

Date : 5/2/2019 3:38:13 PM
From : "Susanne McIntyre"
To : "Alphonso Melton" , "Andrew Burgess" , "Chuck Hole" , "Corine Pennington" , "Ed Hatzenbeler" , "Jake Kuper" , "Janet Hodson" , "Judy Neumeier-Martinson" , "Karen Andersen (andersenk@psd401.net)" , "Kari Harris" , "Kathleen Ebert" , "Kim Brodie" , "Kim Knight" , "Kirsten Parker" , "Liz Dodd" , "Lori Cloud" , "Marci Bannan" , "Mark Spangenberg" , "Melissa Beard" , "Michelle Hill (hillm@tukwila.wednet.edu)" , "Tammy Bigelow" , "Thomas Jay"
Cc : "Jessica Dedrick" , "Clairmonte Cappelle" , "John Snyder"
Subject : Unemployment Pool Meeting Minutes
Attachment : 20190416 UP Board Minutes.pdf;Excess Fund Request Form FINAL.pdf;

Hello Trustees,

The Executive Advisory Board of the Puget Sound Unemployment Pool met on April 16, 2019. The meeting minutes are attached. If you would like a copy of the PowerPoint presentation, please let me know.

During the meeting, the board discussed implementing a procedure for determining the appropriate person to request a Member Refund on behalf of a district and proposed creating a form for that purpose. The Pool staff took that under advisement and created the Excess Fund Request Form. Members will be given this form in October if they have excess funds to withdraw. The form is attached.

We value your membership and look forward to our continuing relationship.

Thank you,
Susanne

CONFIDENTIALITY NOTICE: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.

**Puget Sound Unemployment Pool
Executive Advisory Board Meeting Minutes
April 16, 2019 | 10:00 a.m. | WCT Conference Room**

Board Members Present

Marci Bannan – Orting School District
Kirsten Parker – Dieringer School District
Janet Hodson – Federal Way School District
Andrew Burgess – Highline School District
Susanne McIntyre – PSESD (non-voting)
John Snyder – PSESD (non-voting)

ESD Staff Present

Dee Thierry – PSESD
Jessica Dedrick – PSESD
Brad Jones – PSESD
Clairmonte Cappelle – PSESD
Chuck Hole – PSESD

I. Proceedings

Meeting called to order at 10:00 a.m. by Vice-Chair, Marci Bannan.

II. Action Items

- **Minutes.** Marci Bannan asked for a motion to approve the March 26, 2018, meeting minutes. Kirsten Parker made a motion to approve the minutes; Andrew Burgess seconded. Motion carried. Minutes for March 26, 2018, meeting approved.

III. Reports

- **Unemployment Pool Report.** Susanne McIntyre, Director of Client Relations, gave a refresher on unemployment benefits discussing how Employment Security determines a claimant's base year, and how benefit eligibility is determined. Unemployment rates have continued to decline both nationally and statewide. The national unemployment rate is now 3.9% and in Washington state it is 4.3%. The national economy has grown at a faster pace in 2018 than in 2017 due to strong job creation and resilient hiring. Education, training, and library occupations are projected to grow at the same rate as the average for all occupations. She opened up the discussion to district board members to what they see on the horizon in terms of budget concern, and any potential layoffs or strikes. Member districts discussed the issues. None of the Board Members expect a repeat of the strikes that occurred in fall 2018.

Jessica Dedrick, Client Services Coordinator, presented an overview of claims filed in the 2017/18 school year. There were 360 claims filed in 2017/18, down slightly from 387 the previous year. Hearings on benefit appeals and petitions for review also decreased from the previous year, with the Pool participating in 15 hearings, down from 32, and 3 petitions for review, down from 8. The rates of claim denials and allowances are very similar to the previous year's data, with 52% of all claims allowed, 33% non-paid, and 15% denied. Non-paid claims are claims where the Pool received notice that a claim was filed, but no formal determination, and a review of the benefit statements show that no funds were ever paid to the claimant. Looking at claims by job class, for the 160 of 360 claims where job title was reported, 68% of

claims were filed by professional, administrative, and clerical staff (61-03), and 32% of claims were filed by all other employees (61-04). Using the same set of claimants where employment data such as job title was reported by the school district, 49% of claims were filed by substitute employees and 51% of claims were filed by regular staff. Of those claims filed by substitutes, 39% were allowed, compared to a 52% allowance rate for regular employees.

- **Financial Update.** John Snyder, Director of Finance, reported on the state of the Pool for the period ending August 31, 2018. The fund balance assets have stayed the same with a slight decrease in cash and equivalents due to two refunds to member districts in November 2017. Liabilities are down due to a decrease in incurred but not reported claim reserves (IBNR) from \$2.4 million for FY2016/17 to \$603K for FY2017/18. Total liabilities and net position for FY2017/18 was \$11.3 million, down from \$11.7 million for FY2016/17. Total actual paid claims expenses for FY2017/18 were \$792K, up from the \$495K budgeted. Due to the \$1.8 million decrease in IBNR reserves, total claims expenses for the fiscal year came to negative (-) \$1.1 million. Due to the increase in actual claims paid from what was budgeted, the 2018/19 and 2019/20 budgets have projected \$850K in paid claims expenses, bringing the total preliminary budget for 2019/20 to \$974K, an \$174K decrease from the 2018/19 budget of \$1,148K. FY2019/20 expenses are anticipated to remain steady, except for an decrease in supplies for 2019/20 that is attributable to funds budgeted for a new unemployment claims system. That work will instead be taken on by the new application specialist, Carrie Angle. The board discussed implementing a procedure for determining the appropriate person to request a Member Refund on behalf of a district and will consider creating a form for that purpose.
- **Legal Update.** Brad Jones, Claims Attorney, gave a brief overview of his work with the Pool and his hearings success rate. He also discussed upcoming changes to Washington state reasonable assurance rules, and their effect on benefit determinations. To come into compliance with federal rules, Washington state has issued new guidance about reasonable assurance, and their new multi-pronged test to determine whether an educational employee has reasonable assurance. The Pool is drafting suggested templates for school districts to use for reasonable assurance letters to prevent an increase in allowed claims for substitute employees and will distribute it before the end of the month.
- **Executive Director.** Clairmonte Cappelle shared that Susanne McIntyre would be leaving the Pool to take another position at the ESD. He thanked her for her excellent work, and apprised board members that the Pool will continue to operate as usual with Jessica Dedrick, Brad Jones, and Dee Thierry as the day-to-day operational staff.

IV. **Adjournment**

Marci Bannan adjourned the meeting at 11:30 a.m.



Puget Sound Unemployment Pool Excess Fund Request Form

District Name: _____

Date of Request: _____

School Year Ending: _____

District Standing from Year End Combining Statement

Ending Fund Balance (as % of gross wages): _____

Minimum Pool Requirement .20%: _____

Excess Fund Balance (over 3x Minimum): _____

Excess Funds Requested: _____

Remaining Fund Balance: _____

District Approval

District Staff Person Requesting Funds

District Staff Person with Authority to Approve Request

Signature

Signature

Job Title

Job Title

Date

Date

Notes:

Excess Fund Balance: An assessment of the fund balance for each district will be conducted during the first month of each fiscal year (September). A fund that exceeds 3 times the Pool Reserve Ratio will be considered to be in an excess balance state. Those districts in an excess balance state will be notified of their status and given the opportunity to withdraw all or any portion of the excess funds at the time. Excess funds will be dispersed once per fiscal year, during the month of November.

Pool Reserve Ratio: The Pool Reserve Ratio shall be defined as a percent of the previous year's gross wages and shall be the level of the reserve that shall be maintained in the Pool Account Cooperative.