

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

September 15, 2022

Agenda Introductions & approve minutes

Program & fiscal update

Current priorities

Workgroup updates

Agenda items for October meeting

Open comment & 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

- June and August

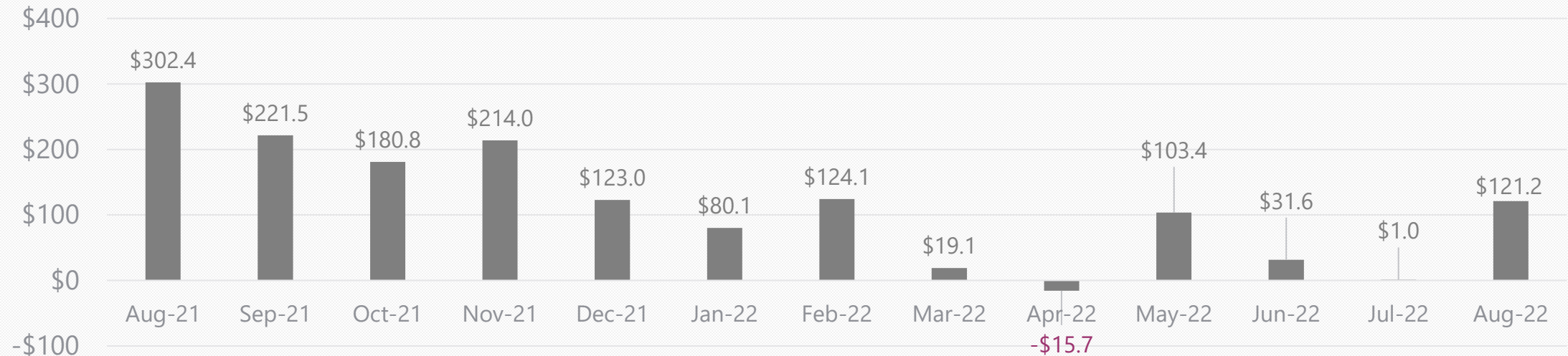
Program update

Cassandra Kiosef, Assistant Treasurer

Brian Kennedy, Forecasting & Economic Analyst

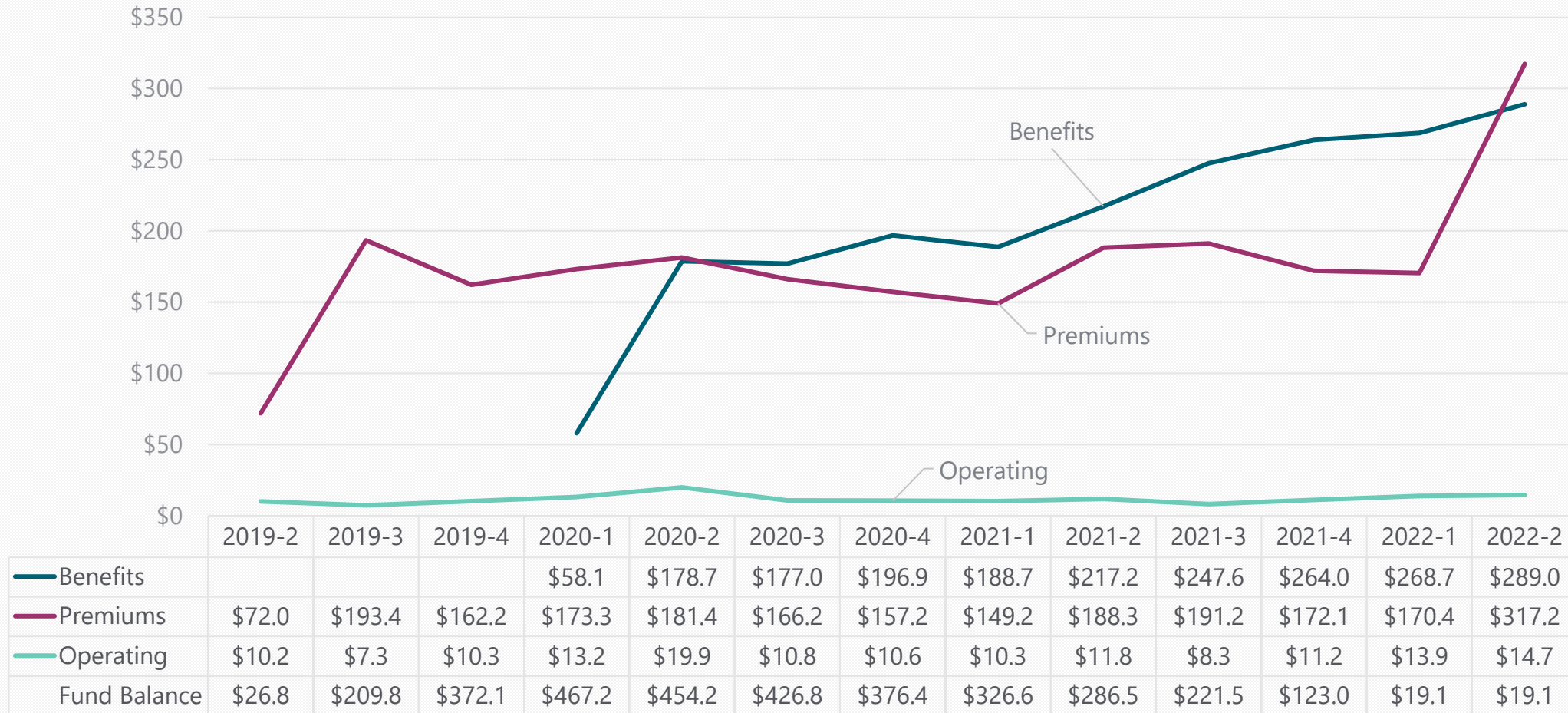
John Mattes, Operations Manager

Monthly ending account balance (millions)



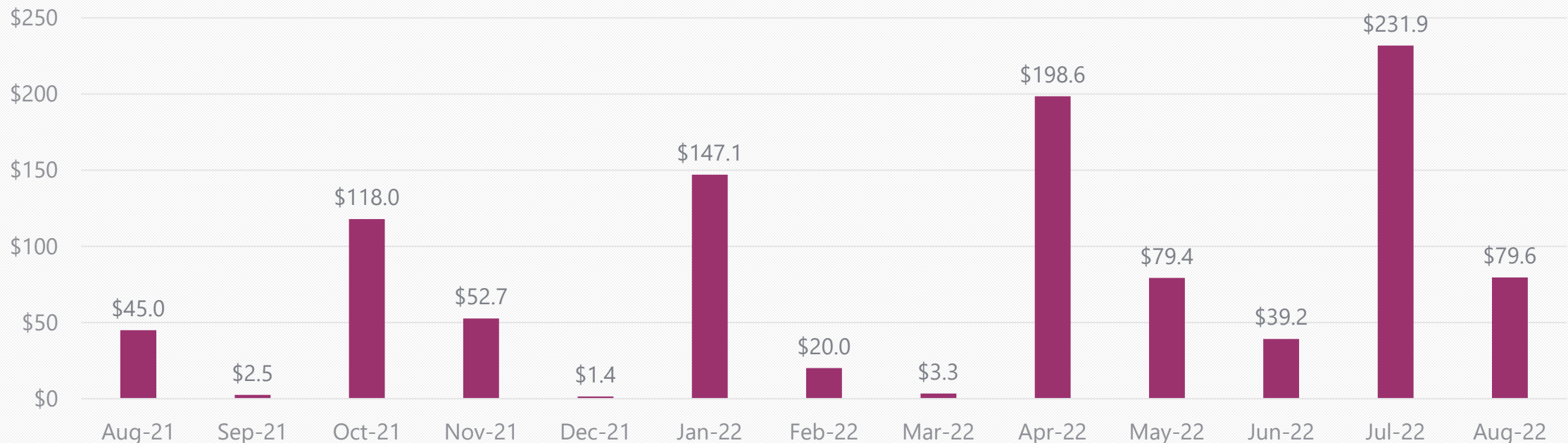
- Fell into a negative balance July 13.
 - 15 days of negative balance
 - Positive balance achieved on the 29th.
 - Maximum negative balance -\$7.5 million
- Ended August at \$121.2 million
- Expecting another negative balance early to mid October.
- ESSB 5693 provides up to \$350 million coverage for an account deficit on June 30, 2023
 - Have yet to draw from these funds → premiums are offsetting negative balance

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

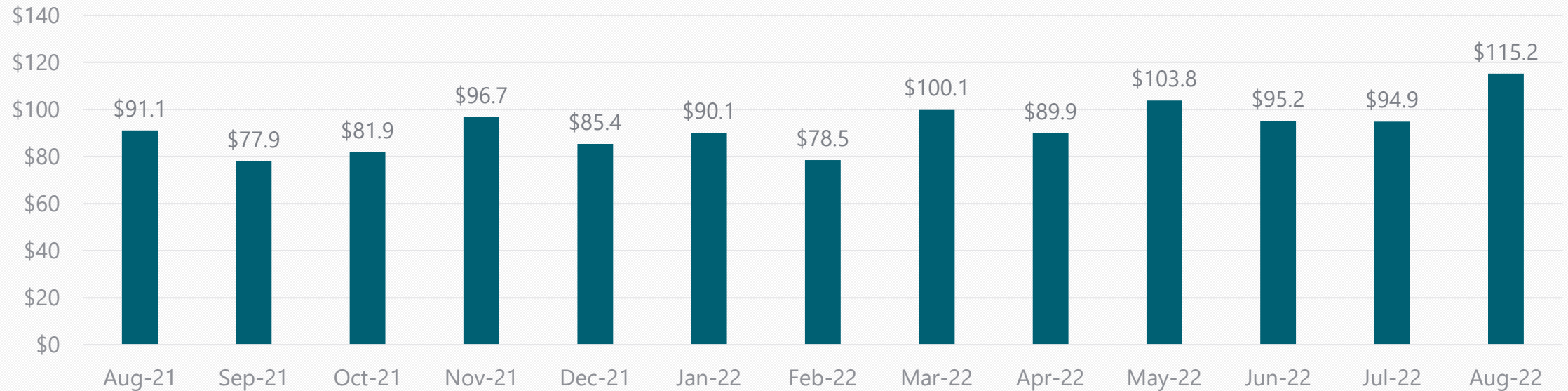


Monthly premiums remitted (millions)

- Premiums assessed for each quarter are remitted in the following quarter.
- Cyclical pattern within quarters – most premium transactions occur at end of reporting months.
 - July was the highest monthly collections to date.
- Cyclical pattern through year of lower quarterly assessments as more wages fall over taxable cap.
- \$79.6 million premiums remitted in August 2022, 77% or \$34.6 million more than last August



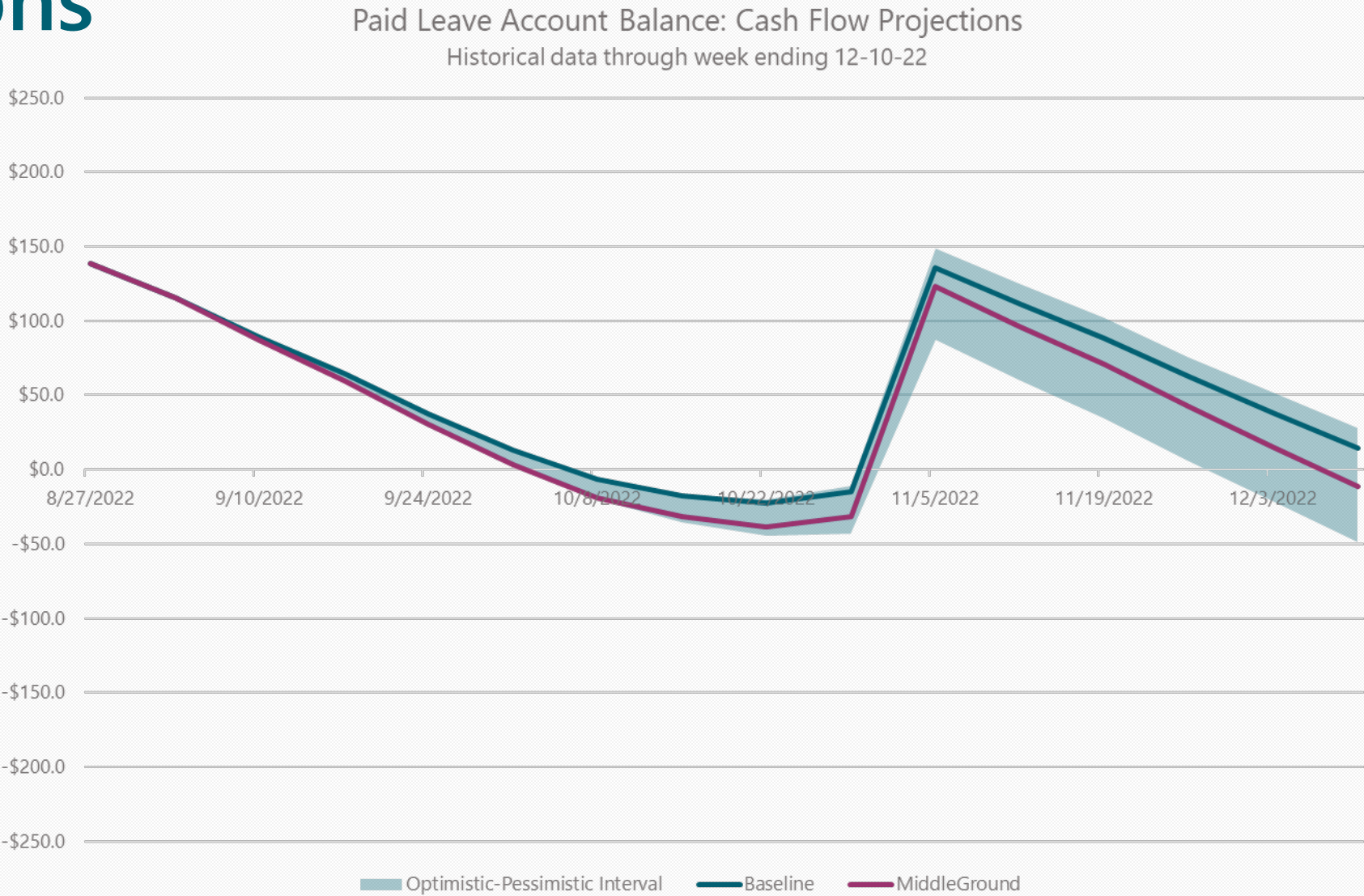
Monthly benefits paid



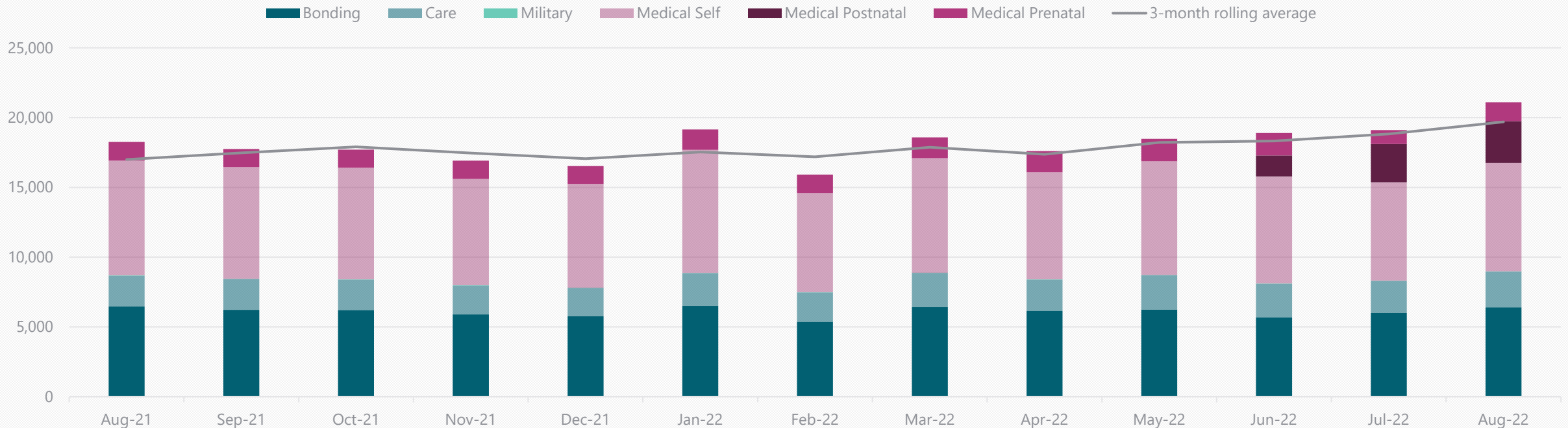
- August 2022, \$115.2 million – highest monthly payments to date.
 - 27% higher than August of last year
 - 21% higher than last month
 - There were five Tuesdays this month; It's the highest day of benefit payments
- \$767.8 million benefits paid thus far in 2022
 - 33% higher than Jan-Aug 2021

Fiscal projections

Rates	2021	2022	Projected 2023
Premium Rate	0.4%	0.6%	0.9% - 1.0%
Calculated Rate	0.4%	0.6%	0.6%
Solvency Surcharge	-	-	0.3% - 0.4%
Family-Medical Split			
Family	33%	52%	~50%
Medical	66%	48%	~50%



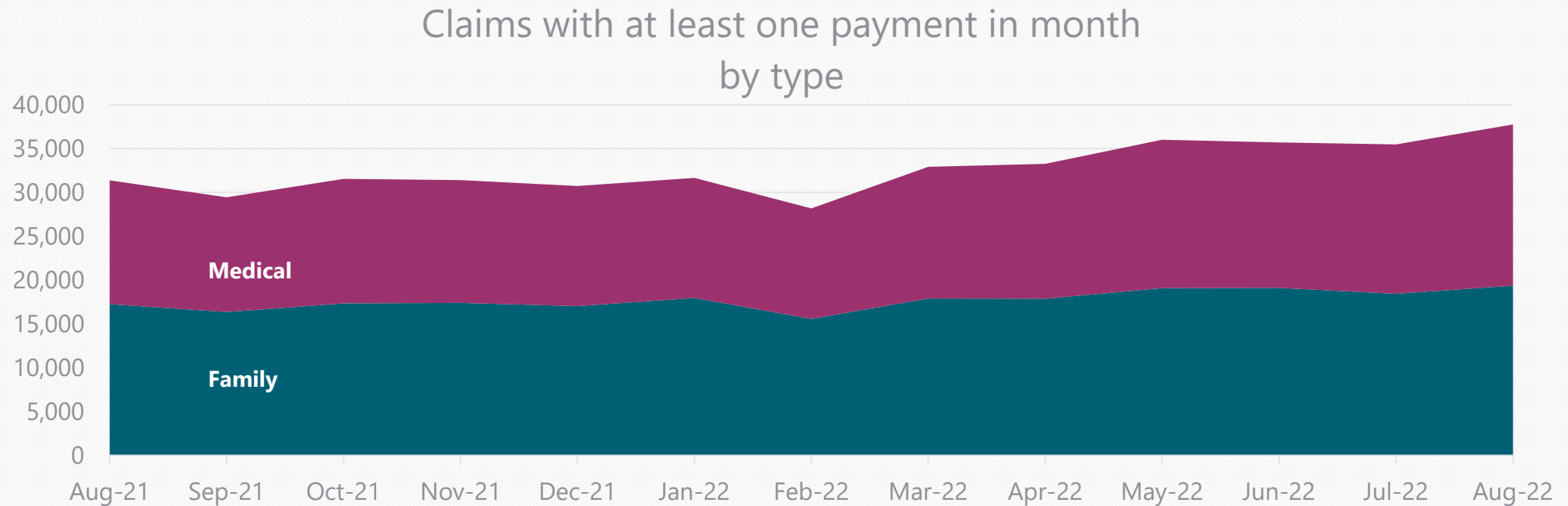
Claim applications submitted by type



- August 2022, we received 21,100 applications – highest on record
 - 10% more than last month
 - 16% more than August of last year
- Starting to see shift towards medical leave types ~ 57% medical, 43% family
- Three-month rolling average at about 19K claim applications
 - Had been stable at about 18K since May 2022

Approval rate and monthly claims with payment(s)

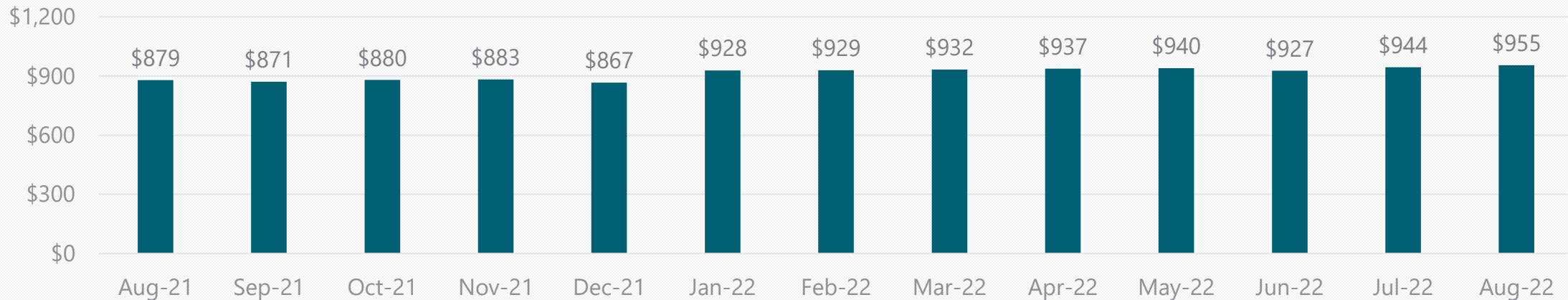
- Percentage of claims approved continues to be relatively stable in past year
 - About 84% approved overall
- Unique leave claims in the last 12 months – 96,012 family and 95,333 medical
- August 2022 total unique leave claims: 37,755
 - 20% more than August of last year



Benefit levels and lengths

- Jan-Aug 2022 average: \$936
 - 7% higher than same period last year, \$878
- 2022 AWB is expected to stabilize throughout rest of year.
 - Statewide average annual wage grew 7.3% from 2020 to 2021

Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.



- Length of leave relatively stable month-over-month
 - 7.4 weeks avg per claim for claims ending in recent months
 - 9.5 weeks avg per claim year for claim years ending in recent months

Time from application submission to first payment

Month	Average weeks	Median weeks
Jan. 2022	5.2	3.6
Feb. 2022	4.9	3.6
March 2022	4.5	3.4
April 2022	4.0	2.7
May 2022	3.6	2.4
June 2022	4.2	2.6
July 2022	4.2	2.6
August 2022	4.0	2.6

Month	Average weeks	Median weeks
August 2021	4.6	3.3
August 2022	4.0	2.6

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave*
Feb. 2022	84%	77%	08:34
March 2022	78%	85%	04:56
April 2022	80%	85%	04:01
May 2022	85%	91%	02:47
June 2022	64%	78%	07:27
July 2022	82%	67%	12:23
August 2022	81%	75%	9:32

Since August 2021:

- 12% increase in calls into queue.
- 34% increase in calls answered.
- 00:26 decrease in queue time.

* includes calls for WA Cares Fund

Voluntary plan cost report

Voluntary plan cost report

Historical challenges

- Compartmentalizing time on tasks has matured along with program.
- Separating out implementation costs from operating costs in early years – urgency of plan submission in second half of 2018.
- Data architecture was limited at launch.

Future challenges

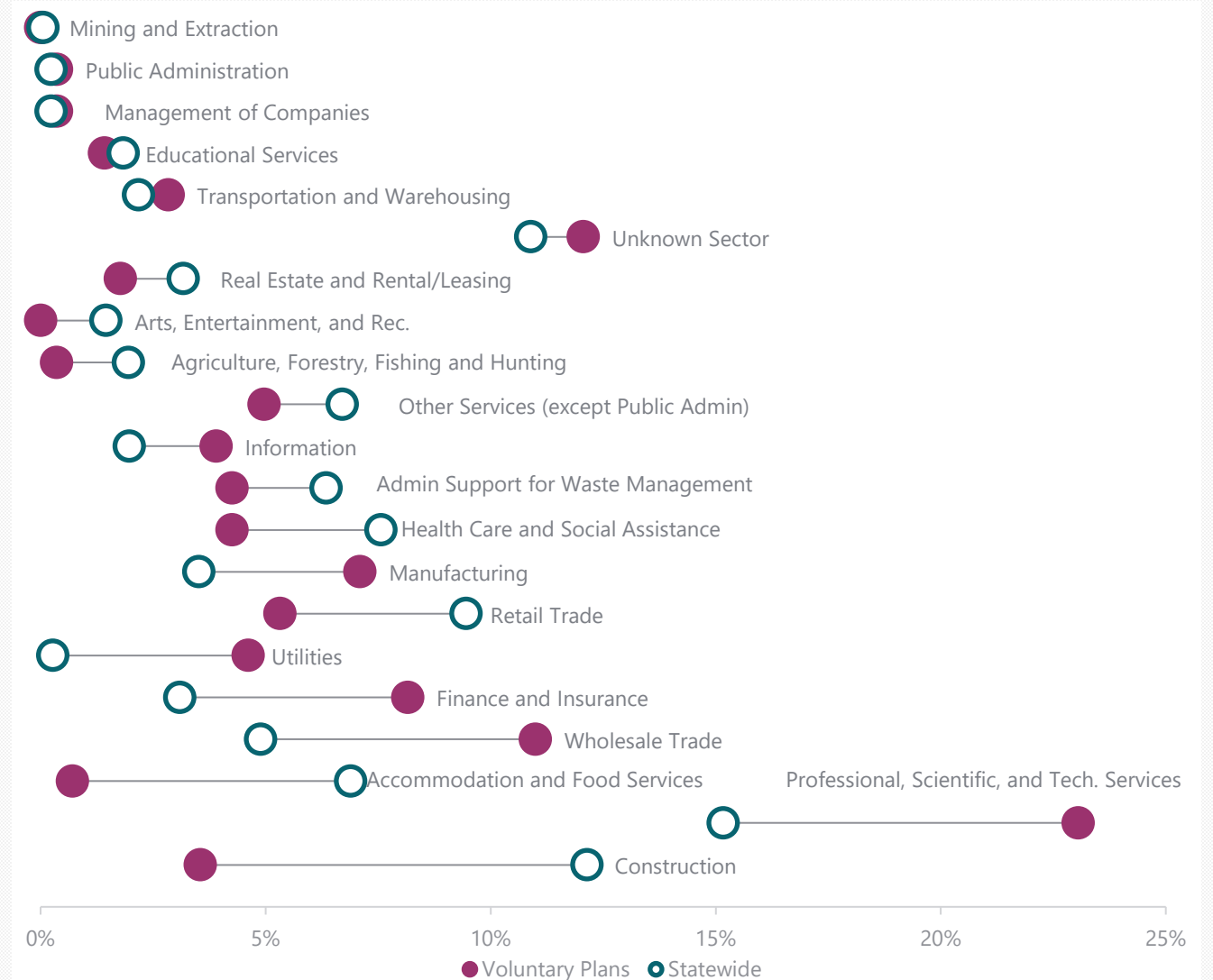
- Most plans have reached 3-year maturity – no longer submit fees coupled with fewer new plan submissions.
- No mechanism for future review process.
- Fees are a flat rate while staffing costs increase with wages.

	2018	2019	2020	Current 2021	Projected 2022	Projected 2023
Payments	188	156	19	21	~20	~20
Fees	\$47,000	\$39,000	\$4,750	\$5,250	\$5,000	\$5,000
Costs	~ \$210,000 per year			\$210,940	\$116,157	\$109,882

Voluntary plans by industry

Largely concentrated in four sectors:

- Professional, scientific, and tech services (23%)
- Wholesale trade (11%)
- Finance and insurance (8%)
- Manufacturing (7%)



Current program priorities

Matt Buelow, Deputy Director

Active division portfolio

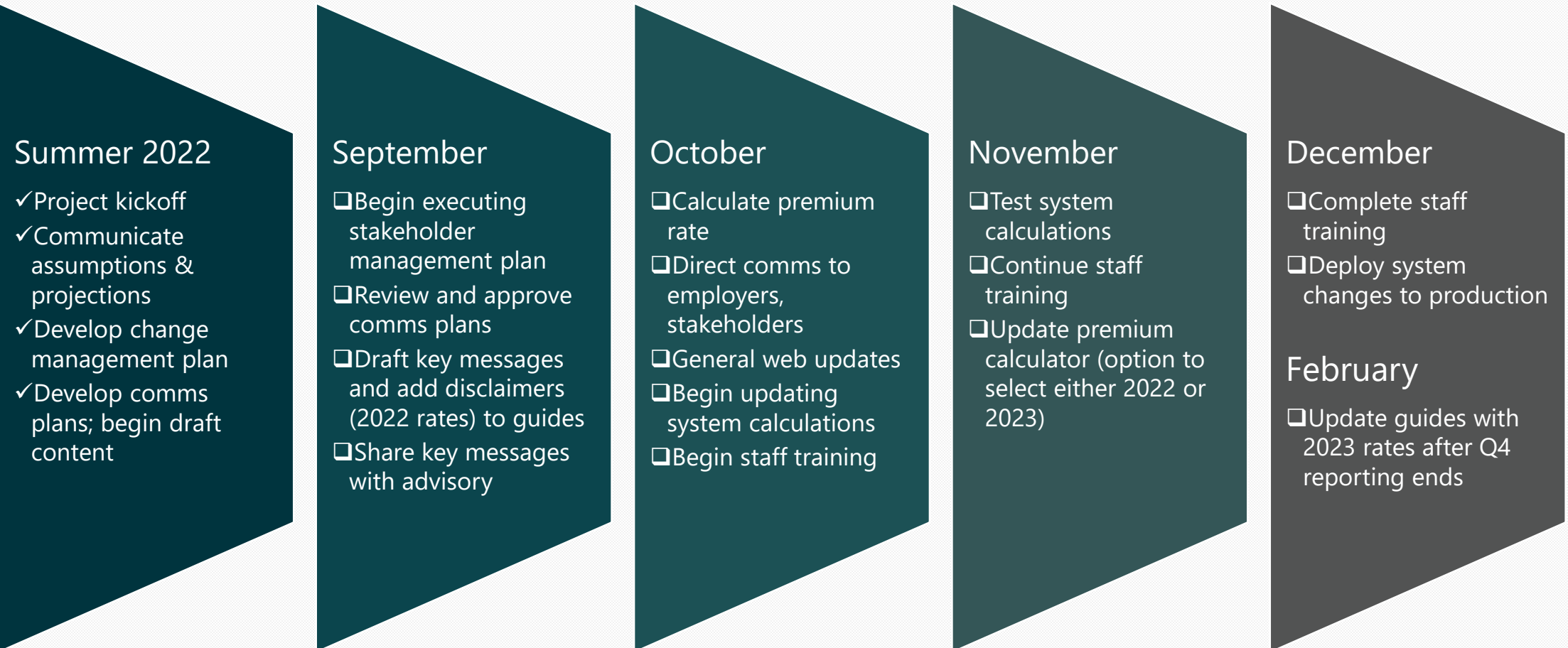
Projects

- 2022 1099s
- 2022 weekly benefit amount increase
- 2022 premium rate and Social Security cap changes
- Cloud migration (case management system)

Analysis

- Enabling employers without UBIs to report online
- Employer contact types and case management
- Implementing division language access plan

Premium rate project timeline



Division decision packages

Caitlyn Jekel, Government Relations Director

Danielle Cruver, Chief Finance Officer

PFML Staffing Adjustment



- ▶ The Employment Security Department (ESD) requests appropriation increase and adjustment of its full time equivalent (FTE) authority to align with expected caseload growth in the Paid Family and Medical Leave (Paid Leave) program. This request is to support additional staffing needs that are anticipated as workload volumes continues to increase. Funding is requested for FTEs identified in the Paid Leave Program Needs and Resources Report to the Legislature.
- ▶ \$4.7M
- ▶ PFML Account
- ▶ 24.0 FTE

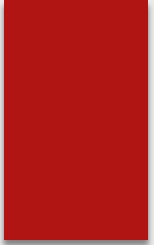
LCD Outreach & Access



- ▶ The Leave and Care Division (LCD) of the Employment Security Department operates the state's Paid Family and Medical Leave (Paid Leave) program and a portion of the state's Long-term Services and Supports program, called WA Cares. This proposal will support outreach, information sharing, customer experience and equitable service delivery, as part of stakeholder and customer expectations and to support scaling to projected caseload growth of both programs. To meet our customers' needs of an equitable and inclusive experience, we have a need to add additional Paid Leave and WA Cares staff to help the division accomplish its strategic and mandated goals.
- ▶ \$4.9 M
- ▶ 18.0 FTE

WA Cares Completion



- ▶ The Employment Security Department (ESD) requests 13.5 FTE and \$15,399,000 appropriation increase to support the completion of the second phase of Washington state's Long-Term Services and Support (LTSS) program. Staff and funding for contracts are needed to complete the second phase of the LTSS program in advance of the partner agencies Department of Social and Health Services and the Health Care Authority. The funding requested is necessary to meet the delivery cadence set for the program by DSHS.
 - ▶ 13.5 FTE
 - ▶ \$15.4 M
 - ▶ WA Cares Fund
- 

Workgroup updates

Alison Eldridge, Interim Transformation Manager

Small employer premium workgroup

- Met August 31
- Agreement on initial approach (launch by end of 2022)
- Continue developing complete solution (launch summer 2023)
- Will report on progress as we go
- Next meeting date TBD

October meeting

Details

- 9 – 11 a.m., Thursday, October 20, 2022

Agenda

- Topics?

Open comment

Continue the conversation

Justin DeFour

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Employment Security Department

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Visit us online at
www.paidleave.wa.gov



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bit.ly/PaidLeaveList