From: Smith, Lois [lsmith3@ESD.WA.GOV]
Sent: Tuesday, December 20, 2005 5:17 PM
To: 'jan@gg-public-affairs.com'
Cc: 'chrischeney@earthlink.net'; Johnson, Judy; Copeland, Annette; Iyall, Jerry; Wagner, Robert
Subject: RE: Data Request 007.0

Jan,

We've never done a breakdown of savings by each item like Dr. Vroman did on page 26 (see below) in his 12/1/05 presentation; he was the only one commissioned to provide this type of breakdown. Our models incorporate, but do not itemize, the effects of several of these items. Please refer to the list on the last page of the "Differences Vroman and ESD..." document that Judy sent last week, which compares what goes into the estimates provided by Dr. Vroman and ESD.

       <u>Dr. Vroman's slide 26 (Detailed Savings - 2008)</u>
     *   R1 - Freeze Max WBA $96 mill
     *   R2 - Lower Stat. Replace. Rate $48 mill
     *   R3 - 4 Quarter Avg. for WBA $177 mill
     *   R4 - Reduce max dur to 26 $44 mill
     *   R5 - Increased VQ disqual. $24 mill
     *   R6 - Claims admin.: JSR & REA $26 mill
     *   D - Lower WBA - higher dur.   -$28 mill

<u>Therefore, the side-by-side comparison you describe would be an additional request, not just a clarification</u>. However, a clarification I can make is that the estimates in the output package for data requests 008.0 and 009.0 provide ESD's estimates of benefit payments in 2009 using 4 quarter averaging (Existing law) and using 2 quarter averaging at 3.85% (2255 made permanent). The difference between the two amounts is our estimate of the savings for that year of Dr. Vroman's items R1, R2 (2255 made permanent), R3 (Existing law), and R4 combined. Dr. Vroman's estimates of total savings for 2009 (and other years) are on slides 24-25. Please also refer to the "Differences Vroman and ESD..." document for more of an explanation on why our estimates differ from those of Dr. Vroman; several of those reasons indicate that comparing his and our estimates is an "apples to oranges", not an "apples to apples" comparison.

I hope this information has been helpful in answering at least part of your question. In reference to Judy's original question below, we will record this data request as completed unless you let us know otherwise.

Please note that I was unable to "reply to all" of the people in your original message (see below) because it was not sent directly to me (Judy forwarded it); please forward it to those for whom I did not have complete email addresses. Thanks.

Best Regards,

Lois Smith
UI Research and Analysis
WA State Employment Security Department
PO Box 9046   Olympia, WA 98507
(360) 902-9340

From: Johnson, Judy
Sent: Friday, December 16, 2005 7:29 PM
To: Annette Copeland; Jerry Iyall; Lois Smith; Robert Wagner
Subject: FW: Data Request 007.0

-----Original Message-----
From: Jan Gee [mailto:jan@gg-public-affairs.com]
Sent: Friday, December 16, 2005 7:09 PM
To: 'Johnson, Judy'

Cc: Brian Minnich; chrischeney@earthlink.net; Bruce Beckett; Kristen Sawin
Subject: RE: Data Request 007.0

The thing we talked about at the meeting based on receiving your corrected numbers and the questions poised by the Speaker the day before was to ask you to place your cost savings side by side to Vroman's Page 26 of the 12/1 presentation. However, as we talked he is using 2008 numbers and 2009 is more appropriate because all the 2255 provisions sunset and we then have "real" numbers. Therefore, will he please update his numbers to 2009 and ESD provide their estimate side-by-side? I don't think this is an additional request as this is a clarification of materials presented at the task force meeting. What is your opinion?

From: Johnson, Judy [mailto:JJohnson@ESD.WA.GOV]
Sent: Friday, December 16, 2005 6:23 PM
To: 'Jan Gee'
Cc: Annette Copeland; Jerry Iyall; Lois Smith; Robert Wagner
Subject: Data Request 007.0

Jan: The Employer Coalition asked us to provide information on the costs of Dr. Vroman's estimated savings and differences. We had recorded this as Data Request # 007.0. Do you have everything you need now on cost savings and cost differences now, so we can say that request is done? Let us know. Thanks.