employers and
13 employees plan for the future. Based on experience with past
14 recessions, the employment security department's readiness team
15 prepared contingency plans for a possible economic crisis. During the
16 great recession, there were approximately 61,000 continued
17 unemployment insurance claims in September 2008, rising to a high of
18 approximately 173,000 claims in January of 2010, a period of 16
19 months. During the first three months of COVID-19, unemployment
20 insurance claims were more than double those filed during the great
21 recession, a time period that was seven times longer. From February
22 2020 to April 2020, unemployment insurance claims went from
23 approximately 62,000 to approximately 447,000 claims. The sudden
24 magnitude of claimants overwhelmed the system; contributing to
25 Washingtonians waiting months for their earned benefits and facing
26 deep economic insecurity.

27 The legislature finds that, despite conscientious economic
28 emergency planning by the employment security department, claims
29 processing issues are central problems encumbering the employment
30 security department's ability to timely meet a suddenly increased
31 demand for benefits. Immediate additional measures to facilitate

1 rapid and equitable provision of unemployment benefits now, and
2 enhanced preparation to do so in future economic downturns or
3 emergencies, are critically important.

4 The legislature further finds that a federal retroactive funding
5 model that looks back instead of preparing for potential economic
6 shocks ahead was a major contributing factor to the challenges faced
7 by all states during the COVID-19 pandemic in quickly paying benefits
8 to unemployed workers. Our employment security department cannot
9 quickly scale up for increased workloads and new programs if its
10 administrative funding is based on funding that looks backward
11 instead of forward.

12 Amid an unprecedented need for benefits and stresses on our
13 unemployment insurance program, the legislature intends to create a
14 pool of qualified unemployment insurance claim adjudicators, reduce
15 claimants' need for assistance, assure transparency of claims
16 processing performance measures, and make other system enhancements.
17 Together, these systems enhancements will ensure quicker claim
18 resolution and benefit payment; thus providing critical economic
19 support during future unemployment crises.

20 NEW SECTION. **Sec. 2.** A new section is added to chapter 50.12
21 RCW to read as follows:

22 (1) The employment security department must create a training
23 program to prepare a reserve force of skilled unemployment insurance
24 claim adjudicators who can be available quickly when claims volume
25 demands.

26 (2) The program must:

27 (a) Be open to both state and other public employees and private
28 citizens;

29 (b) Be of sufficient quality that persons completing the training
30 and any required continuing education would be ready to work as an
31 unemployment insurance claim adjudicator within one week of
32 commencing employment with the employment security department; and

33 (c) Provide a certification of completion to participants who
34 complete the program.

35 (3) The office of financial management must collaborate with the
36 employment security department to assist the department in
37 identifying agencies with current state employees who meet the
38 minimum qualifications for unemployment insurance claims'
39 adjudicator. Employees at other agencies, who meet the minimum

1 qualifications of the unemployment insurance claims' adjudicator
2 classification, may, upon approval of their agency, attend required
3 training provided by the department. In designated times of high
4 unemployment claims, current state employees who have completed
5 required training and who are otherwise qualified may be selected to
6 assist the department in processing unemployment insurance claims or
7 related activities. The office of financial management may adopt
8 rules or issue guidance to assist in the implementation of this
9 provision.

10 (4) By October 1, 2021, and each year thereafter, the employment
11 security department must provide a report to the house of
12 representatives committee on labor and workplace standards and the
13 senate committee on labor, commerce, and tribal affairs, or successor
14 committees, on the number of persons with current certifications
15 under subsection (2)(c) of this section, the number of people
16 employed by the department and over what period of time, and the
17 adjudicator training and hiring costs.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.12
19 RCW to read as follows:

20 (1) The department must designate department employees to assure
21 that letters, alerts, and notices produced manually or by the
22 department's unemployment insurance technology system are written in
23 plainly understood language and tested on claimants before they are
24 approved for use. Criteria for approval must include
25 comprehensibility, clarity, and readability. If the messaging of any
26 letter, alert, or notice falls short of those criteria, manual
27 methods of producing a comprehensible version shall be considered
28 while the department waits for their unemployment insurance
29 technology system to incorporate required modifications.

30 (2) Determinations and redeterminations must clearly convey
31 applicable statute numbers, a brief explanation of pertinent law,
32 outline of relevant facts, reasoning, decision, and result.

33 (3) The department will work with an unemployment insurance
34 advisory committee comprised of business and worker advocates to
35 explore:

36 (a) Establishing thresholds that will trigger automatic
37 adjustments in department staffing assignments and phone agent
38 staffing levels;

1 (b) Establishing a pilot to provide a caseworker approach to the
2 claims of a group of claimants with that casework carrying over to
3 reemployment services;

4 (c) Increasing language access, including by providing
5 translation of notices sent to claimants as part of their
6 unemployment insurance claims; and

7 (d) Frequency of the initial and continuing training to meet the
8 needs of section 2 of this act.

9 (4) Dedicated toll-free phone lines must be established for
10 claimants who lack computer skills or access to computers, claimants
11 with disabilities, and claimants with limited English proficiency.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.12
13 RCW to read as follows:

14 The department must:

15 (1) Maintain an online data dashboard.

16 (2) Provide quarterly reports with performance metrics that
17 include:

18 (a) Updates of unemployment rates;

19 (b) Total numbers of claims paid, amount compensated, claims
20 denied, claims pending in adjudication, claims on which payment has
21 been halted for review, pending appeals, appeals redetermined by the
22 department, and appeals sent to the office of administrative
23 hearings;

24 (c) Claims center phone statistics including call volume, hold
25 times, abandoned calls, repeat calls, and all-circuits-busy messages
26 for both claimants and employers;

27 (d) Ratio of staff phone agents to employers and ratio of staff
28 phone agents to claimants;

29 (e) Number and dollar total of overpayments imposed and
30 overpayment waiver approval rate; and

31 (f) The percentage of unemployed persons in the state receiving
32 benefits (reciprocity rate).

33 NEW SECTION. **Sec. 5.** (1) By September 1, 2021, and at least
34 quarterly through September 1, 2022, the employment security
35 department must provide a report to the house of representatives
36 committee on labor and workplace standards and the senate committee
37 on labor, commerce, and tribal affairs, or successor committees, that
38 includes:

- 1 (a) The department's progress in implementing this act;
- 2 (b) Updates on any new federal programs or funds received by the
3 department for unemployment compensation and administration and the
4 use of such funds;
- 5 (c) Any software or technology issues related to claims
6 processing, including any issues causing claim delays or inaccurate
7 automated notifications;
- 8 (d) Updates on the department's protocols and process for
9 protecting sensitive data; and
- 10 (e) Any other relevant unemployment issues, or information
11 related to enhancing the unemployment insurance system, as determined
12 by the department.
- 13 (2) This section expires December 1, 2022."
- 14 Correct the title.

EFFECT: Removes the condition that the Employment Security Department (ESD) only provide certain data when the unemployment rate equals or exceeds five percent. Removes the legislative work group. Requires ESD 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.

--- END ---