



2009 National Employment Law Project Conference

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Commissioner Karen Lee
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Employment
Security
Department
WASHINGTON STATE

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

*Stimulus bill signed into law on February 16, 2009.
First UI payment made on May 3, 2009.*



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

| | 2008 | 2009 (through Nov 21) |
|--|--------|-----------------------------|
| Number of approved employer plans | 621 | 2,369 |
| Number of employees on approved plans | 21,274 | 43,248 |
| Number of employees who have received payments | 9,343 | 27,491 |
| Total Shared Work payments | \$6 M | \$34.9 M |



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)

