2009 National Employment Law Project Conference

Washington D.C.

Commissioner Karen Lee
Washington Employment Security Department
December 7, 2009
Workforce Development Legislation in Washington State

☆ Washington State’s stimulus package
☆ Training Benefits
☆ Shared Work
Washington State Stimulus

★ Temporary increase of UI benefits
  • Minimum weekly benefit amount increased from $133 to $155 — projected impact of $11 million
  • $45 added to an individual’s weekly benefit — projected impact of $350 million

★ Expansion of the Shared Work program

★ Expansion of the Training Benefits program

Economic Drivers for a Stimulus Package

Economic Climate in January 2009:

🌟 Rising unemployment
  • State unemployment rate at 7.8%

🌟 Looming state budget deficit
  • Projected at $6.1 billion
Washington’s Approach

☆ Governor convened a task force of business, labor and government to recommend state stimulus options

☆ Because of the healthy balance in the UI trust fund, the task force concluded that UI benefits could stimulate the economy ($1.64 benefit multiplier)

☆ The Governor looked to ESD to help develop a robust stimulus package

☆ The bill passed with bipartisan support (final passage - Senate: 43 to 4; House: 93 to 2)
$45 Benefit Increase Details

☆ UI claimants receive an additional $45 in their weekly benefit
☆ Applied to all benefits for claims with an effective date on or after May 3, 2009 and before Jan 3, 2010
☆ $163.6 million paid to 303,149 claimants as of October 31, 2009
☆ Projected additional benefit paid through 2010 is $350 million
Training Benefits

★ Additional unemployment benefits available to qualified workers enrolled in approved training

★ Paid from the state UI trust fund

★ Training Benefits program originally created in 2000
Training Benefits Changes

☆ Eligibility expanded beyond dislocated workers to include:
  • Low-income workers (who earned less than 130% of the state minimum wage in their base year)
  • Current Washington National Guard members
  • Members of the Washington National Guard or the military who were honorably discharged in the last 12 months
  • Disabled people who and are unable to return to work in their occupation

☆ Application deadlines extended and can be waived on a case-by-case basis
Shared Work

- Offers employers an alternative to laying off staff due to a temporary decline in business.

- Allows employers to reduce hours of full-time employees and enables workers to keep their job and collect partial UI benefits to replace lost wages.

- Shared Work reduces employers’ immediate payroll and future recruiting, hiring and training costs.

- Employer must maintain health coverage.
Shared Work Changes

★ Workers can receive shared-work benefits for entire year, rather than 26 weeks

★ Employers may enroll any number of their workers in the program

★ A shared-work plan may take effect no more than two weeks after approval, unless the employer requests a later start date

★ Began on April 5, 2009
## Shared Work Participation

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009 (through Nov 21)</th>
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</thead>
<tbody>
<tr>
<td>Number of approved employer plans</td>
<td>621</td>
<td>2,369</td>
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<tr>
<td>Number of employees on approved plans</td>
<td>21,274</td>
<td>43,248</td>
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<tr>
<td>Number of employees who have received payments</td>
<td>9,343</td>
<td>27,491</td>
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<tr>
<td>Total Shared Work payments</td>
<td>$6 M</td>
<td>$34.9 M</td>
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Challenges

- Coordinating state legislation with changes at the federal level
- Antiquated software systems
- The need for a “balanced” approach (between employers and workers)
- Unintended consequence of dollar-for-dollar payments for reimbursable employers (state and local government)
Other Efforts: Reemployment Services

☆ New front-end process at the One-Stop to ensure that customers receive the services they need

☆ New UI claimants are contacted by the One-Stops and invited to attend an orientation, which includes a one-on-one meeting with a counselor

☆ 2009 study shows that UI claimants who received One-Stop services have increased likelihood of employment and higher earnings (www.workforceexplorer.com)