Advisory Committee Meeting
February 11, 2022
<table>
<thead>
<tr>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introductions and approve minutes</td>
</tr>
<tr>
<td>Cash flow</td>
</tr>
<tr>
<td>Legislative updates</td>
</tr>
<tr>
<td>Bill analysis – SSB 5649</td>
</tr>
<tr>
<td>Advisory Committee engagement</td>
</tr>
<tr>
<td>Rulemaking update</td>
</tr>
<tr>
<td>Phone update</td>
</tr>
<tr>
<td>Agenda items for March meeting</td>
</tr>
<tr>
<td>Open comment and adjourn</td>
</tr>
</tbody>
</table>
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 December and January minutes

• Discussion
Cash flow
Carole Holland, Chief Financial Officer
ESD’s recommendation

• $350 million reserve for the biennium.
  • This ensures we won’t be in deficit position as of June 30, 2023, under middle ground scenario.
  • Provides assurance that any advance would be covered.

• Any unused funds in the current biennium could be repurposed by the legislature to address any underlying issues related to rate setting and solvency.
Preventing deficit and creating cash reserve

<table>
<thead>
<tr>
<th>Prevent cash deficit</th>
<th>Baseline</th>
<th>Middle ground</th>
<th>Pessimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22-FY23</td>
<td>$125 million</td>
<td>$325 million</td>
<td>$405 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash reserve</th>
<th>Baseline</th>
<th>Middle ground / Pessimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 month</td>
<td>$106 million</td>
<td>$116 million</td>
</tr>
<tr>
<td>2 months</td>
<td>$211 million</td>
<td>$231 million</td>
</tr>
<tr>
<td>3 months</td>
<td>$317 million</td>
<td>$347 million</td>
</tr>
</tbody>
</table>
Spending during a deficit

• Under the Budget and Accounting Act [RCW 43.88.260(2)(b)], we can request the authority to spend when we expect the trust fund to have a cash deficit.

• Authorized by the Director of the Office of Financial Management.

• No interest applied to advances from the treasury.

• Any cash deficit must be resolved by the end of the biennium.
## High priority bills

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSB 5649</td>
<td>Changes to the Paid Leave law</td>
</tr>
<tr>
<td>HB 1613</td>
<td>Allows data sharing between programs; ESD request bill</td>
</tr>
<tr>
<td>SB 5959</td>
<td>Temporary rate buy-down; Adds COVID funds</td>
</tr>
<tr>
<td>SSB 5873/HB 2031</td>
<td>Premium relief for employees</td>
</tr>
<tr>
<td>SHB 2076</td>
<td>Elective coverage for transportation network drivers</td>
</tr>
<tr>
<td>HB 1816/SB 5693</td>
<td>Budget</td>
</tr>
</tbody>
</table>
Bill analysis

SSB 5649
Summary of topics

- Creates a compassionate end to benefits
- Defines postnatal medical leave to recover from birth before bonding leave
- Changes to collective bargaining agreement provision
- Requires ESD to publish a list of VP employers
- Creates an actuarial office in the department; related reports
- Requires ESD to collect data on COVID-related leave
- Requires a legislative task force and reporting
Compassionate end to benefits

• Allows benefits to continue for seven days following the death, miscarriage or stillbirth of the employee’s child.
Postnatal

• Clarifies that for the parent who gives birth:
  • The first six weeks of leave are medical unless the employee chooses otherwise.
  • Does not need certification of a serious health condition for medical leave.
Collective bargaining agreements

- All employees covered by a CBA will be part of the program effective January 1, 2024, regardless of CBA status.
Voluntary plan employers

• We will publish and maintain a list of all employers with a voluntary plan.
Office of Actuarial Services

• Creates an Office of Actuarial Services within ESD.
• Requires periodic reporting to the legislature and Advisory Committee.
COVID data collection

• Requires us to ask benefit applicants whether their leave is related to COVID.
Legislative reporting

• Creates a legislative task force regarding premiums to issue a report making any recommendations for legislative modifications to the governor by Dec. 30, 2022.

• Requires a report to the legislature regarding condition of the trust fund, any recommended changes, and a comparison with other states’ trust funds by Dec. 31, 2023.

• JLARC, ESD, Advisory Committee conduct a joint performance audit with recommendations by Oct. 1, 2024.
## Implementation costs

<table>
<thead>
<tr>
<th>Rate Year</th>
<th>Baseline</th>
<th>SB 5649</th>
<th>SB 5649 vs Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2023</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2024</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2025</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2026</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2027</td>
<td>0.7%</td>
<td>0.8%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2028</td>
<td>0.8%</td>
<td>0.6%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2029</td>
<td>0.6%</td>
<td>0.8%</td>
<td>0.2%</td>
</tr>
<tr>
<td>2030</td>
<td>0.8%</td>
<td>0.7%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2031</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Advisory Committee engagement
Next steps

• Connect with each member one-on-one by April 15.
• Review themes and collect feedback at May meeting.
• Recommendations for Advisory Committee improvements and charter refresh at June meeting.
Rulemaking update
Waiting week

• Medical leave taken upon the birth of a child is not subject to a waiting week.
• Hours claimed during a waiting week are not deducted from the employee’s total leave available.
Other changes

• Small business assistance grants
• Commissioner’s Review Office
Telephony update

John Mattes, Operations Manager
# Telephony data

<table>
<thead>
<tr>
<th></th>
<th>Percentage of calls into queue*</th>
<th>Percentage of calls answered from Paid Leave queue</th>
<th>Queue time for Paid Leave*</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>47%</td>
<td>40%</td>
<td>1:04:12</td>
</tr>
<tr>
<td>August</td>
<td>69%</td>
<td>41%</td>
<td>47:48</td>
</tr>
<tr>
<td>September</td>
<td>69%</td>
<td>40%</td>
<td>50:39</td>
</tr>
<tr>
<td>October</td>
<td>55%</td>
<td>37%</td>
<td>48:50</td>
</tr>
<tr>
<td>November</td>
<td>59%</td>
<td>56%</td>
<td>30:23</td>
</tr>
<tr>
<td>December</td>
<td>73%</td>
<td>70%</td>
<td>14:20</td>
</tr>
<tr>
<td>January 2022</td>
<td>83%</td>
<td>54%</td>
<td>12:57</td>
</tr>
</tbody>
</table>

* includes calls for WA Cares Fund
Telephony data

Calls

Average Queue Time

Q2 Average  Q3 Average  Q4 Average  Jan-22
Queue Time

Presented to PFML  Calls Handled  Calls to PFML Queue  Calls to PFML Queue WA Cares
Telephony data

General Queue Time

0:57:27 | 1:04:12 | 0:47:48 | 0:50:39 | 0:48:50 | 0:37:29 | 0:14:20 | 0:00:00

Queue Time

Paid Family and Medical Leave | Employment Security Department
Multi-factor authentication

John Mattes, Operations Manager
Multi-factor authentication (MFA)

What

• We’re implementing MFA for the Paid Family and Medical Leave service in SecureAccess Washington.
• MFA requires customers to use verification factors in addition to their username and password to log in.
• This change impacts all Paid Leave customers with online accounts.
• We’re doing proactive communication to customers; Prioritizing those most likely to experience barriers to access, payment, etc.

When

• March 1, 2022

Why

• MFA increases security and protects customers’ personal and business information.
• We’re required by the state Office of Cyber Security to implement by April 30, 2022.
March meeting

Details

• 1 – 3 p.m., Friday, March 11, 2022

Agenda

• 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
Application & Weekly Claim data through January 2022

Applications submitted

Date

Jan '20 | Mar '20 | May '20 | Jul '20 | Sep '20 | Nov '20 | Jan '21 | Mar '21 | May '21 | Jul '21 | Sep '21 | Nov '21 | Jan '22

- Pregnancy complications
- Medical
- Military
- Care
- Bonding
- 3-month rolling average
Application & Weekly Claim data – through January 2022

Approval Rate

0 10 20 30 40 50 60 70 80 90 100
Application & Weekly Claim data – through January 2022

![Bar chart showing applications submitted and applications processed from January 2020 to January 2022.](chart.png)
Application & Weekly Claim data – through January 2022

Weekly claims

- WC submitted
- WC processed

Date

- Jan '20
- Mar '20
- May '20
- Jul '20
- Sep '20
- Nov '20
- Jan '21
- Mar '21
- May '21
- Jul '21
- Sep '21
- Nov '21
- Jan '22
Benefits payments approved – through January 2022
Premiums assessed – through January 2022
Collected in following quarter
**Time from application submission to first approved payment – past 12 months**

<table>
<thead>
<tr>
<th>Month</th>
<th>Median weeks</th>
<th>Average weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-21</td>
<td>4.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Feb-21</td>
<td>3.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Mar-21</td>
<td>3.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Apr-21</td>
<td>3.4</td>
<td>4.8</td>
</tr>
<tr>
<td>May-21</td>
<td>3.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Jun-21</td>
<td>3.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Jul-21</td>
<td>3.4</td>
<td>4.8</td>
</tr>
<tr>
<td>Aug-21</td>
<td>3.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Sep-21</td>
<td>3.6</td>
<td>4.8</td>
</tr>
<tr>
<td>Oct-21</td>
<td>3.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Nov-21</td>
<td>3.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Dec-21</td>
<td>3.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Jan-22</td>
<td>3.9</td>
<td>5.2</td>
</tr>
</tbody>
</table>