<table>
<thead>
<tr>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introductions and approve minutes</td>
</tr>
<tr>
<td>Advisory Committee reset</td>
</tr>
<tr>
<td>Program update</td>
</tr>
<tr>
<td>Current priorities</td>
</tr>
<tr>
<td>Reports update</td>
</tr>
<tr>
<td>Agenda items for May 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 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
• 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)

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

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.

Technical note: Data grouped by date financial transaction occurred in accounting database.
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

Technical note: Data grouped by date financial transaction occurred in accounting database. If comparing to monthly approved benefit payments data published elsewhere, there will be slight variation.
Fiscal projections

### Rates

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>Projected 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium Rate</strong></td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td><strong>Calculated Rate</strong></td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Solvency Surcharge</strong></td>
<td>-</td>
<td>-</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

### Family-Medical Split

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>Projected 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family</strong></td>
<td>33%</td>
<td>52%</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Medical</strong></td>
<td>66%</td>
<td>48%</td>
<td>49%</td>
</tr>
</tbody>
</table>

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.
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.

Claims with at least one payment in month by type
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

<table>
<thead>
<tr>
<th>Month</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>Dec. 2021</td>
<td>73%</td>
<td>70%</td>
<td>14:20</td>
</tr>
<tr>
<td>Jan. 2022</td>
<td>83%</td>
<td>54%</td>
<td>12:57</td>
</tr>
<tr>
<td>Feb. 2022</td>
<td>84%</td>
<td>77%</td>
<td>08:34</td>
</tr>
<tr>
<td>March 2022</td>
<td>78%</td>
<td>85%</td>
<td>04:56</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>Month</th>
<th>Average weeks</th>
<th>Median weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2021</td>
<td>4.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Jan. 2022</td>
<td>5.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Feb. 2022</td>
<td>4.9</td>
<td>3.6</td>
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<tr>
<td>March 2022</td>
<td>4.5</td>
<td>3.4</td>
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<tr>
<td>March 2021</td>
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<td>3.9</td>
</tr>
<tr>
<td>March 2022</td>
<td>4.5</td>
<td>3.4</td>
</tr>
</tbody>
</table>
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: Policy, operational, and communication work in progress.
- Postnatal medical leave: Policy, technical, operational, and communication work in progress.
- Publish VP employer list: Communication coordination in progress.
- Data collection on COVID-related leave: Technical and operational work in progress.
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.
- 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

<table>
<thead>
<tr>
<th>Transportation network company (TNC) drivers no longer considered employees for the purposes of Paid Leave.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TNC drivers may opt-in to Paid Leave through elective coverage.</td>
</tr>
<tr>
<td>Effective June 9.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy, operational, and communication planning underway.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to elective coverage and benefit application operational policies and processes.</td>
</tr>
<tr>
<td>Updated communications for TNC drivers and companies.</td>
</tr>
<tr>
<td>SOP updates and staff training.</td>
</tr>
</tbody>
</table>
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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Employment Security Department
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Visit us online at www.paidleave.wa.gov

Join our listserv at bit.ly/PaidLeaveList