

Washington
Paid Family & Medical Leave

 **Employment Security Department**
WASHINGTON STATE

Advisory Committee Meeting

April 13, 2022



Agenda

Introductions and approve minutes

Advisory Committee reset

Program update

Current priorities

Reports update

Agenda items for May meeting

Open comment and adjourn

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 minutes

- February and March

Advisory Committee reset

Beth Marchand, Interim Program Director

Proposed standing meeting topics

Program & trust fund update

Current priorities

Policy & workgroup updates

Communications & outreach

Workgroup structure

- Short-term, emerging issues
- Policy concepts

Communications workgroup

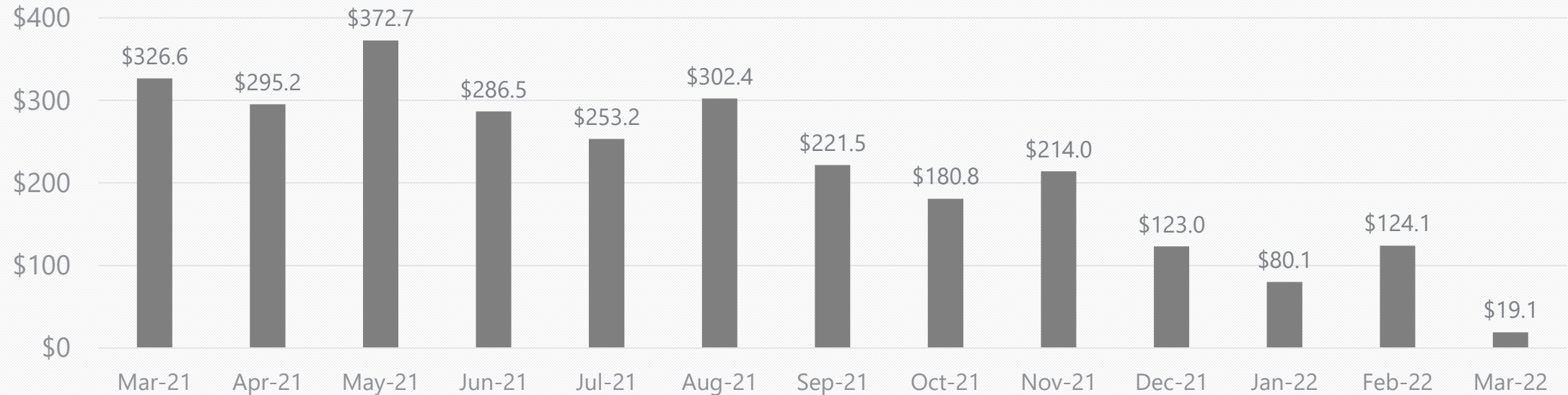
- Convened to discuss communications related to trust fund.
- Moving forward, sub-group to convene as needed.

Program update

Steve Zawoysky, Leave & Care Treasury Manager

Rebecca Grady, Research & Data Manager

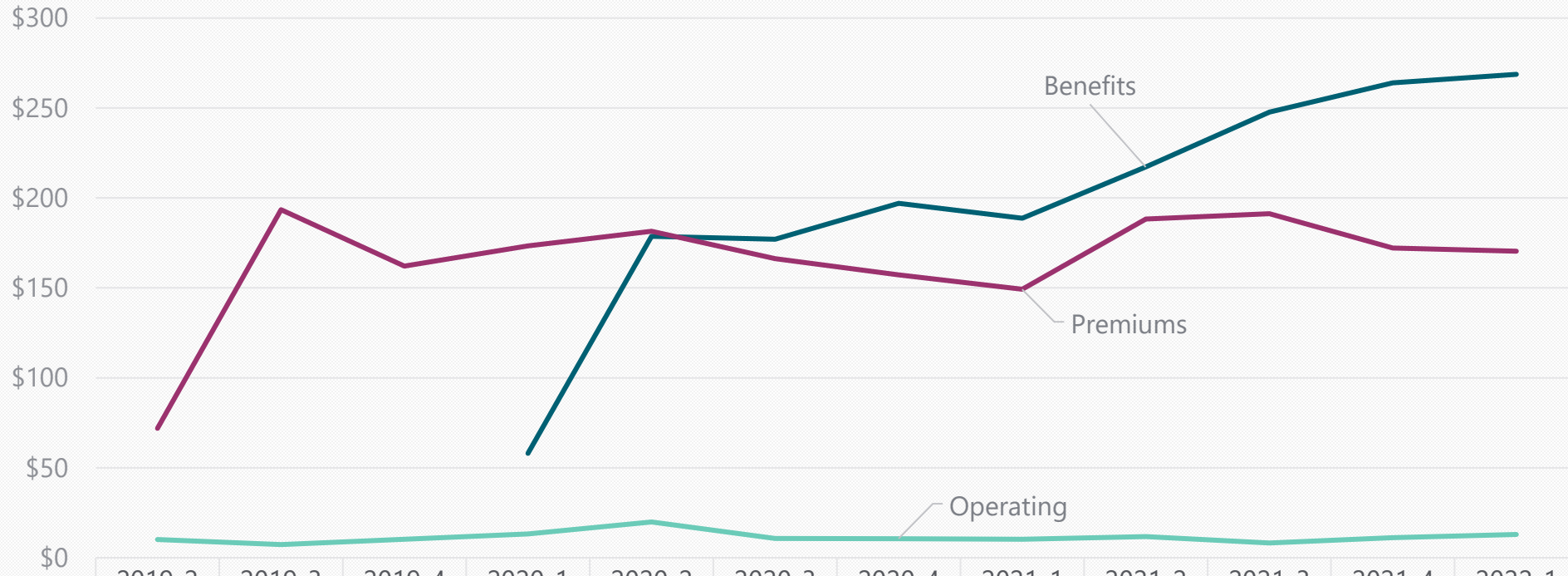
Monthly ending fund balance (millions)



- Quarterly premium assessments cause trust fund levels to increase every three months
- Benefit payments exceeding premiums collected causes negative trend in trust fund balance
- At end of March 2022, balance dipped below the equivalent of one week's worth of benefit payments.
- ESSB 5693 provides up to \$350 million coverage for a trust fund deficit on June 30, 2023

Technical note: Fund book balance in the Treasury Management System. This is equivalent to the balance shown when logging into a personal bank account.

Premiums, benefits, operating expenses, and fund balance by quarter (millions)

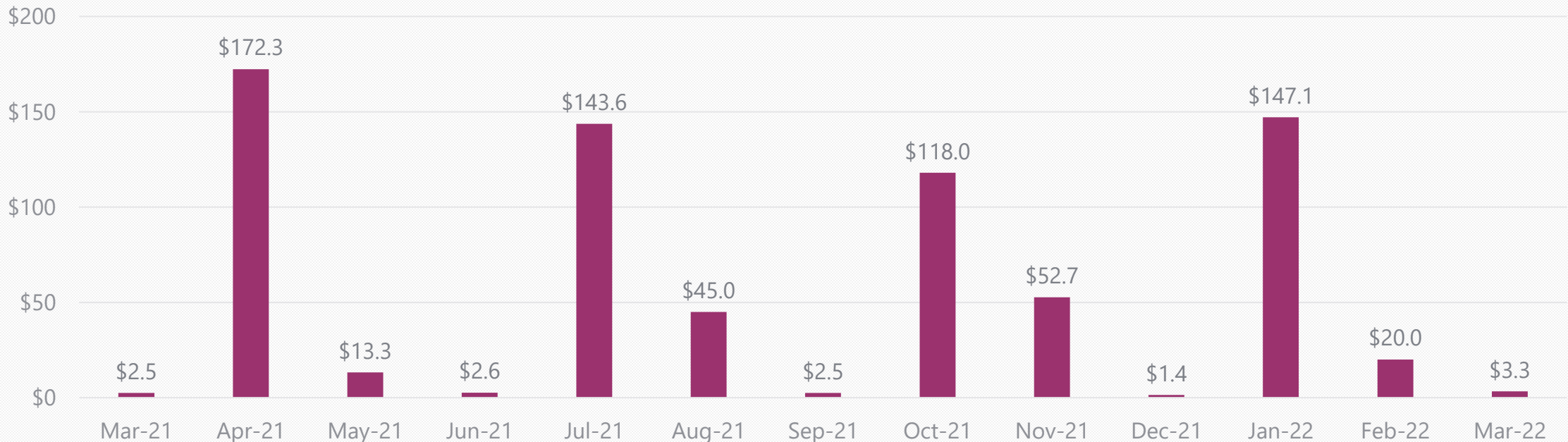


	2019-2	2019-3	2019-4	2020-1	2020-2	2020-3	2020-4	2021-1	2021-2	2021-3	2021-4	2022-1
Benefits				\$58.1	\$178.7	\$177.0	\$196.9	\$188.7	\$217.2	\$247.6	\$264.0	\$268.7
Premiums	\$72.0	\$193.4	\$162.2	\$173.3	\$181.4	\$166.2	\$157.2	\$149.2	\$188.3	\$191.2	\$172.1	\$170.4
Operating	\$10.2	\$7.3	\$10.3	\$13.2	\$19.9	\$10.8	\$10.6	\$10.3	\$11.8	\$8.3	\$11.2	\$12.9
Fund Balance	\$26.8	\$209.8	\$372.1	\$467.2	\$454.2	\$426.8	\$376.4	\$326.6	\$286.5	\$221.5	\$123.0	\$19.1

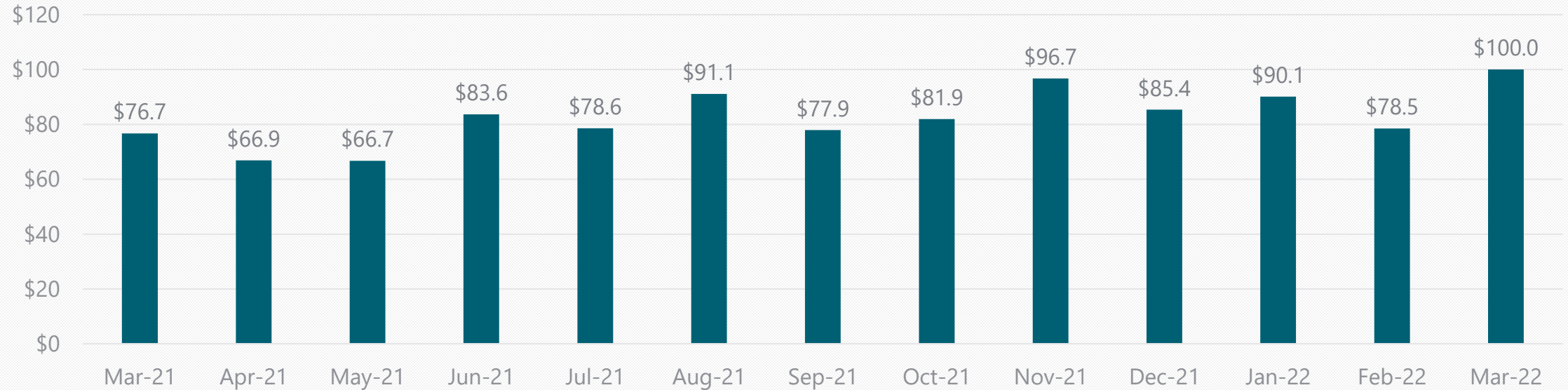
Technical note: 2020-Q1 Operating is an estimate as March hasn't closed.

Monthly premiums remitted (millions)

- Premiums assessed for each quarter are remitted in the following quarter.
- Premium rate changes are first realized in April of following year.
- Cyclical pattern within quarters – most premium transactions occur at end of reporting months.
- Cyclical pattern through year of lower quarterly assessments as more wages fall over taxable cap.
- \$170.4 million premiums remitted in Q1 2022, 14% higher than Q1 last year.



Monthly benefits paid

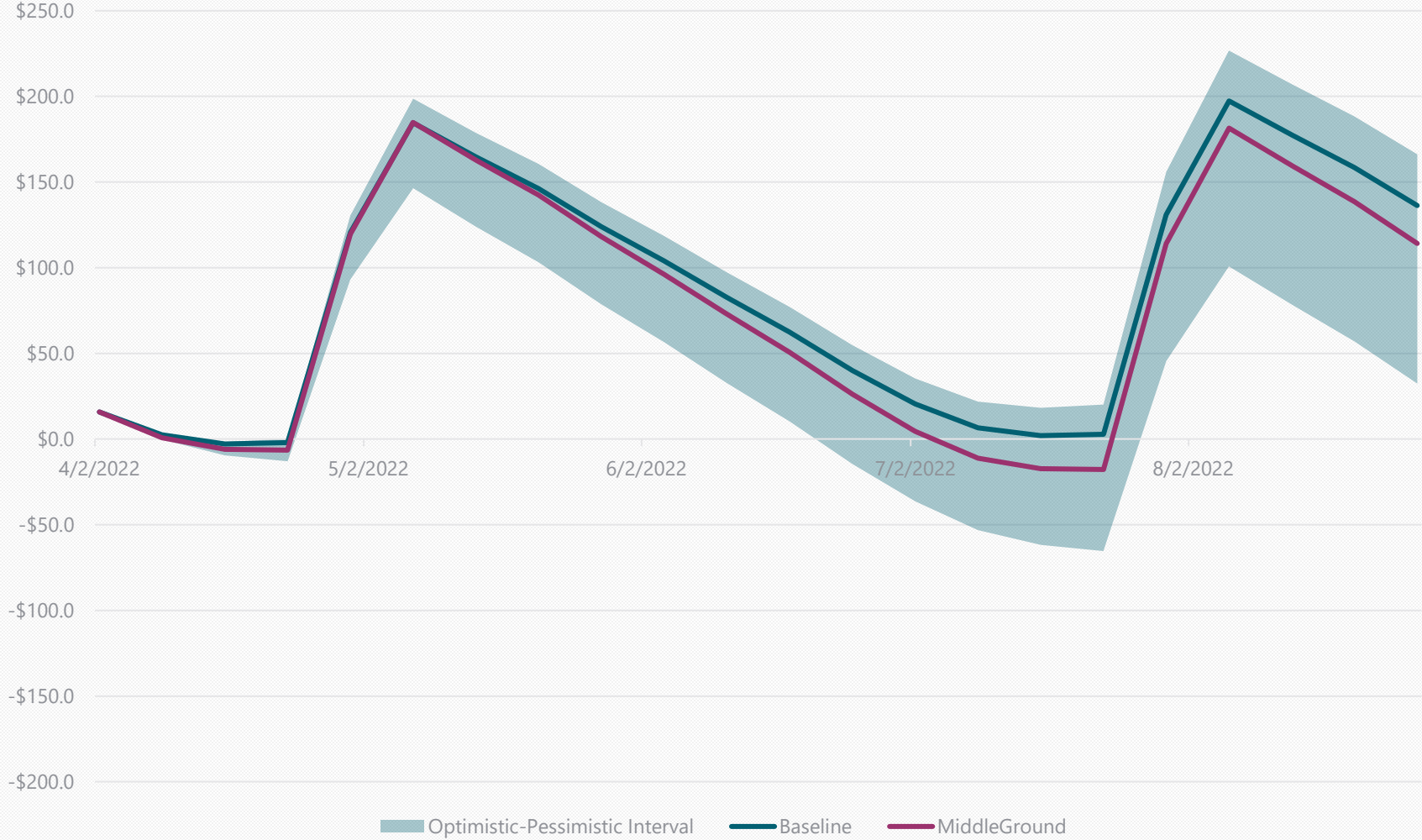


- March 2022, \$100 million – highest monthly benefit payments to date
 - 27% higher than last month
 - 30% higher than March of last year
- \$268.7 million benefits paid in Q1 2022
 - Only 2% higher than last quarter, 42% higher than 2021 Q1

Fiscal projections

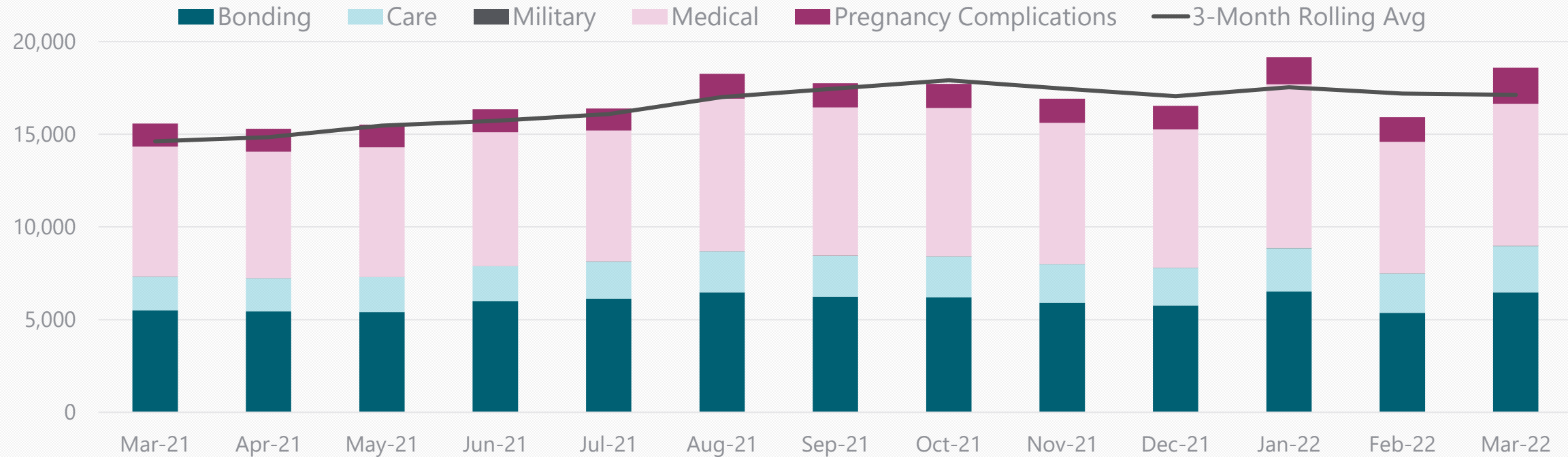
Trust Fund Weekly Cash Flow Projections
Historical data through week ending April 2, 2022

Rates	2021	2022	Projected 2023
Premium Rate	0.4%	0.6%	0.8%
Calculated Rate	0.4%	0.6%	0.6%
Solvency Surcharge	-	-	0.2%
Family-Medical Split			
Family	33%	52%	51%
Medical	66%	48%	49%



Technical notes: This projection does not adjust for unreconciled premiums (graph presented at January 2022 Ways & Means did), nor does it assume a required minimum balance of one average week's worth of benefit payments when assessing cash deficit.

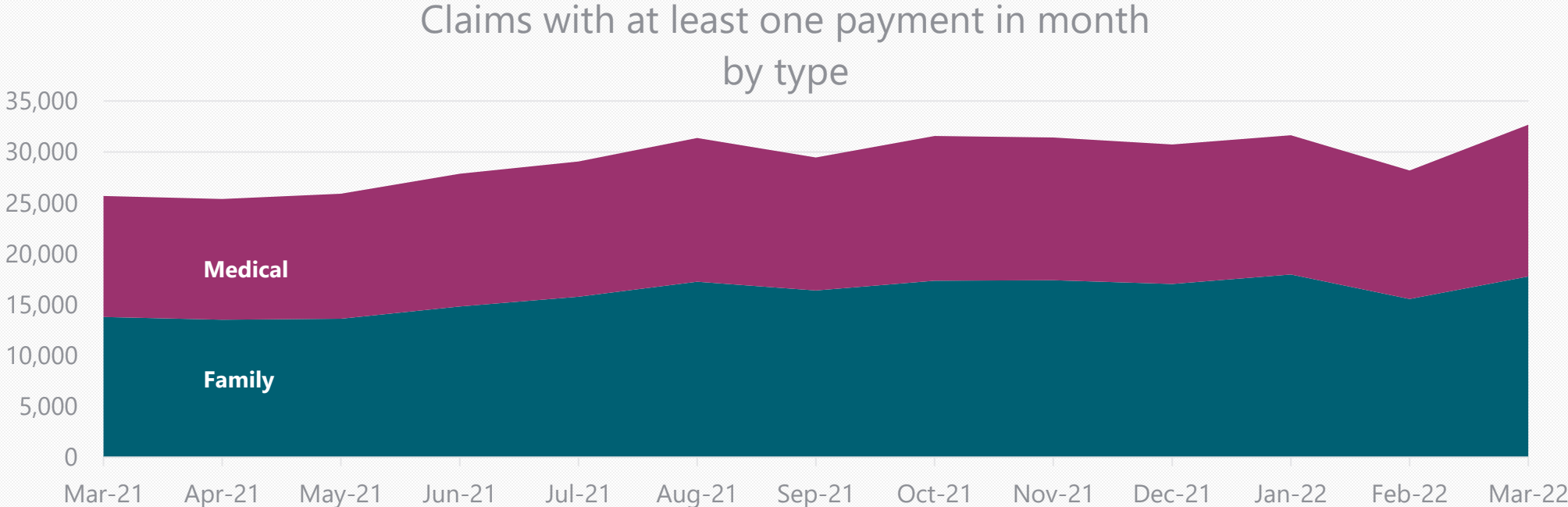
Claim applications submitted by type



- March 2022, we received 16,315 applications
 - 17% more than last month
 - 19% more than March of last year
- Three-month rolling average relatively stable since August 2021 at ~17K claim applications submitted

Approval rate and monthly claims with payment(s)

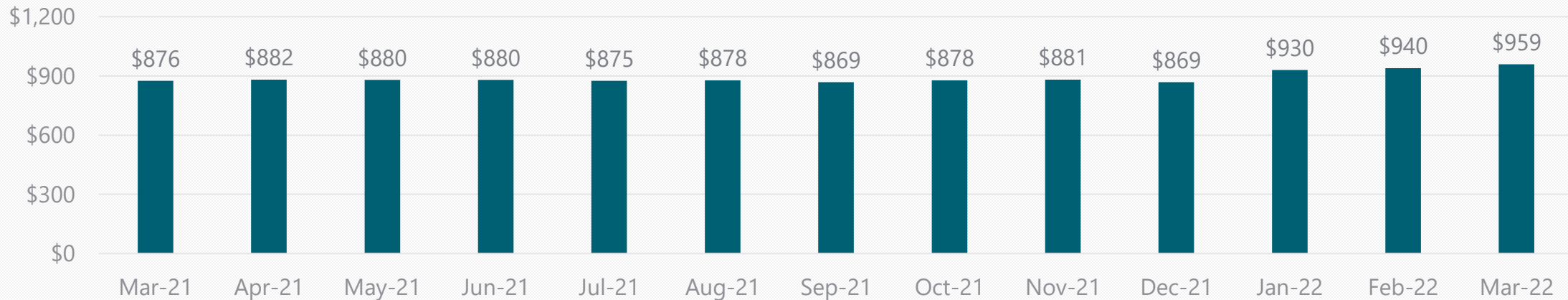
- Percentage of claims approved relatively stable in past year
 - About 83% approved overall
- Unique leave claims in the last 12 months – 89,510 family and 88,050 medical
- March 2022 total unique leave claims: 32,660.
 - 27% more than March of last year.



Benefit levels and lengths

- \$959 in March 2022 - highest avg weekly benefit to date
 - 2% higher than last month, 10% higher than March of last year.
- 2022 AWB is expected to continue to increase as new claim years are established
 - Statewide average annual wage grew 10% from 2020 to 2021

Technical note: Average weekly benefit amount for approved claims grouped by claim year start month



- Length of leave relatively stable month-over-month
 - 7-8 weeks avg per claim for claims ending in recent months
 - 9-10 weeks avg per claim year for claim years ending in recent months

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave*
Dec. 2021	73%	70%	14:20
Jan. 2022	83%	54%	12:57
Feb. 2022	84%	77%	08:34
March 2022	78%	85%	04:56

** includes calls for WA Cares Fund*

Since March 2021:

- 20% increase in calls into queue.
- 26% increase in calls answered.
- 43:52 decrease in queue time.

Time from application submission to first payment

Month	Average weeks	Median weeks
Dec. 2021	4.9	3.6
Jan. 2022	5.2	3.6
Feb. 2022	4.9	3.6
March 2022	4.5	3.4

Month	Average weeks	Median weeks
March 2021	5.0	3.9
March 2022	4.5	3.4

Current program priorities

Matt Buelow, Interim Deputy Director

Current program priorities

Implementing legislative changes

- 2SSB 5649 – Policy, technical, operational, and communication changes.
- ESHB 2076 – Policy, operational, and communication changes.

Implementing changes to the waiting week

- Technical, operational, and communication changes.

Continuous improvements to customer experience and processing times

2SSB 5649 near-term implementation

Compassion leave	<ul style="list-style-type: none">• Policy, operational, and communication work in progress.
Postnatal medical leave	<ul style="list-style-type: none">• Policy, technical, operational, and communication work in progress.
Publish VP employer list	<ul style="list-style-type: none">• Communication coordination in progress.
Data collection on COVID-related leave	<ul style="list-style-type: none">• Technical and operational work in progress.
Sunsetting collective bargaining agreement provision	<ul style="list-style-type: none">• Effective Dec. 31, 2023.• Communications planning to begin late 2022.

2SSB 5649 future planning

Office of Financial Management

- By Oct. 1, 2022, OFM to report on trust account, recommendations to improve long-term stability and solvency, comparison with other states.

ESD Office of Actuarial Services, reports

- Beginning Jan. 1, 2023, Office of Actuarial Services is created at ESD; provides actuarial services to the program.
- Quarterly reports to Advisory beginning Oct. 1, 2023.
- Reports to the legislature annually.

Premiums and solvency legislative task force

- Task force convened by the legislature to provide recommendations; Report due Dec. 30, 2022.

JLARC

- By Oct. 1, 2024, JLARC to conduct analysis and provide recommendations on administrative efficiency and solvency.

ESHB 2076 program implementation

Transportation network company (TNC) drivers no longer considered employees for the purposes of Paid Leave.

TNC drivers may opt-in to Paid Leave through elective coverage.

Effective June 9.

Policy, operational, and communication planning underway.

Changes to elective coverage and benefit application operational policies and processes.

Updated communications for TNC drivers and companies.

SOP updates and staff training.

Reports update

Rebecca Grady, Research & Data Manager

Upcoming reports

Expanded family member 5097 – due in June

- How many people using leave with expanded definition in past year?
- Effects (if any) on trust fund
- Advisory member comments – anticipate request in May

Voluntary Plan fees and costs report – targeting June

- ESD's operating costs to administer Voluntary Plans
 - And next year projection
- Fees collected

Job protection (5097) -> employment continuity

- Examining existing research and developing proposed methodological approach
- Consulting with other researchers

May meeting

Details

- 9 – 11 a.m., Friday, May 19, 2022

Agenda

- Topics?

Open comment

Continue the conversation

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