## HOUSE BILL 1487

State of Washington 67th Legislature 2021 Regular Session

By Representatives Bronoske, Berry, Wicks, Fitzgibbon, Lovick, Kirby, Santos, Shewmake, Lekanoff, Leavitt, Senn, Paul, Peterson, Sells, Ramel, Callan, Valdez, Tharinger, Ormsby, Chopp, Harris-Talley, Berg, and Pollet

Read first time 02/04/21. Referred to Committee on Labor & Workplace Standards.

- 1 AN ACT Relating to unemployment insurance systems enhancements,
- 2 including creating a reserve force of unemployment claim
- 3 adjudicators, effective and equitable claims processing, and
- 4 transparent performance metrics; adding new sections to chapter 50.12
- 5 RCW; and creating a new section.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The legislature finds with roughly \$4,700,000,000 in the state unemployment insurance trust fund,
- 9 Washington entered the COVID-19 pandemic with one of the strongest
- 10 and best-funded trust funds in the nation. During an unprecedented
- 11 time, the state's unemployment insurance trust fund provided critical
- 12 economic support to Washington workers and businesses through
- 13 unemployment benefits and helped bolster the state's economy.
- 14 The legislature recognizes that the employment security
- 15 department maintains a recession readiness team that prepares the
- 16 agency to respond to economic changes, helping employers and
- 17 employees plan for the future. Based on experience with past
- recessions, the employment security department's readiness team prepared contingency plans for a possible economic crisis. During the
- 20 great recession, there were approximately 61,000 continued
- 21 unemployment insurance claims in September 2008, rising to a high of

p. 1 HB 1487

approximately 173,000 claims in January of 2010, a period of 16 months. During the first three months of COVID-19, unemployment insurance claims were more than double those filed during the great recession, a time period that was seven times longer. From February 2020 to April 2020, unemployment insurance claims went from approximately 62,000 to approximately 447,000 claims. The sudden magnitude of claimants overwhelmed the system; contributing to Washingtonians waiting months for their earned benefits and facing deep economic insecurity. 

The legislature finds that, despite conscientious economic emergency planning by the employment security department, claims processing issues are central problems encumbering the employment security department's ability to timely meet a suddenly increased demand for benefits. Immediate additional measures to facilitate rapid and equitable provision of unemployment benefits now, and enhanced preparation to do so in future economic downturns or emergencies, are critically important.

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

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

- NEW SECTION. Sec. 2. A new section is added to chapter 50.12 RCW to read as follows:
- 36 (1) The employment security department must create an annual 37 training program to prepare a reserve force of skilled unemployment 38 insurance claim adjudicators who can be available quickly when claims 39 volume demands.

p. 2 HB 1487

(2) The program must:

- (a) Be open to both state and other public employees and private citizens;
- (b) Be of sufficient quality that persons completing the training and any required continuing education would be ready to work as an unemployment insurance claim adjudicator within one week of commencing employment with the employment security department; and
- (c) Provide a certification of completion to participants who complete the program.
  - (3) The office of financial management must collaborate with the employment security department to provide opportunities for state employees, who meet the minimum qualifications to work as an unemployment insurance claim adjudicator, to participate in the annual trainings.
- (4) By October 1, 2021, and each year thereafter, the employment security department must provide a report to the house of representatives committee on labor and workplace standards and the senate committee on labor, commerce, and tribal affairs, or successor committees, on the number of persons with current certifications under subsection (2)(c) of this section, as well as how many were employed by the department and over what period of time.

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

- (1) The department must designate department employees to assure that letters, alerts, and notices produced manually or by the department's unemployment insurance technology system are written in plainly understood language and tested on claimants before they are approved for use. Criteria for approval must include comprehensibility, clarity, and readability. If the messaging of any letter, alert, or notice falls short of those criteria, manual methods of producing a comprehensible version shall be considered while the department waits for their unemployment insurance technology system to incorporate required modifications.
- (2) Determinations and redeterminations must clearly convey applicable statute numbers, a brief explanation of pertinent law, outline of relevant facts, reasoning, decision, and result.
- (3) The department must establish claims volume and state unemployment rate thresholds to determine when there is a high demand for assistance with claims filing amid a scarcity of jobs. When those

p. 3 HB 1487

- thresholds are met, the employment security department must retrain and redeploy staff of worksource offices to assist with claims until adequate availability of job openings justifies returning those staff members to worksource duties.
  - (4) The department must establish thresholds relating to call volume, repeat calls, and wait times that will trigger mandatory adjustment of phone agent staffing levels.
- 8 (5) Dedicated toll-free phone lines must be established for 9 claimants who lack computer skills or access to computers, claimants 10 with disabilities, and claimants with limited English proficiency.
- 11 (6) The department must provide translation of letters and 12 notices into any of the top 10 languages utilized in the state.
- 13 (7) The department must pilot providing a caseworker approach to 14 the claims of a group of claimants with that casework carrying over 15 to reemployment services.
- NEW SECTION. Sec. 4. A new section is added to chapter 50.12 RCW to read as follows:
  - (1) The department must maintain an online data dashboard.
- 19 (2) The department must provide quarterly reports with 20 performance metrics that include:
  - (a) Weekly updates of unemployment rates;

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- 22 (b) Total numbers of claims paid, amount compensated, claims
  23 denied, claims pending in adjudication, claims on which payment has
  24 been halted for review, pending appeals, appeals redetermined by the
  25 department, and appeals sent to the office of administrative
  26 hearings;
- (c) Claims center phone statistics including call volume, hold times, abandoned calls, repeat calls, and all-circuits-busy messages for both claimants and employers;
- 30 (d) Ratio of staff phone agents to employers and ratio of staff 31 phone agents to claimants;
- 32 (e) Number and dollar total of overpayments imposed and 33 overpayment waiver approval rate; and
- 34 (f) The percentage of unemployed persons in the state receiving 35 benefits (recipiency rate).
- 36 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 50.12 37 RCW to read as follows:

p. 4 HB 1487

- 1 (1) The department must collaborate with the department of labor 2 and industries, department of commerce, and department of social and 3 health services to further the department's economic cycle plan and 4 build a cross-agency plan.
  - (2) Economic cycle planning must include the following topics:

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- (a) Impacts of various economic impact thresholds and triggers;
- (b) Resources needed to scale support for claimants and employers; and
- (c) How to address the needs of those most vulnerable during an economic crisis, including those with limited English proficiency, those without digital access, and those belonging to other marginalized communities.
- 13 (3) The department must conduct regular drills to practice their response to emergency economic conditions.

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p. 5 HB 1487