



Paid Family and Medical Leave (PFML) Advisory Committee

Meeting Details: Date: Wednesday, June 28, 2023,
Time: 1:00pm - 3:00 pm
Location: Hybrid: Zoom and In-Person
212 Maple Park Ave SE, Olympia, WA 98501

Committee members present:

- Justin DeFour, Director ESD Leave & Care
- Edsonya Charles, PFML Ombuds

Employee Representatives

- Samantha Grad, Teamsters 117
- Maggie Humphreys, Moms Rising
- Joe Kendo, Washington State Labor Council

Employer Representatives

- Christine Brewer, Brewer Public Affairs
- Julia Gorton, Washington Hospitality Association
- Tammie Hetrick, WA Food Industry Association

- Commissioner Cami Feek
- Claire DeLong
- Caitlyn Jekel
- Steve Zawoysky
- John Mattes
- Rebecca Grady
- Eve Sheng
- Brian Kennedy
- Roberta Kowald
- Alison Eldridge
- April Amundsen

ABSENT: Employer Representative:
Bob Battles, Association of
Washington Business
Employee Representative Gabriela
Quintana, Economic Opportunity
Institute

Meeting Opening and Minutes Approval

ESD Staff

Commissioner Cami Feek and ESD Leave & Care Director Justin DeFour opened the meeting, welcoming those in person and those participating by Zoom.

Minutes for the May meeting were received late from the Court Reporting Services and formal Approval of the Minutes from that meeting was tabled until the July meeting.

In the interests of efficiency and stewardship of public funds we will no longer be using the Court reporting services.

Program and Fiscal Update

Presented by: Brian Kennedy, Forecast & Economic Analyst and Steve Zawoyksy, Treasury Manager

Brian noted that claims applications continue to rise:

- May 2023: 22,125 applications – 2nd highest outside of program launch
- 10% more than April
- 20% more than May 2022
- We continue to see a shift towards medical leave over family (55% medical, 45% family leave claims)
- Three-month rolling average: 21K claim applications.

Approval rates also remain relatively stable

Weekly benefit rates are slightly higher than this time last year (7%) Average claim (\$999 per week)

Fiscal projections look healthy for the program.

- \$200 million in the account
- There is no projected deficit in the next reporting cycle.
- There is currently a lower risk of short-term deficit in future cycles.
- Will take a few years to establish 3-month reserve.

Ending May 2023 fund balance was \$130.1 million.

May 2022 ending balance was \$103.4 million.

Received \$200 million from supplemental budget on 6/15/23.

Times from Application to first payment remains relatively consistent at around 4 weeks. (As a benchmark – the target for Unemployment payments from application to payment is also 4 weeks). Members noted waiting for payments is hard on families, and the PFML program wants to ensure that is minimized as much as possible.

QUESTION: Ombuds Edsonya Charles asked if these numbers for PFML approval rates included redeterminations.

ANSWER: It does not.

John Mattes- Operations Manager: Phones:

- There was a significant increase in queue time for the month of May. (A 60% increase in calls since this time last year) This is not unexpected. There have been no staffing changes and an increase in calls and applications.
- We also expect to see an increase in queue times expected for the month of June if trends continue.

Actuarial Update

Eve Sheng- Managing Actuary and Rebecca Grady ESD Leave & Care Research and Data Manager

Rebecca began with a “where we’ve been and where we’re going’ assessment showing that, as the program grew, so did how we do things and clearly how we established our rate structure needed to change.

In the 2023 Legislative session:

- Collectively agreed on a pragmatic moderate near-term route to put the account in better position while minimizing volatility.
- Task force established in 2022 recommended a new rate formula that puts account in a more solvent place, (understanding that short term cash deficits may continue)
- \$200m set aside for seed funding for small account cushion, also in part to minimize volatility.
- Task force and fiscal note analyses based on baseline moderate growth projections.

Eve Sheng then walked the Advisory through the background of the appointment of an Actuary, what this will enable us to do as a program and how this will be of benefit.

She shared the 2023 timeline with Advisory including important dates:

- ***Mid-point Review Aug 9th, 2023***
- ***Report due to the legislature November 1st, 2023***

She walked us through how the rates are calculated and shared the experience of two other states. (As she said – WA PFML isn’t totally unique in the country, but not entirely the same as any other state ether). Things to remember are that “Wild cards” like COVID can happen at any time, even to programs that have well-established tack records.

Policy Update: Defining “Placement” under Family Leave

April Amundson, LCD Policy Manager

Member Maggie Humphries of the PFML Advisory brought to the Advisory and ESD attention that the current definition of “placement” under the PFML legislation is creating a barrier for people seeking access to benefits for bonding with a child in the case of adoption versus when the child was first “placed” in the home as a foster child.

ACTION ITEM: The LCD Policy team was tasked with looking into the matter further to determine ways in which this dilemma could be resolved to better align with the intent of the law and ESD policy.

Current Program Priorities and Updates

Alison Eldridge, Transformation Manager

Alison shared that June 15, 2023, was the second largest functionality tech release in PFML history. Among other things this new technology allows:

- Multiple contact types for employers
- Improved customer experience
- Ability to submit “no-payroll” reports.
- Enhanced ability for employer to manage delegate users.
- Employer data sharing.
- Employer full transaction history viewable online

The transformation team continues to work on Priority projects:

Current:

- Crossmatch Paid Leave benefit customers with UI and L&I (*in progress*)
- Child support withholding from Paid Leave benefits (*in progress*)
- Employer data sharing (SSB 5586)
- TNC Pilot (HB 1570)
- Premium rate change (SB 5286)

Next:

- Benefit overpayments
- Penalties & interest (employers)
- Collections
- Conditional payments
- Reporting requirements (county & legislative district)
- Elective coverage for tribes

ACTION ITEM: At the May Meeting the Advisory Committee was given a “RoadMap” of projects that gave details about each project including Pre-planning, planning, releasing, tech timeframes, etc.

Advisory committee asked about the road map and asked that the road map be included when giving updates about these projects.

Expanded Family Member Definition Report

Brian Kennedy, Forecast & Economic Analyst and Caitlyn Jekel, Government Affairs Director

The new definition of “family member” for PFML includes any person who regularly resides in the employee’s home or where a relationship with the employee creates an expectation that they will care for the person and that the person in question depends on the employee’s care.

From July 25, 2021, through March 30, 2023, 686 claims used the expanded family member definition.

It's important to note that benefits paid on the expanded family member claims have had minimal impact on the account balance ratio but have had no impact on the rates themselves. These claims are not growing at the 25% rate we have seen with other claims.

"Significant Others" made up 79% of claims under the expanded definition of family.

QUESTION: Employer Representative Julia Gorton asked *How the department determines when an expectation of care or a family relationship is considered appropriate under the program definitions?*

ANSWER:

- Applicants self-attest when filing the application for leave and benefits and may be required to verify addresses of who "regularly resides" with them or depends on the employee's care.

FOLLOW-UP QUESTION: Employer Representative Julia Gorton asked *How does the program prevent Fraud under the expanded definition?*

ANSWER:

- ANSWER: If an adjudicator sees anything in the case that gives them a pause, they can ask for more information which might include checking identities and shared living arrangements though utility bills and lease agreements or other documentation

Advisory Committee meeting planning

Caitlyn Jekel, Government Affairs Director

- Caitlyn proposed that rather than a meeting schedule at the same time and length throughout the year, create meetings planned around needs and anticipated agenda topics. For example, some items could be merely an email update or a shorter, more targeted topic meeting (i.e., legislative session meeting)
- Input is welcomed on what else to include and/or what to move to a different communication vehicle.

ACTION ITEM: Meeting in July will take place as planned. Further discussion on meeting timelines to continue. (Caitlyn provided a suggested timeline in the PowerPoint for the meeting)

Meeting Adjourned

Next meeting: Wednesday July 26, 1 PM (Hybrid: Zoom and In-person 212 Maple Park Ave SE, Olympia, WA 98501)
