Advisory Committee Meeting
July 15, 2021
Meeting structure

• Only Advisory Committee and the presenters will be unmuted during the meeting, until open comment.
• Public to hold all feedback until the open comment period.
• Comments and questions in the chat will not be reviewed as part of the meeting structure, rather:
  • Open comments will be taken at the end of the meeting.
  • Please frame your questions as a comment.
  • “Raise your hand” if you have a comment.
  • The meeting host will unmute individual line to allow for the open comment.
Introductions

• Advisory Committee

(Note: We will use the Zoom feature to identify who is on the phone rather than announcing during meeting)
Approve June minutes

• Discussion
Legislative changes implementation update
The COVID qualifying periods are valid for initial applications filed between Jan. 1, 2021, and March 31, 2022.
## Details

| Technology development, testing and release | • Dedicated development team and resources.  
• Changes to application flow, additional attestation, redetermination enhancements, and financial management capabilities. |
| Organizational readiness | • SOPs, desk aids and operational policies. |
| Staff hiring and training | • Hiring in two rounds of Customer Care Specialists.  
• First round to be on-boarded and trained by August 1. |
| External communications | • Website updates (Help Center, eligibility checker, individual and employer pages).  
• Publication updates (Benefit Guide, Parents’ Guide, other toolkits and guides as needed).  
• Direct customer communications. |
# Communications plan

<table>
<thead>
<tr>
<th>Benefit customers</th>
<th>Employers</th>
<th>Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated denial letters (July 1)</td>
<td>Employer Toolkit and website updates (July 2 – 23)</td>
<td>Email to listservs (July 26 – 30)</td>
</tr>
<tr>
<td>Web and publication updates (July 2 – 30)</td>
<td>Voluntary Plan materials updated and targeted communications (July 12)</td>
<td>Shareable content available (August 16 – 20)</td>
</tr>
<tr>
<td>Targeted customer communications (August 2 - 6)</td>
<td>Employer newsletters (July and August)</td>
<td></td>
</tr>
<tr>
<td>Broad communications via social media (August 16 – 20)</td>
<td>Small employer targeted communications (TBD)</td>
<td></td>
</tr>
</tbody>
</table>
Voluntary Plans

Impacts of 1073 and 5097
5097 impacts

• Expanded family member definition
  • Administer benefits using new definition starting July 25.
  • Voluntary plans should be updated during the employer’s recertification process.

• Voluntary plan employer survey
  • Sent to voluntary plan employers July 12.
  • Asks for information on number of leaves, length, benefits paid in past year, location, size, industry.
1073 impacts

• Voluntary plan employers will continue to process benefit applications as they do currently.
• If they deny someone for not having worked enough in the qualifying period, they can direct employees to apply with us.
Projections assumptions
Paid Leave Premium Rate & Projections

- **Paid Leave ESD Activities**
  - Jun
  - Jul
  - Aug
  - Sep
  - Oct
  - Nov

- **Advisory Committee Topics**
  - June 18 Share Plan
  - July 15 Assumptions
  - August 10 Preview Projections & Scenarios
  - September 30 Trust Fund Balance
  - October Preview Forecast
  - By November Publish Rate

- **Assumptions**

- **Projections & Scenarios**

- **Forecast of the Premium Rate**

Paid Family and Medical Leave | Employment Security Department
General approach to revising projections & assumptions

• Where we can make the switch to informing projections with historical data, do so

• Where substantial new information does not yet exist OR historical data aligns with prior assumptions, continue to use prior assumptions

• Components
  • Benefit Payments
  • Administrative & Implementation Costs
  • UI fund transfer
  • Small business grants
  • Premium Revenue
  • Fund Interest
Benefits payments

Total Estimate = # of Claims Paid * Avg Length * Avg Weekly Benefit

# of Claims

• First five years ramp-up period

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>15%</td>
</tr>
<tr>
<td>2022</td>
<td>10%</td>
</tr>
<tr>
<td>2023</td>
<td>5%</td>
</tr>
<tr>
<td>2024</td>
<td>5%</td>
</tr>
</tbody>
</table>

• 2021 weekly claims up about 10% thus far
• Claim volumes trending up
• Recommend to keep

• Growth after 2024
  • None

• Set claims growth to ERFC employment growth rate projections (1.17%)
  • Eligibility is based on employment
  • More employed people will generally mean more eligible to apply

Paid Family and Medical Leave | Employment Security Department
Benefits payments, cont.

Average length of leave
• Average claim length of leave
  • 7 weeks

Avg Weekly Benefit
• Growth Rate
  • 1%

• Keep – data supports this
• Continue to monitor and adjust

• Weekly benefit amount is a function of wages
• 1% will likely underestimate
• Maximum growth would be tied to growth in average annual wage (5% historical average)
• Propose: base on historical yearly increase in median wage
  • 4% over past 5 years
  • 3% over past 10 years
Other expenditures

- Administrative & Implementation
  - Based on budget, continuing to assume 2% growth

- Transfer to Unemployment
  - No substantial new evidence

- Small Business Assistance grants
  - Too early to adjust future years’ expectations
  - 2021 likely to be an overestimate
    - Estimated $8 million
    - In first half of 2021, paid out $700,000.
  - Projections assumed ramp-up to $40 million in 2023
  - Suggest monitoring and revisiting next year
Premiums revenue

Total wages -> Premium wages -> Premium

Total Wages
- ERFC annualized projections

Taxable wage base
- Derived from UI wage reports pre-implementation

- ERFC quarterly projections
- Premium calculation is mid-year

- Switch to Paid Leave wage reports
- Align 2021 with 2020
- 2022 and on a rolling average of historical data

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Q2</td>
<td>90%</td>
<td>92%</td>
</tr>
<tr>
<td>Q3</td>
<td>83%</td>
<td>82%</td>
</tr>
<tr>
<td>Q4</td>
<td>71%</td>
<td>72%</td>
</tr>
</tbody>
</table>
Premiums revenue

Share of wages covered by Voluntary Plans
• 5% of wages

Adjustment for small employers’ employer share
• 30% of wages not assessed employer portion of premium

• Keep - data supports this, with some fluctuation
• Monitor and adjust to align with experience in future

• Keep - data supports this
• Monitor and adjust to align with experience in future
Other revenue

- Voluntary Plan application fees
- Fund Interest
- Conditional waivers

- Negligible amount, not included in projections
- Still assuming 1%
- Negligible amount, not included in projections
August meeting

Details

• 10 a.m. on Thursday, August 15

Agenda

• Projections
• Other topics?
Open Comment
Continue the conversation

Lisa Kissler
Director, Paid Family & Medical Leave
Employment Security Department
lisa.kissler@esd.wa.gov

Visit us online at
www.paidleave.wa.gov

Join our listserv at
bit.ly/PaidLeaveList
## Operations telephony data

**Last 10 weeks**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Presented to PFML</td>
<td>10,615</td>
<td>9,573</td>
<td>11,570</td>
<td>10,774</td>
<td>12,358</td>
<td>12,363</td>
<td>13,021</td>
<td>11,289</td>
<td>10,638</td>
<td>13,833</td>
</tr>
<tr>
<td>Calls Presented</td>
<td>7,488</td>
<td>7,554</td>
<td>7,444</td>
<td>7,093</td>
<td>5,848</td>
<td>7,529</td>
<td>7,396</td>
<td>7,485</td>
<td>7,458</td>
<td>5,350</td>
</tr>
<tr>
<td>Calls Abandoned</td>
<td>4,014</td>
<td>3,727</td>
<td>4,143</td>
<td>3,950</td>
<td>3,464</td>
<td>4,056</td>
<td>4,054</td>
<td>3,957</td>
<td>4,384</td>
<td>3,118</td>
</tr>
<tr>
<td>Average Handle Time</td>
<td>0:10:37</td>
<td>0:10:14</td>
<td>0:10:10</td>
<td>0:09:52</td>
<td>0:10:34</td>
<td>0:09:51</td>
<td>0:10:01</td>
<td>0:10:06</td>
<td>0:10:29</td>
<td>0:09:50</td>
</tr>
<tr>
<td>Average Queue Time</td>
<td>0:50:32</td>
<td>0:42:21</td>
<td>0:59:49</td>
<td>0:57:53</td>
<td>1:07:59</td>
<td>0:56:05</td>
<td>0:56:40</td>
<td>0:50:49</td>
<td>1:00:14</td>
<td>1:08:14</td>
</tr>
</tbody>
</table>
Application & weekly claim data through 7/10/21
### Application & weekly claim data past 10 weeks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications submitted</td>
<td>3,848</td>
<td>3,744</td>
<td>3,683</td>
<td>3,613</td>
<td>3,312</td>
<td>3,694</td>
<td>3,774</td>
<td>3,779</td>
<td>3,732</td>
<td>3,495</td>
</tr>
<tr>
<td>Submitted via paper</td>
<td>32</td>
<td>21</td>
<td>56</td>
<td>63</td>
<td>36</td>
<td>59</td>
<td>26</td>
<td>36</td>
<td>53</td>
<td>29</td>
</tr>
<tr>
<td><strong>Family total</strong></td>
<td>46%</td>
<td>45%</td>
<td>47%</td>
<td>48%</td>
<td>49%</td>
<td>49%</td>
<td>48%</td>
<td>48%</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>Family Bonding</td>
<td>34%</td>
<td>34%</td>
<td>35%</td>
<td>35%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>Family Care</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
<td>12%</td>
<td>12%</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Family Military</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Medical total</strong></td>
<td>54%</td>
<td>55%</td>
<td>53%</td>
<td>52%</td>
<td>51%</td>
<td>51%</td>
<td>52%</td>
<td>51%</td>
<td>49%</td>
<td>46%</td>
</tr>
<tr>
<td>Medical Self</td>
<td>46%</td>
<td>45%</td>
<td>45%</td>
<td>44%</td>
<td>44%</td>
<td>43%</td>
<td>44%</td>
<td>43%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Medical Pregnancy</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>14%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Application & weekly claim data – through 7/10/21
Application & weekly claim data – through 7/10/21

Submitted and Processed Weekly Claims - Weekly
## Processing time – past 10 weeks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Avg weeks processing time for applications processed in the week indicated</strong></td>
<td>2.4</td>
<td>2.5</td>
<td>2.5</td>
<td>2.6</td>
<td>2.7</td>
<td>2.5</td>
<td>2.3</td>
<td>2.2</td>
<td>2.2</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Median weeks processing time for applications processed in the week indicated</strong></td>
<td>2</td>
<td>2.1</td>
<td>2.3</td>
<td>2.3</td>
<td>2.4</td>
<td>2.3</td>
<td>2</td>
<td>1.9</td>
<td>1.9</td>
<td>2</td>
</tr>
</tbody>
</table>