

Location	Zoom
Advisory Committee Members	Director, Leave and Care: Justin DeFour Paid Family & Medical Leave Act Ombuds: Edsonya Charles Employer’s Interests Representative: Bob Battles Employer’s Interests Representative: Christine Brewer Employer’s Interests Representative: Julia Gorton Employee’s Interests Representative: Samantha Grad Employer’s Interests Representative: Tammie Hetrick Employee’s Interests Representative: Maggie Humphreys Employee’s Interests Representative: Joe Kendo Employee’s Interests Representative: Gabriela Quintana
Employment Security Department Staff	ESD Commissioner: Cami Feek Deputy Director, Leave and Care: Matt Buelow Chief Financial Officer, ESD: Danielle Cruver Public Affairs Director, ESD: Clare DeLong Government Relations Director, ESD: Caitlyn Jekel Leave and Care Treasury Manager: Steve Zawojksy Operations Manager, Leave and Care: John Mattes Research & Data Manager, Leave and Care: Rebecca Grady ESD Managing Actuary: Eve Sheng Economic Analyst 3, Leave and Care: Brian Kennedy Legislative Coordinator, Leave and Care: Roberta Kowald Transformation Manager, Leave and Care: Alison Eldridge
Notes by	Sonya Wilcox, Court Reporter
Agenda	Introductions Approve April Minutes 2024 Legislative planning Discussion: New legislative proposals 2024 Current Program Priorities Program & Financial update Open Comment Adjourn

MR. BUELOW: My name is Matt Buelow, and I'm the Deputy Director of the Leave and Care Division at the Employment Security Department, and I will be your MC today. If we could advance slides.

Thank you.

Our agenda today, we will do our introductions, talk about last month's minutes. We will talk through our current priorities and our timeline to finish our Paid Family and Medical Leave work. We will do a little discussion around legislative session planning for next year, have our program update, then open comment.

We put "if time" on the program update. We moved it to the end, because we have a lot of things to talk about. I expect we will have time to talk through those things, as well, but just so you are aware we moved that to the end of the agenda and also made a slight modification to the agenda you were sent late last week. We flipped the current program priorities, moved those up a little bit, same content, just in a different order. If we could advance slides, please.

Our meeting structure, we ask that only advisory committee members and presenters talk during the meeting. We ask the public to hold feedback until the open comment period at the end. We will have that ability at the end. We will ask people to raise their hand, jump off mute, those kind of things, so we can take comments.

We will start introductions. I will just call on people in the order my screen shows. So, Christine, would you start us, off please?

Introductions – Advisory Committee Members

MR. BUELOW: I think we have everyone who is here, and Joe will be joining us when he can.

April minutes were sent out last week. I'm hoping everyone had an opportunity to look at those. Do we have any motions to approve those or does anyone want to discuss those notes?

MS. HUMPHREYS: I move to approve.

MR. BUELOW: Any seconds?

MS. GRAD: Second.

MR. BUELOW: All in favor, please say "aye." Anyone not in favor, please say "nay."

MR. BUELOW: We will consider April's minutes to be adopted.

So, now I'm going to talk about our priorities, what we are working on now, what's coming next, and then talk through the timeline that it's going to take us that we think it's going to complete the Paid Family and Medical Leave implementation. So, if we could advance slides.

All right. So, the things on the left-hand side in the "now" box are things that we are currently working on, either have started development, implementing, or are far along in the planning stages.

Next, in the right-hand side, are the things that we would be working on after the things in the "now" box completes. Before moving to the timeline, I do just want to set some high level grounding for you.

First, we did send the timeline via email.

It may be easier for you to bring it up and review as we talk it through. It's really small on the slide. It's unreadable and my apologies. We are going to actually display the PDF version of it, so the audience can see it better, as well. But I would encourage you to bring that up, if you have the ability for our committee members.

MS. GORTON: Who did it come from?

MR. BUELOW: It came from -- I think it came from Washington Security Department is I think how you find it. The timeline includes things that are interdependent and foundational to us completing the work. Things like migrating our platforms to the cloud, I know we have talked about that before, but that is just one example. If we don't migrate our systems to the cloud, the timeline to complete the work would be longer, and some of our components would not be supported, which would not be good, right?

Also, as we implement components of the law, the program, itself, is going to get some broader benefits. So, I'm going to talk through those things, as well. So, there is the PDF.

Taiyler, if you wouldn't mind, I think we probably want to zoom in a little bit as we talk through this just so it's easier for people to see. Again, and I apologies for how hard that is to see over a Zoom meeting.

MS. HETRICK: Matt, can I ask a question very quickly? **MR. BUELOW:** Of course.

MS. HETRICK: So, as you look at the chart, it's a bit hard to follow, because as you just said, that the child support has already been started, but when you look at this chart, it doesn't show it until September. So, can you kind of explain, first of all, what we are looking at and how it is different than maybe what we are seeing in those other charts?

MR. BUELOW: Absolutely, absolutely. So, child support, as an example, so what -- the reason why it shows "not started" is it all depends on what you count as started, right?

And so, we have these in three different blocks. So, the green is our transformation team. Is that's our product team, our project management, and our business analysis, right?

The blue is our tech, and the yellow is our place operations. So, those are the three areas we are considering.

We are working with Department of Social & Health Services. We have data sharing agreements in place. We are looking at data with them and figuring out what is it -- how can we implement that in an effective way.

And so, the work to actually design the solution was not started yet. So, that is not represented on this chart, and I guess that that is confusing. So, we are kind of looking at the when-are-we-boots-on-the-ground going and saying we are going full bore on this thing is kind of what we are starting our starting point at on this chart. Does that make sense?

MS. HETRICK: Yes, that's helpful. Thank you. I apologize. I will let you walk through it, but that was one of the clarifiers I wasn't clear on.

MR. BUELOW: I want to answer questions. I want to be as clear as possible. There's a couple other things I just want to say before walking through the chart. You will see that each month is there twice, which is a little bit confusing.

The reason that is depicted that way is we do our work in two-week we call them sprints or cycles. So, this just helps us illustrate and estimate the number of sprints that we are going to need to complete these various things.

Also, as you look at the chart on the left, you know, that's where we are now, and as you move to the right, that's further out. We are more confident about what's on the left than what's on the right. I think that probably speaks for itself, but we know what we are doing right now, we know things that we are a lot closer to starting, and the things that are further out. It's just not as clear, not that we don't have confidence on that. We do. It's just not as high. And we are hoping, you know, perhaps we can complete the worker quicker.

This timeline, as well, is based on our current staffing levels, and I think that's an important thing to keep in mind as we talk through this. Caitlin is going to talk a little bit more about it shortly, and we will be working with you, of course. We are figuring out -- we are still working on figuring out what our resource needs are, so we can put in a decision package to get us the resources that we need to get this work done better, more efficiently, and hopefully faster, and we will be talking with you all through that process.

Also, this timeline is based on us building what I would say is the right underlying technology and our operational supports. So, we don't want to take any short cuts. We don't want to create any issues for our customers, for our staff, for the program. And so, we are -- while all of these solutions, they are not all figured out, we don't have all the details, there will be no what we would consider gold plating. We do want to make sure we are implementing things that are sustainable and scaleable and not something that we just immediately implement a workaround and we can't keep up, as an example. So, just keep that in mind.

And then, you will also see on here new legislation from this past session, and there is going to be benefits across the program as we implement those. So, it's not just the implementation of the legislation. So, as an example, just one, with the TMC bill, right, we are going to be implementing the ability for self-employed individuals to have a representative, which is not functionality that currently exists in our system, and that is going to be benefit more than our TMC drivers, it will benefit other folks who have elective coverage.

Samantha?

MS. GRAD: Isn't the question when I read this chart what is the difference between the half green and the full green? I understand they are the same team. I understand the color coding, but there is gradients in the greens that is not gradients in the others. What does that mean?

MR. BUELOW: I'm going to have to ask the team to remind me. I don't remember off the top of my head.

MR. JUHL: This is Mike Juhl. I'm the tech manager for LCD. The hash lines, and there were some other ones in some of the other colors, as well, but I think they didn't really produce as well to the PDF -- represent some of the others looming. A good one there is overpayments. There is a long window there where we have to figure out all kinds of things about how overpayments are going to work before product brings it do tech and says here is what we want to build. That is a fuzzy buffer for an uncertain amount of time, but we know there is a lot of work to figure out a lot of different things that are all over the system.

In particular with product, there is some lead in. This is a similar to the kind of things that Matt was talking about child support. There is agreements with other entities. There is working our policy people to get rulemaking done. When we have to do things like that, some of that is represented in those fuzzy areas. It is there to show we know there is a big chunk here. It is a little less certain than the darker chunk.

MR. BUELOW: Thank you, Mike.

You will also see on there, there are a couple of WaCares things. The reason those are included - - we are not here to talk about the WaCares -- it's because those implementations will have an impact on the Paid Family and Medical Leave, the ones you see on the screen.

As an example, when we implement elective coverage for WaCares, we are going to use the opportunity to restructure the elective accounts for Paid Family and Medical Leave, which is going to make reporting and accessing benefits easier for our Paid Family and Medical Leave customers, as well. That's why there is a couple of those things that show.

We also wanted to include our annual Paid Family and Medical Leave work that is required by law, but I just want to be really clear here that the distinction is all of these processes have been implemented and ran before. We just know we are going to need to do the normal annual maintenance work, and that take some time and some resources.

So, we just wanted to show that, as well, things like implementing the new weekly benefit amount when that is calculated, issuing 1099s, right? So, those are the types of things I'm talking about that you will see on here, but I don't want that to be confused with things -- I don't want to come across as we can't do those things. We have been doing those things. We will continue to do those things, but we just wanted to show in the timeline how those play in, as well. Does that make sense?

Okay. So, the top five items that you will see on there are things that we are currently in progress working on, and, you know -- can you scroll up for me Taiyler, back to the top? Thank you.

And so, I want to talk just a little bit about what that means, and it's not the same as what "in progress" means, but keep in mind that we don't, when we don't have to, we don't implement something big bang, whole cloth, right? So, it's not like we go and we build something, and we say, okay, we are going to put this thing on.

And the reason I think that is important, like our cross-matching with UI, we are running a cross-match today. And so, we are not doing nothing there, right? And so, we are able to identify when someone is in receipt of both benefits.

We need to improve the work that we do on that, and we need to focus more on education and preintervention upfront, of course, and we need to implement the cross-match with L&I. That is not something that we are doing right now. So, I just would point out there are things in there that we are, you know, we are complying with components of the law, maybe not optimally and maybe not quite fully. So, those are the five things related to Paid Family and Medical Leave that we talked about that are in progress as we speak.

Some are closer to implementation than others. The AX to the cloud, that's our financial system. So, we are working on moving that to the cloud, because the on-premises version will not be supported any longer, and this is one of the those areas where development in that particular system is longer for us than some of the other components, and getting it into the cloud will help us be able to do that in a more streamlined and efficient and quicker fashion.

So, I have said a lot, and I know there's a lot of detail on here, and I'm not sure what would be useful for you all. Do you want me to walk through each line talking about what it is with some detail? Do you want to take a look and ask some questions? I just want to make sure that you're getting what you need out of this conversation. Tammie?

MS. HETRICK: I'm fine with just asking some questions, if that works.

MR. BUELOW: Absolutely.

MS. HETRICK: If we can lead into some discussion from there, I will just start. How comfortable are you with being able to create, you know, some of these things? Because as I see these on here, again, there's something I thought we are already doing it. So, like the overpayments and, you know, includes benefit adjudication and things like that. I'm assuming that is something you all have been doing for quite some sometime.

MR. BUELOW: Yes.

MS. HETRICK: Is it just you can't issue overpayments on those right now; is that correct?

MR. BUELOW: Correct. We do benefits adjudications. We do redetermination. We do appeals. What we need to do is improve some of those processes at the same time we put overpayments on to it.

Otherwise, it won't all connect well. It won't work well, and it will be really hard for us to operate and to explain to our customers. So, we are going to do some improvements in those already existing processes along with that to make it to work. Does is that help?

MS. HETRICK: That does help the first part of that question. Do you feel like you have the staffing you need to accomplish these goals?

MR. BUELOW: Yes, we can accomplish all of this with the staffing we have, yes. However, do we think that's the best way to go? Probably not, and that's the decision package that, you know, we need to talk more about, and we don't have details yet.

We have not -- we have not figured out what could that look like, what should that look like for us. So, we will be talking about that more in future meetings.

MS. HETRICK: Thank you.

MR. BUELOW: Yep. Bob?

MR. BATTLES: So, the chart, because I want to follow up with what you said about staffing, does the chart represent your current staffing and what you have and the anticipation of nothing else changing for the Legislature? I assume it also is based on the fact that you would not have any further responsibilities issued through legislation, as well, without current staffing increase; is that correct?

MR. BUELOW: Yes. So, this is based on current staffing levels, and it's based on us focusing on this work, and, you know, of course if there is legislation that we have to do something else, that would impact this timeline, I'm sure, depending on what it is and what it touches and all that stuff.

Julia?

MS. GORTON: So, on your list, so you have this chart, and then you also have other priorities. I would suggest moving the small business opt-in to this list as it's a core function of the program.

MR. BUELOW: That's great feedback. Thank you.

Tammie?

MS. HETRICK: I'm sorry. I feel like I'm full of questions today.

MR. BUELOW: That's okay.

MS. HETRICK: Is there a concern about the timing.

Like when we start looking at cross-referencing with L&I, I mean that's like over a year out. Is there some process that is being done right now? So, I mean is there something in place, but yet this is really going to fine tune it or make it easier? How is that working?

MR. BUELOW: I will describe this the best I can, and I may need to ask for some help. So, we have -- and I'm going to sort of be a little bit vague and apologies. You know, if we are talking cross match and things I don't necessarily want to go into extreme detail, right?

MS. HETRICK: Right.

MR. BUELOW: In this sort of setting, but we have the ability to look into L&I's system to see whether or not someone is getting those benefits. We don't have an automated cross-match in place to just tell us, oh, Matt has these benefits, go take a look at it. That's what the cross-match is intended to do, but we do have access to data today.

MS. HETRICK: Thank you.

MR. BUELOW: And are using that.

Maggie?

MS. HUMPHREYS: Thank you. At the bottom of this document, so can't see it on the screen right now, but where it notes "conditional payments starting between May 2025 and February 2026," I

know that is a term we had used in talking about pre application. Is that kind of what that's alluding to, or is this something else?

MR. BUELOW: There is a requirement in the law that, if we have a question on someone's eligibility while they are receiving Paid Family and Medical Leave benefits, that they have the opportunity to be paid while we make that determination. And those are called conditional payments, and the law also allows the opportunity for someone to say, I'm going to opt out of that, because I don't want to have to owe you money. That's what this is talking about.

MS. HUMPHREYS: So, this is the pre application work that we had talked about? Okay, great.

MR. BUELOW: Edsonya.

MS. CHARLES: It helps if I unmute. I just want to follow up on something Tammie said related to the overpayments and her thought that we were doing some of that.

So, while it is true that the Department processes applications and does redeterminations, there's currently not a process to notify an employee of an over -- they have an overpayment in a method to adjudicate and collect that overpayment.

So, I just wanted to make, because based on what I just heard, I don't think it was that clear to me in the explanation. Does that relate to your question, Tammie?

MS. HETRICK: That is, and I did misunderstand the answer, because that sounds a bit different. I wasn't aware that we couldn't collect in any way, shape, or form on overpayments.

MR. BUELOW: I'm sorry if that wasn't clear. Edsonya is absolutely correct.

Sorry, Edsonya, were you going to say something else?

MS. CHARLES: Not right now. Thanks.

MR. BUELOW: Okay, Bob.

MR. BATTLES: I want to follow up on that. You are saying if, we have an overpayment, you have no way of getting that back, even if the person wanted to return it to you?

MR. BUELOW: Correct. We can't establish the overpayment to say that someone owes us the money by providing the due process that is required in order for us to collect that money.

MR. BATTLES: And we are not going to process the ones today for five years reading from this chart?

MR. BUELOW: Part of the discussion around overpayments like what are we going to do with overpayments that exist before we implemented it. I don't know what the outcome of those conversations will be, but there are also, you know, some time limits in the law on when we could go collect on these, that there will be ones we will not legally be able to go back to get.

MR. BATTLES: The statute of limitations and everything like that, I understand. But, basically, the way this is currently set up, the earliest I could expect you to be able to address overpayments under this chart, if we follow this pattern, is around five years from now.

MR. BUELOW: No. So, overpayments on this chart is finishing November of 2024 next year.

MR. BATTLES: So, next year, but we have -- one, assuming you're addressing the current system, so basically over year, you know, if we have a two-year statute of limitations. I don't know. That has not been established. I don't know what the statute of limitations is, but every year we are losing or every month we are losing overpayment collection.

MR. BUELOW: Correct.

MR. BATTLES: When are you going to have the ability to do that, do you think?

MR. BUELOW: You know –

MR. BATTLES: Is that 2024?

MR. BUELOW: 2024 is when we plan to complete, but we are hoping to implement in pieces, right? Actually, I'm going to ask Mike and Allison to come on right now and help me out here before I get it not exactly accurate.

MR. JUHL: I'd be happy to. This is one particular place. There's a couple other ones out there. When we talked about agile feature delivery, overpayment is great example. We are not going to build all the pieces and wait until the end and deliver all of it in one big chunk. It's going to take a long time, because overpayments are complicated, but we are going to be delivery features throughout that cycle to gain capacity.

By the end of that current timeline, we will have all the features we believe are appropriate in place, but we won't build stuff and hold it for nine months. That is sort of the definition of agile, getting features out in small units as fast as possible, continuing to build small features until you have the whole set.

Overpayments is a great example of that one, because it's going to take some loops as we build on layers of functionality to finally get to all the various pads through appeals and re-vets and all different things that come with overpayments.

MR. BATTLES: If I could follow up, I know Maggie is going to, but if, with this overpayment -- I just don't understand. I guess I'm trying to see how this works between conditional payments that you may be wrong or not and then turning around and having overpayments you can never collect. Maybe that's not a question. I will leave it at that. Sorry. Go ahead.

MS. HUMPHREYS: I have a different question. I just want to make space, if anyone else has additional follow up about overpayments?

Matt, is this -- and I apologize if you said this before -- is this list exhaustive; is it what you consider tier one priorities, because I'm noticing there are a couple of things, and maybe they are within some of these categories, but I'm not seeing one being pre application, another one being like authorized representative, which I know Sam brought up a few times.

So, I don't know if either of those are encapsulated in some of these projects but just not named explicitly or if there is a reason they are not on here, and also I don't know if there are other priorities from the group that are also missing or may be encapsulated in some of these projects.

MR. BUELOW: That's a great question, Maggie. Thanks. Those are not included on here. So, this is the list of work that we need to do to complete implementing the law, right? That doesn't mean that it's the only work that is important or the only work we have to do. That's what this depicts.

We have a list of other high-priority work we have to do, and I sent that out to you all yesterday. And so, you probably haven't had a chance to even see that. It is a list that we went over here several months ago. So, we are going to have to talk about prioritization and when we can get that work done. I don't have an answer for any of that at this point.

MS. HUMPHREYS: Thank you. Thanks for the clarification. I'm sorry for not tracking that completely.

MR. BUELOW: No worries, no worries. I didn't say that in here at all. Thank you for asking.

Bob?

MR. BATTLES: Following up with that, just so I understand, the list we got, the email that has additional items, hasn't been incorporated into your list either?

MR. BUELOW: Correct.

MR. BATTLES: So, this timeline is subject not only to future law changes but other items that have not been done, as well?

MR. BUELOW: So, our --

MR. BATTLES: I mean one of them is the small business. One of them is the small business, which is part of the law, right, to opt in. I mean it's not incorporated into this chart.

MR. BUELOW: The reason that is not incorporated into this chart is the small business opt-in exists today. A small employer can come to us and say, I want to opt in to play the employee portion of the premiums.

It's not an optimal solution. It's a short-term solution that was that worked through with the workgroup, right, and it's not where it needs to be, but this list is intended to show these are the things that we cannot meet our legal obligations currently.

MR. BATTLES: And the ones you feel like you have got, for lack of a better term -- I apologize -- is a band aid. The small business opt in is just a they can manually ask for it, but there is nothing that tells them it is there, as long as they know.

MR. BUELOW: Right. Some of them are things that we currently can't do. The pre application is a great example of that. There is nothing explicit in the law that requires us to do it, which is why it's not on this list. That's not to say it's not important, not to say we don't have to do it, but there is no requirement. There is nothing in the RCW that says, ESD, you have to accept a pre application under these conditions. And so, that's why it's not on this list.

MR. BATTLES: I think it might -- I apologize for my questions. I thought -- I thought -- my expectation was we were going to get this kind of master list of everything you thought was out there, and I think we got it in two pieces maybe, but the way it's being presented is a little bit wonky for me.

MR. BUELOW: Let me make sure this is clear. So, our plan is to finish this stuff. This is what we are saying our priorities for us to get done before anyone else.

I mean just to be 100 percent transparent with you, we need to complete our legal obligations. We just have to.

Any other questions or comments on that?

Happy to talk about this as much as you need to. I know it's a lot to absorb.

Okay. If there is nothing further, what I will do right now is hand it over to Caitlin, so she can talk about next session, and as you think about this and the thing -- before I go on, I will ask Edsonya for her question. Edsonya.

MS. CHARLES: I was just going to suggest we put this on next month's agenda, as well, because I think people are sort of processing this list, and I think, as they think about it more and look at it more, other questions might bubble up, and I think it might be helpful to revisit it next month.

MR. BUELOW: I think that's a great idea. Thank you. Okay, and we can come back to this, too, in this meeting, if things come up or if you think about anything.

So, with that, Caitlin, I'm going to hand it over to you.

MS. JECKLE: Can we move to the next slide? We wanted to take a moment on the heels of that conversation to discuss with you a bit more -- sorry. For the record, Caitlin Jeckle, government relations with the SCA for those who I haven't met.

We want to talk a little bit about our agency internal process as we prepare for the next legislative session. And as Matt alluded to earlier in this session, a key part in our mind pertaining to the Leave and Care Division is in our budget planning and what we prepare to bring pertaining to completion of this body of work and our budget next year.

But I will talk through this timeline, which applies to both our decision package planning, as well as our agency request planning. So, right now, our budget division is working with each division within ESD to unpack the current status of their budget, the body of work that needs to be done, and identify where we have a disconnect or need to refine budget planning and bring proposals for the coming year. So, this works that our financial services division is doing with Leave and Care will be incredibly instructive as we are working through this list of work and then bringing to you our list of work and then bringing to you our budget approval for next year.

And I will note you all asked at the last meeting when is the right time and cadence to bring back Danielle, our CFO, to talk about budget. Her preference is that we actually get through this process we are doing now that will be done at end of June to really unpack the money we are currently operating under and be able to speak with you about where we see a need to lean in next year.

So, we are thinking that after the end of June is the right time to bring Danielle back to really focus a meeting on specifically budget discussion with you all. So, that's under way right now.

By the end of June, after those meetings are complete, our executive leadership team will have visibility on a complete list of ideas coming from each division pertaining to possible any agency requests, legislation, or decision package proposals to do that internal decision making on which ideas we are going to be pulling into complete proposals. So, by mid July, we will be able to come back to you in this venue to be talking through that in much greater depth.

At the end of August, as can you see here, all of our full summary packages including Z drops complete, and then we submit those in early September to the governor's offers and OFM.

So, any questions on timeline? If not, what I wanted to do next is flip to the next slide for a more open discussion on any ideas that you all have in mind, reactions given the conversation we are having now about the balance of work, what this means for the upcoming legislative session, but any questions on timeline first? Anything you need more clarity on?

Okay. So, let's move to the next slide for a discussion. For Employment Security Department, our assumption at this point coming from the Leave and Care Division is that we are going to be focused on budget, that we both have what is our overall spending authority and our FTE authority to support this body of work.

As you know, the Leave and Care Division is managing both Paid Family and Medical Leave and Washington cares, and we want to do some things that make sure that we have appropriate staffing to be clear on those bodies of work.

So, as we are thinking about 2024, our priority here at Employment Security Department is really focused in a budget capacity. We have heard to date one idea from a member of this advisory committee and a possible policy priority for 2024. So, I will tee that up but also open to just having a discussion here today, if there are other things that folks will feel are critical to have on our radar for 2024.

So, the one idea that we wanted to give space to today is Maggie had brought to our attention an interest in this body discussing placement of individuals, who are adopting a child or fostering a child, and the relationship there between the timeline with fostering to adopting and how that intersects with paid leave dates.

I want to make sure. It may not be the time for that today, but does anyone else want a particular item to be on the floor for discussion at the start here?

Okay. Well, I'm going to hand it to you, Maggie, if that's all right.

MS. HUMPHREYS: Absolutely. Thank you. So, several of -- a few of us last winter were contacted by a family who had recently adopted two children into their family, and those kiddos had first been placed with them as foster children. And when these parents adopted, went through the adoption process more than a year later, they found out that they were not eligible for a single day of family or medical leave for bonding, because they had first fostered and later adopted.

This is something that this family is very involved with the Foster Family Association in Washington state and connected with many others, and it's an issue that they have heard about from many other families as a barrier to adoption.

And further, in the work that we have done Moms Rising and EOY and Pierce and Yakima counties working with community-based organizations supporting applicants, this is an issue that has come up for families, as well, across in those parts of the state.

So, it seems to be a barrier for multiple families, not just this one who has raised it, and the other issue that has come to our light within the realm of foster care is the exclusion of biological parents from taking bonding leave, if they are reunified with their child who had been in foster care.

And so, I wanted to just take, as we start thinking through planning for the next year, this is an area that I can speak to Moms Rising is really interested in digging into over interim to try to see how this program can best and better support foster families, reunified families, and adoption families.

A group that we have talked to about how we can work together in early -- have early connection on potential legislative work, so as we are officially in interim, and I wanted to thank you, Caitlin, and ESD for the opportunity bring this to the group, but I'm eager to hear feedback from the group and see if there is an opportunity as an advisory committee to work on this together or at least to stakeholder it and try to get this work into a good place to support families as they navigate our foster system.

MS. GORTON: Is anyone from ESD able to speak to what they believe the current law allows in terms of leave?

MR. BUELOW: Sure, I can. So, right now, the law says that a parent can or guardian can receive the benefit one year following the placement of that child. So, I don't know the specifics of this particular case, but I would assume that some, you know, fostering happened and the adoption happened more than a year later, which would be more than a year following the initial placement, and that's why benefits would not be available.

MS. HUMPHREYS: Thanks, Matt. Sorry. I did a bad job of describing the specific case. So, yeah, this family had fostered for about a year and a half and then had not taken leave at the time of placement, and because they didn't know if, you know, those kiddos were going to be in their home for a couple weeks or a couple months. And it ended up being much longer, and they ended up adopting.

And so, they had planned to take the leave upon adoption and were denied, and I think the goal of this -- the policy solution this family has brought forward, and I fully support, as well, is nobody is talking about having two buckets of leave, so having a double amount of leave, but just having access to that same amount of time for the placement but the flexibility to take it either with the foster placement or the adoption, that the leave follows more like the child in the situation than the calendar year.

MS. GORTON: I thought the actual language of the law was "placement or adoption."

MS. HUMPHREYS: It is. I believe -- yeah, I will leave that to ESD to respond to. We did, too, and it has been interpreted I think a bit more specifically.

MR. BATTLES: I would be interested to finding out why you are interpreting that placement or adoption as being, you know, barred in this situation.

MR. BUELOW: April, I would have to invite you.

MS. ADMUNSON: Sure, happy to discuss, and we have had many discussions during the rulemaking process as we have developed benefit rules. As you know, RCWs supporting benefits is short compared to the RCWs for premiums. Family leave for this particular circumstance is described in RCW, "To bond with an employee's child during the first 12 months after the child's birth or the first 12 months after the placement of a child under the age of 18." So, that's a language of the definition of family leave.

So, we then get to the RCW that describes the expiration of the entitlements where the expiration of the entitlement expires after the first 12 months after the child is placed or born. So, those are the two laws we look at. I can give you more specific RCWs.

We did define "placement" in rule and have looked at it multiple times and planned to do it again for this circumstance to see if we can better define it in a way that best serves the program. I hope was that helpful, and I can give you the specific RCW, if you are interested.

MS. GORTON: That would be helpful. Just pop it into chat.

MS. AMUNDSON: Perfect. Does that help?

MS. GORTON: Yes.

MR. BUELOW: Okay. Edsonya?

MS. CHARLES: So, the Ombuds office has gotten lots of calls about this issue, as well, and I don't remember whether we talked about this at advisory, but I know that within the Ombuds office and the Department talked about it, because in 2020 there was a discussion that happened along adopted parents who fostered previously on a facebook group. So, there were lots of calls to Paid Family and Medical Leave and Ombuds office about this very situation.

I do think, in Washington state, most adoptive parents foster for some period of time prior to the adoption, and I support what Maggie is recommending, and I think the current bar is not that the

definition of placement or adoption; it's the one year from the placement or the birth that stops people from being able to use the benefit.

MS. HUMPHREYS: April, just to clarify something you said at the end of your remarks. I know we had -- I had inquired if this was something that was possible to address in rule, and the response from the Department was that it wouldn't be. Is that still the case, or did I hear you say at the end of your remarks that you all are reexamining, if that is possible?

MS. AMUNDSON: We are reexamining if it's possible.

We hear from you and other stakeholders and multiple families, Edsonya, that this particular interpretation of the law has been problematic. We would like to try and see it updated. We want to make this program accessible, but we want to see what our options are and see if we can make it better.

I think Edsonya and I have had lots of conversations about this, as well. It isn't necessarily the definition of family leave. It's the expiration that only entitles for the 12-month period beginning at placement. So...

MS. CHARLES: This is the first time I have heard this situation that biological parents have been barred from taking the leave after reunification. Can you so to speak to that, April, because this is the first time I have heard that.

MS. AMUNDSON: So, we have interpreted family leave as the first 12 months after birth or placement, and the birth, generally birth parents have a year from the date of a child's birthday to take the bonding leave.

MS. HUMPHREYS: I'm curious. This is new information. So, you may all need to adjust, but would like to hear feedback from our business colleagues about where this sits with you all in terms of the scope of our work as an advisory committee and kind of working towards some better processes and policies for foster, foster-to-adopt families, as well as reunited families as something you all see in the scope of our body or something you would like to continue discussing in this venue?

MS. HETRICK: I will be honest. I just don't even know enough to be able to comment. So, I have made some notes, and I plan on doing some research to understand all of this. So, it's totally out of my scope. I'm definitely in the arena of I would like to talk about this more, and I just really want to better understand it.

MS. GORTON: I'm a foster parent. I did adopt from our foster system. So, I do consider myself an expert in the process.

So, Maggie, I'm happy to continue to have conversations. I think it was probably all of our understanding that the law applied to placement or adoption. So, I think that there's probably a solution here.

MS. AMUNDSON: I was just going to clarify. We do believe it is meant for adoption. It's just it depends on -- we have interpreted it depends on the expiration of that entitlement, if that child was placed and there is some adopting occurring with this that first year of entitlement. So, I just wanted to clarify that.

MS. GORTON: It would be highly unlikely for an adoption within the adoption system to take less than a year.

MS. QUINTANA: Placement in foster care in adoption is one placement, you know, one ongoing, I guess, matter. So, you don't consider a foster placement as one action and then -- and then deciding to adopt and proceeding with a different action.

To me that seems like two different activities, two different goals, because fostering I think there are a lot of great folks that foster to keep a child safe and growing until the biological parent can take over, and that's very different to me than adoption, which I think that's so much more permanent, and, therefore, to me those are two different events that should be considered two different events.

MR. BUELOW: That is something we are looking into to see if that can be accomplished without statutory changes.

Something else I just want to mention on this particular thing, as we know, details matter, but, conceptually, this idea is not something that would be an incredibly hard lift for us.

So, in context of the conversation we just had, I think it's important for you all to know this isn't something that would cause us a ton of panic and say everything else is off. So, I just want you to know that.

MS. HUMPHREYS: Thanks, Matt. And I know the second piece of this around reunification, family reunification, is something that was -- is in rule. So, I think that could even potentially be -- I don't know, April, if you want to weigh in -- but something to be explored, if that is something that we can address in rule, potentially, rather than legislatively.

But, specifically, you know, this is, if a parent is reunified with their child, they're currently unable to take any Paid Family and Medical Leave for that time, and at least from Moms Rising's point of view, we would like to see better -- we would like to see that included in the program, as well, to support families as they are restarting, yeah, reunifying and starting a new chapter in their lives together.

MS. AMUNDSON: I appreciate that feedback, Maggie. As always, we will seek advisory review of our rules to see if we can't improve that. We will definitely explore the reunification aspect, as well.

MR. BUELOW: Caitlin, do you have anything else around next session?

MS. ADMUNSON: That's it. I'm not hearing any other ideas of other anyone on the committee of other things you would like to hear about in upcoming meetings.

I would assume we should give space to continued discussion to this concept that Maggie has brought forward in future meetings. Perhaps some interaction with advisory members will occur in the meantime, but I will assume we should have a bit more on the agenda coming up on this topic and that through July and August, we will really lean in on bringing you more information on our budget proposal as it's shaping up.

Does that feel right to you all and what looks like next steps on engagement for the 2024 session? Okay. Thank you.

MR. BUELOW: Okay. And with that, we will move to our program update. Jose Hernandez will be standing in for Brian and Rebecca. They are off today, and we will hear from Steve and John, as well.

MR. HERNANDEZ: Can you hear me okay?

MR. BUELOW: Yes, Jose.

MR. HERNANDEZ: Today I will be talking for Brian. Is he taking well needed vacation. Let's start with claim applications. As you can see in the chart, April claim application declined a bit compared to March. The reason is April was a shorter month, and it ended on a Sunday, and months ending on weekdays tend to have higher numbers.

Still, the year over year is significant. We had 14 percent more claim application than April of 2022, and these numbers represented a little bit over 20,000 claims last month versus 17,000 a year ago, and three months rolling average is back to three-month applications and will remain there in the coming months. Next slide, please. Next slide. Thank you.

The approval rate basically has remained quite stable for the last 12 months sitting at around 85 percent of all submitted claims. The total number of claims with payment has increased substantially with respect to a year ago. There were 33 percent more claims with payments last month compared to April of last year, and there is a slightly higher number of medical claims than family claims with at least one payment, so

52 percent versus 48 percent, respectively. Next slide, please.

With regard to the benefit amount, it has settled around an average of \$999 for the past four complete months, and this represents a 7 percent increase compared to the same four-month period of last year.

The weekly benefit amount in that range will probably stabilize around \$1,000 in the next several months and recognize that the data hasn't matured yet, but in all likelihood, it will go around a little bit below 1,000 in the coming weeks. Next slide, please.

With regards to the length of leave, we observe some small fluctuation here and there, but generally the length of leave for family and medical have been very stable this year, and the length of leave of claim years is turning slightly higher in recently months compared to last year's average. It's around 9.8 weeks in the most recent months compared to 9.6 weeks in 2022. Next slide, please.

So, finally, with regards fiscal projections, most reports and premiums for the first quarter of 2023 are accounted for in this update with an assessment of a little under than \$472 million in premiums for that quarter. Currently, we can see the balance around \$110 million. The last deficit started around beginning of March and lasted until the end of April. The maximum benefit balance around that period was a little less than \$141 million.

As can you see, there is a spike in the chart, and the reason is the cash flow projections account for the \$200,000 allocated to the project in the budget bill. These were added to the projection for the week started on

June 10th. The in flow of this cash will come some time prior to the end of the biennium, which is the last week of June of this year, and the projected end of the biennium budget will be around \$180 and \$200 million.

With that, I will pass the slides to Steve. Thanks.

MR. ZAWOYSKY: We will start with the monthly benefits paid here. April was down about 11 percent from last month, which was high at \$106.2 million. It was still about 18 percent higher than April of 2022, but the month-to-month increase for the year in April was less than January, February, or March, which were averaging between 25 and 30 percent higher than previous years.

So, and the April increase of 18 percent sort of correlates with the 14 percent increase in claims that we saw also during the month of April. So far in the first four months of 2023, we paid out \$445.7 million in benefits. That's about a 24 percent increase over the same period of 2022, and it equates to \$87.1 million compared to last year for the same time period. Next slide, please.

So, this slide shows our monthly premium invoices, and the first quarter of 2023 was the first time that we collected at the .8 percent premium rate, and so we saw a pretty significant increase compared to April of 2022, almost 86 percent.

The premium invoices that we received during the month of April, \$370.1 million, and that was \$171.5 million more than April of 2022, and the increase again for the first quarter was due -- actually, a combination of that increase premium rate and also higher wages that we saw in the first quarter of 2023. Next slide, please.

This is a quarterly comparison of premium benefits, expenses, and account balances. This is updated on a quarterly basis. And so, last time it was updated was at the end of March. We will see the next update in the July advisory committee meeting with numbers updated through the end of the fiscal year in June. Next slide, please.

This slide shows our monthly ending account balance. In April, we ended the month at a negative \$117.5 million. So, during our quarterly reporting months, we see some of the premium remittance we received during the month, but the vast majority we receive on the first day of the following month, because most businesses choose to remit the last day of the reporting period.

And so, we receive \$82.4 million of premium remittance in April, and actually on the first day of May, we received \$239.2 million in one day, and that's pretty typical of what we see as far as premium remittance goes. So, it certainly bounced our fund balance back in the positive significantly.

Through the 24th, when these slides were put together, we had seen an additional \$382.3 million received from May 1st through May 24th, and on that date, our fund balance what was at \$153.7 million.

Again, with the fiscal year 2023 supplemental budget, we anticipate receiving an infusion of \$200 million before the 30th. We are still not sure which day we will receive that, but it will be before the end of the fiscal year, and as Jose indicated, we expect to see our trust fund balance at the end of the year be right around \$200 million, if not a little bit higher. I think at this point our fiscal projections are showing to be around \$210 million after the receipt of those funds. I think that is my last slide. So, I will pass it over to John.

MR. MATTES: Thank you, Steve. John Mattes, I'm the operation manager for the Paid Family and Medical Leave program. So, what you will see on the slide here is our application processing stats.

So, this is again from a time customer submits an application until we have processed their first weekly payment and released that payment.

So, you will see for April that there was a slight increase, so our average in median did slightly increase for the month of April, and I suspect it will also increase for May. We don't have those numbers yet, but I expect a slight increase in May, as well. This is it largely just due to the number of applications that we have been receiving.

As we have mentioned before, March was one of our busiest months we ever had, and overall for the year, we have been over 20,000 incoming applications for every month other than February, which is short, and several of those months have been over 22,000 applications coming in. So, that is leading kind of a slight increase in processing time. Next slide for me, please.

You will see here our telephony stats, as well, not a lot of changes from the kind of connect rates. Month over month, they will stay relatively consistent of late and then a slight increase in the queue time for paid leave for April.

I will say for May, I do expect an increase, as well, for queue time for similar reasons. Calls are up. We are getting a large number of calls, and we are having to kind of prioritize our work and really kind of look at shifting staff between phones and desk work to kind of work the highest priority items. So, we are constantly kind of evaluating there. So, we are seeing some slight increases in queue time, as well.

With that, I will be happy to answer any questions. All right. I'm not hearing any, so I will pass it back to Matt.

MR. BUELOW: Okay. Excuse me. Thanks, John. Let's advance slides, please. So, we have reached the end of our presentation. Of course we have open comment coming right up. But before that, I wanted to talk about next month's meeting.

As a reminder, we are going to be holding this meeting in person with a virtual option. So, hope to see our committee members there in person, if you are able and willing. We will send out some details on where that will be and all of that stuff as quickly as we can. We are still working through all of those details.

Edsonya proposed an agenda item earlier, which I think is a really good idea, and that's to come back and talk again through the priorities, the timeline, give everyone some time to absorb it, look at it, and bring some additional questions and comments back. So, I think that's a great idea.

Eve Sheng, our actuary at Employment Security, would like to start some conversations with you all, and, Eve, I don't want to put you on the spot, but do you want to say a few words about what you would like to talk about next month and what that might look like?

MS. SHENG: Hi, everyone. So, I think our first goal is the actuarial report is going to be due November 1st. So, since this is the first actual report, so what I would like to do is to do some kind

of a walkthrough about before the official report release just walk through what we are going to show from the public and get some feedback along the way, as well as answer some questions. I think that's the main goal.

In term of the details, we gonna start from some basics. Then we gonna go from there. So, there is really no set agenda. It's more depending on all of your feedbacks, as well as how the material go along the way.

Does that make sense?

MR. BUELOW: I'm seeing nods. So, I think so.

Thanks, Eve.

Do we have other agenda items that any members would like to talk about next month? Of course, we will talk about next session and continue that conversation, as well. So, if you all think of anything or anything comes up that you would like to talk about, please just let me know, and we can always get that added to the agenda. We have some time to get that finalized.

Okay. Before I move to open comment, is there anything else from the committee that you have for the good of the order?

MR. BUELOW: Okay. With that, let's advance slides, please, and we have reached our open comment period, if you will advance one more slide for me.

Just a reminder, please frame your statements as comments, not questions. Raise your hand virtually, if you can, if you are on Zoom, and then we will make it so that you can talk. If you're on the phone, you can't use the "raise your hand" feature, so you will just have to come off mute and talk as best as you can.

So, with that, do we have any from the public?

MR. BUELOW: Okay. I'm not seeing anything. I'm going to ask one more time just to make sure I'm not missing something. Any comments? You can also feel free to type in chat, if you need to.

MR. BUELOW: Okay. Well, with that, we have reached the end of our meeting. If we could go one more slide, there is some contact information for folks who need to reach out to us, look at things. Feel free to use those, and thank you so much. We had a great meeting today. I really enjoyed the conversation and look forward to seeing a bunch of you in person next month.

That's exciting.

(Proceedings adjourned at 2:11 p.m.)