



Amend SB 5061 and provide relief to workers too

Nine months into the pandemic, the distribution of desperately needed unemployment funds continues to be hampered by the Employment Security Department's massive backlogs, slow payment, and other issues. ESD's most recent data showed 40,000 applicants waiting for a response, with average wait times of 2 weeks for simple claims and 10 weeks for more complex claims. Tens of thousands of workers have gone months without income support, seen benefits cut off, or received erroneous overpayment notices.

Current unemployment reform proposals before the legislature would provide employers substantial tax benefits, but fail to address the core issues unemployed workers continue to experience. SB 5061 (Keiser) includes several worthy improvements for workers, including raising the minimum benefit. SB 5064 (Saldaña) also makes a useful change by establishing eligibility for workers who leave a job due to caregiving needs. But these smaller reforms mean little if eligible workers cannot depend on promptly receiving income support, and are still subject to months-long delays, aggressive overpayment collections, and unfair denials.

SB 5061 should not advance without amendments to address these issues and ensure ESD does its job: pay benefits promptly to workers who lose income. In its current form, the bill would allow tens of thousands of workers to face financial crisis; it would deepen inequities for people of color, who are more likely to lose work and less likely to successfully collect benefits; and it would threaten public health by leaving many high-risk workers no choice but to return to work. The following amendments to SB 5061 would alleviate strain on ESD's system and get vital payments to workers, while remaining in conformity with federal guidelines.

During the ongoing pandemic emergency:

- **Conduct an affirmative audit of all denials during this public emergency:** ESD performed poorly under stress, and the department's own data shows about two-thirds of denials are reversed on redetermination. ESD should conduct an affirmative audit of all denials since March in order to proactively identify eligible applicants who were not paid.
- **Waive all applicant deadlines during this and any other public emergency periods.** Long delays reaching ESD and inconsistent communications can result in missed deadlines for initial and weekly claims, responses to adjudication, and appeals. All such deadlines should be waived during this and any other public emergency period.
- **Establish a blanket moratorium on overpayments & collections:** All overpayments issued during the pandemic period should be waived in order to ensure workers are not subject to debt, collections, and garnishment during this or any future public emergency. Current reform proposals offer employers an experience-rating holiday for pandemic layoffs, but no similar blanket overpayment waiver has yet been offered to workers.

To address ongoing systemic issues:

- **Establish a fixed timeline to determine claims:** ESD only serves its basic function of providing workers economic security when workers know they can quickly receive benefits. Federal conformity rules require “prompt” payment, which can be achieved with a guaranteed timeline for initial assessment of eligibility, and paying at least the minimum benefit to workers whose claims have not been denied.
- **Expand eligibility for good-cause quits:** In order to protect public health and workplace rights, workers who face unsafe working conditions, hostile environments, and other violations must have access to income support. SB 5061 should expand eligibility for “good-cause” quits to include all labor standards violations.
- **Increase transparency and accountability:** In addition to the financial reports required by SB 5061, ESD should provide regular public reports of new and ongoing claims, payments, claim outcomes, reciprocity rates, and demographic breakdowns.

Without these crucial amendments to support public health, advance racial equity, and enhance economic security for workers, SB 5061 will not address the key issues faced by workers despite taking significant steps to respond to employers’ concerns. No single policy will resolve all the underlying issues that have allowed this unprecedented strain on the system to create massive backlogs and delays: ultimately we need a system that is designed to provide support to all who need it, including undocumented workers and others barred from unemployment by federal rules. But the amendments above represent an immediate pathway to resolving some of the most pressing issues facing workers and providing promised income support to tens of thousands of workers who will otherwise fall through the cracks.