Washington
Paid Family & Medical Leave

Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

Friday, January 19, 2024

Agenda

Introductions & approve December minutes

Legislative Update

Governor's Budget Update

Open comment & adjourn

Meeting structure

Only Advisory Committee members and presenters will be unmuted or speaking during the meeting.

Public to hold all feedback until open comment at the end.

Comments and questions in chat or the meeting will be reviewed during Open Comment at the end of the meeting.

Introductions

Advisory Committee
Members

• Advisory committee
members will introduce
themselves in-person or
online.
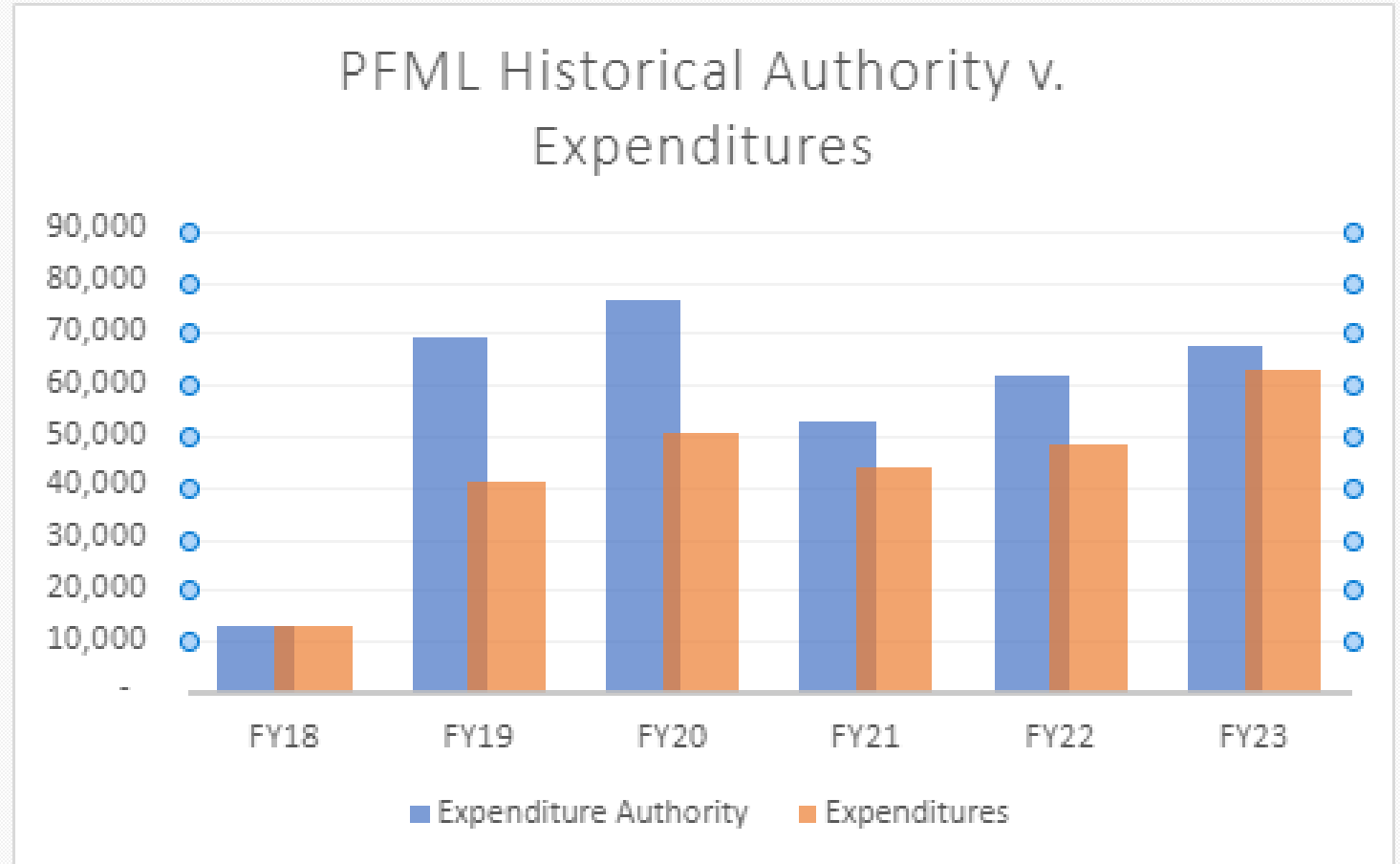
Approve December minutes

Paid Leave rebase in Gov. Inslee's budget

Danielle Cruver, CFO

Why a rebase?

- Historically, PFML spending has been significantly less than our authority

- As PFML program has matured, we are gaining on our authority level

PFML Historical Authority v. Expenditures

Legend: ■ Expenditure Authority ■ Expenditures

Y-axis: 90,000 / 80,000 / 70,000 / 60,000 / 50,000 / 40,000 / 30,000 / 20,000 / 10,000 / -

X-axis: FY18, FY19, FY20, FY21, FY22, FY23

Rebase in Governor's budget

• OFM "right sized" the PFML budget so that our funding is sufficient for the work we have planned (including our decision package requests) and corrected the FTE authority.

• This means that the funding is stepped so that our base + maintenance level + policy level = the total amount PFML would budget for to complete its work for the biennium.

Budget Step	Current EA	Supplemental
Base	$151,035	$133,780
Prior Legislation	$7,609	$7,609
Caseload		$5,655
System Completion		$7,305
Comp/Central Services		$1,187
Total	**$158,644**	**$155,536**

Legislative updates

Caitlyn Jekel, Government Relations Director

Bills we're tracking

| SB 6145	HB 1959	HB 2102 & SB 6177
• Continued health benefits during paid family and medical leave for firefighters of small fire districts.	• Extending certain requirements in the state paid family and medical leave program to employers with fewer than 50 employees.	• Requirements for the disclosure of health care information for qualifying persons to receive paid family and medical leave benefits.

Program and fiscal update

Rebecca Grady, Research and Data Manager

Steve Zawoysky, Treasury Manager

John Mattes, Operations Manager

Claim applications submitted by type
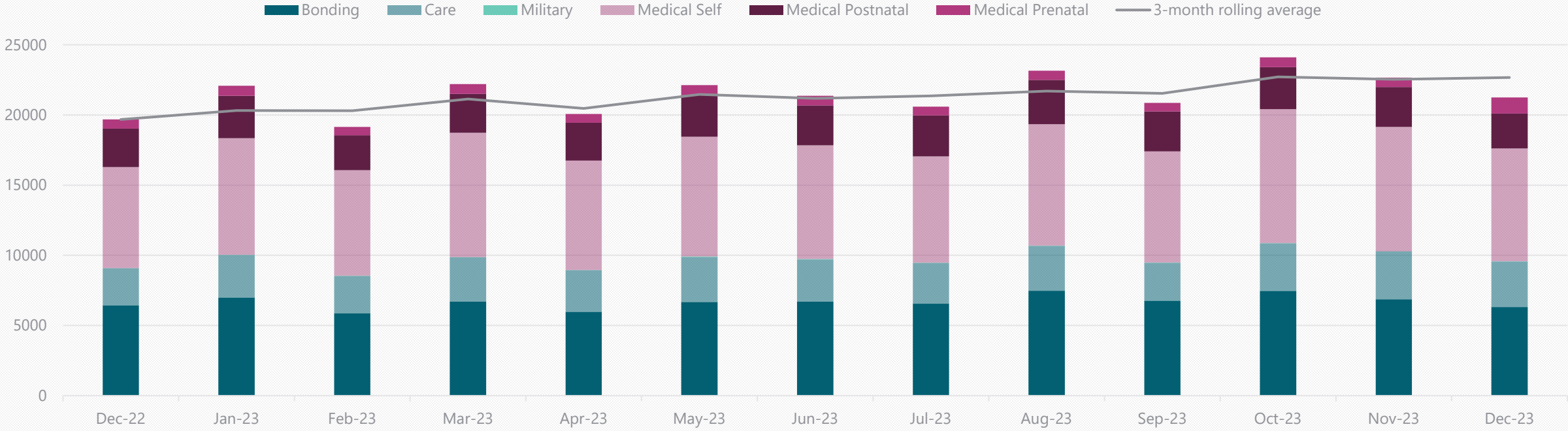
- December 2023, we received 21,247 applications.
  - 6% less than last month
  - 8% more than December of last year
- Continue to see shift towards medical leave types ~ 45% family, 55% medical
- Three-month rolling average ~ 23K claim applications

*Technical note: Data grouped by Submitted Status Date*

Approval rate and monthly claims with payment(s)

- Percentage of claims approved continues to be relatively stable in past year
- Unique leave claims in the last 12 months – 122,067 family and 130,334 medical
- December 2023 total unique paid leave claims: 44347
  - 14% more than December of last year

Claims with at least one payment in month by type
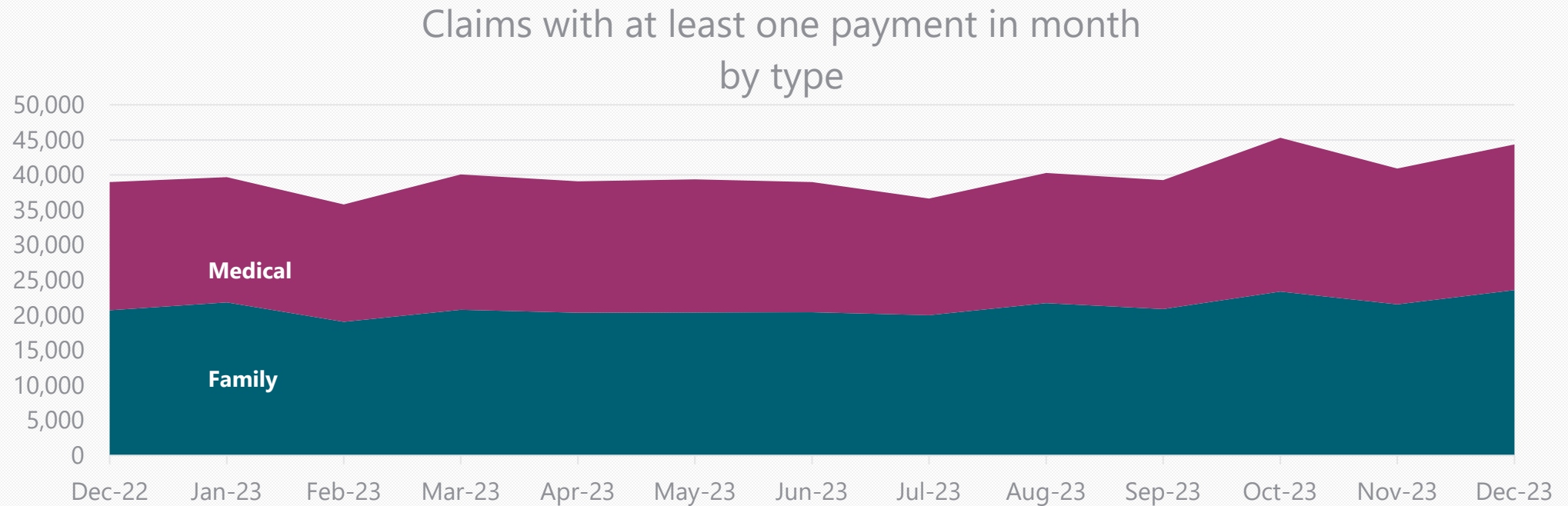
Weekly benefit levels

- 2023 average: $1,008
  - 7% higher than Jan-Dec of 2022, $936
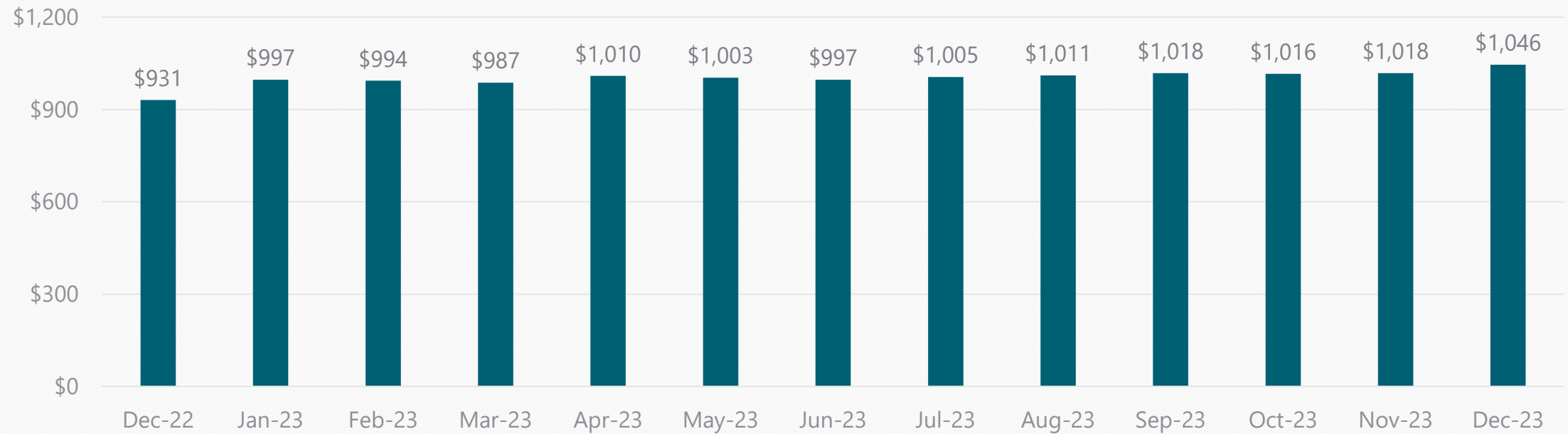
Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.
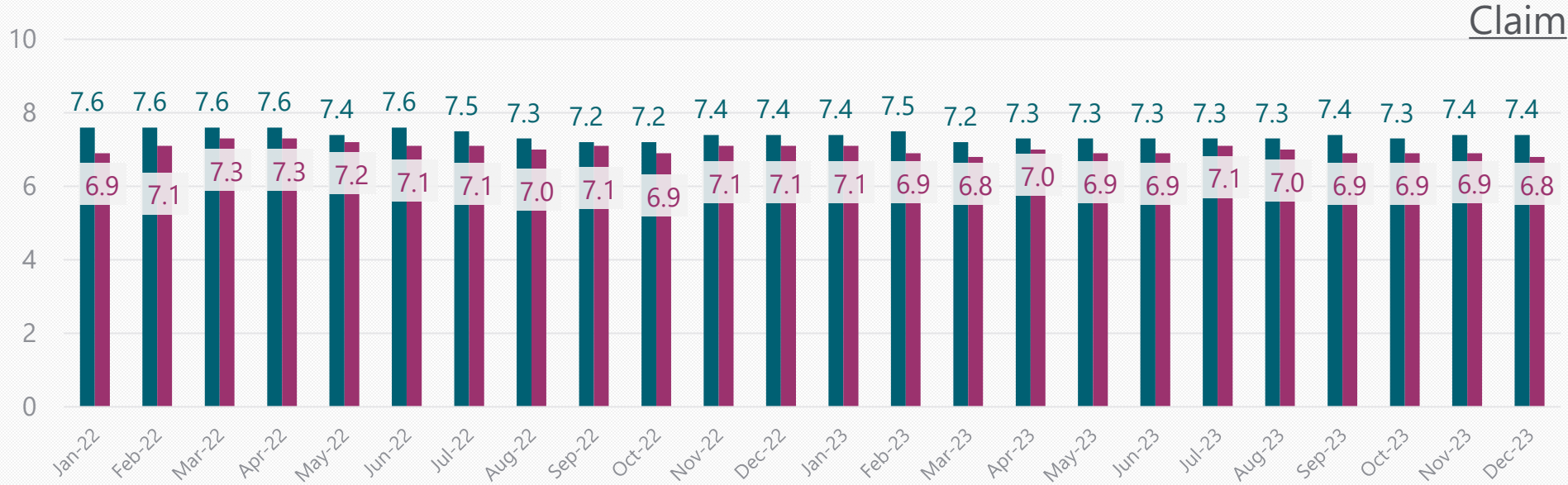
Lengths of leave (average)

Comparing 2023 to 2022
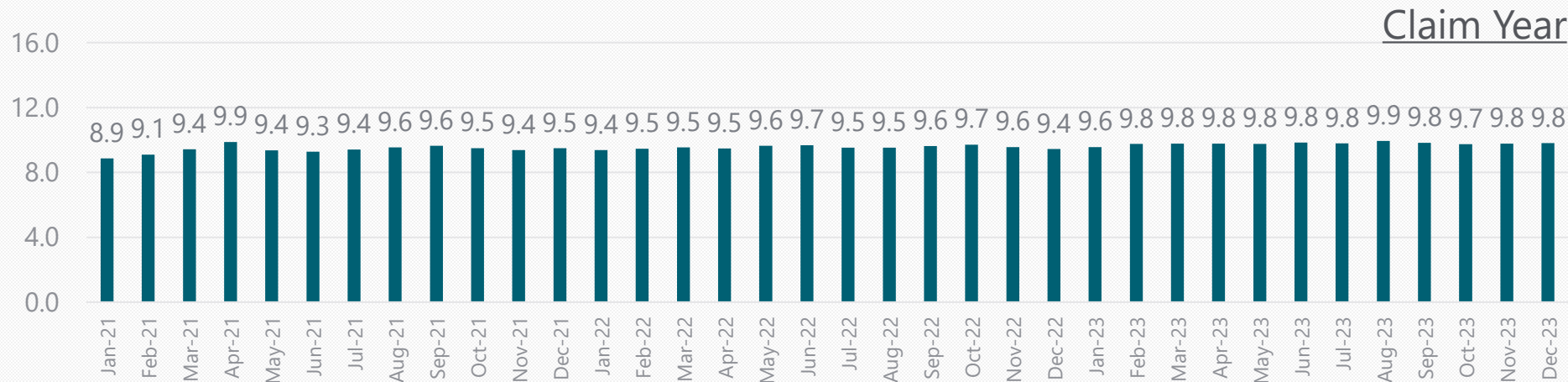
2023
- Family: 7.5
- Medical: 7.2

2022:
- Family: 7.6 weeks
- Medical: 7.3 weeks

Claim

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Family	7.6	7.6	7.6	7.6	7.4	7.6	7.5	7.3	7.2	7.2	7.4	7.4	7.4	7.5	7.2	7.3	7.3	7.3	7.3	7.3	7.4	7.3	7.4	7.4
Medical	6.9	7.1	7.3	7.3	7.2	7.1	7.1	7.0	7.1	6.9	7.1	7.1	7.1	6.9	6.8	7.0	6.9	6.9	7.1	7.0	6.9	6.9	6.9	6.8

Comparing 2023 to 2022
- 2023: 9.8 weeks
- 2022: 9.5 weeks

Claim Year

|	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
	8.9	9.1	9.4	9.9	9.4	9.3	9.4	9.6	9.6	9.5	9.4	9.5	9.4	9.5	9.5	9.5	9.6	9.7	9.5	9.5	9.6	9.7	9.6	9.4	9.6	9.8	9.8	9.8	9.8	9.8	9.8	9.9	9.8	9.7	9.8	9.8

Fiscal projections

- January collections (Q4) are typically lowest of the year.

- Lowered risk of short-term deficit in future cycles but still a concern for a couple years

- Will take a few years to establish 3-month reserve

Paid Leave Account Balance: Cash Flow Projections
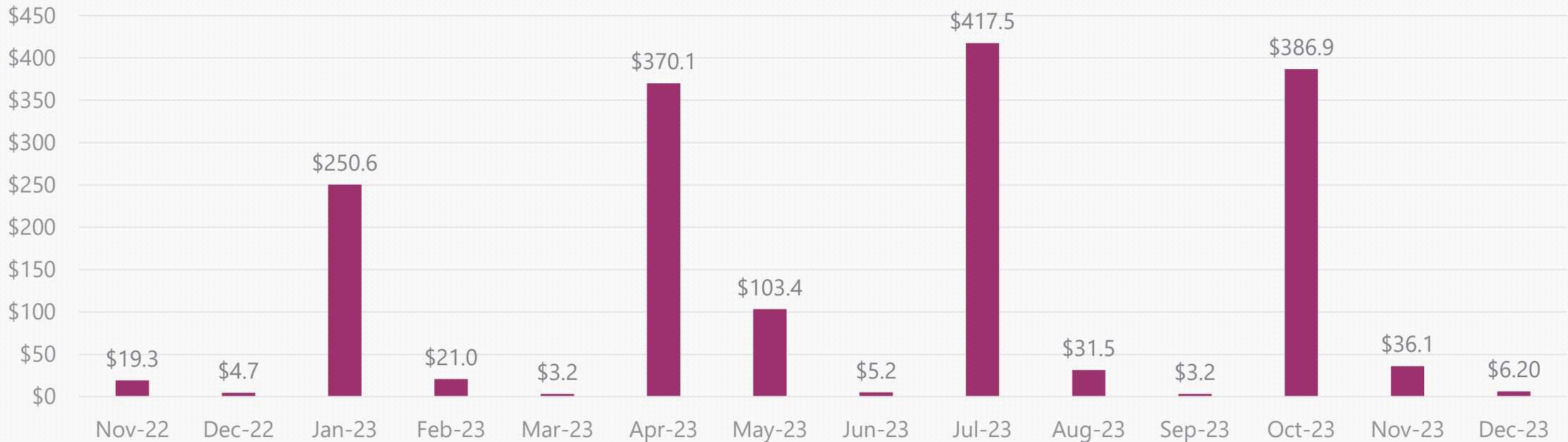Historical data through week ending 01-06-24
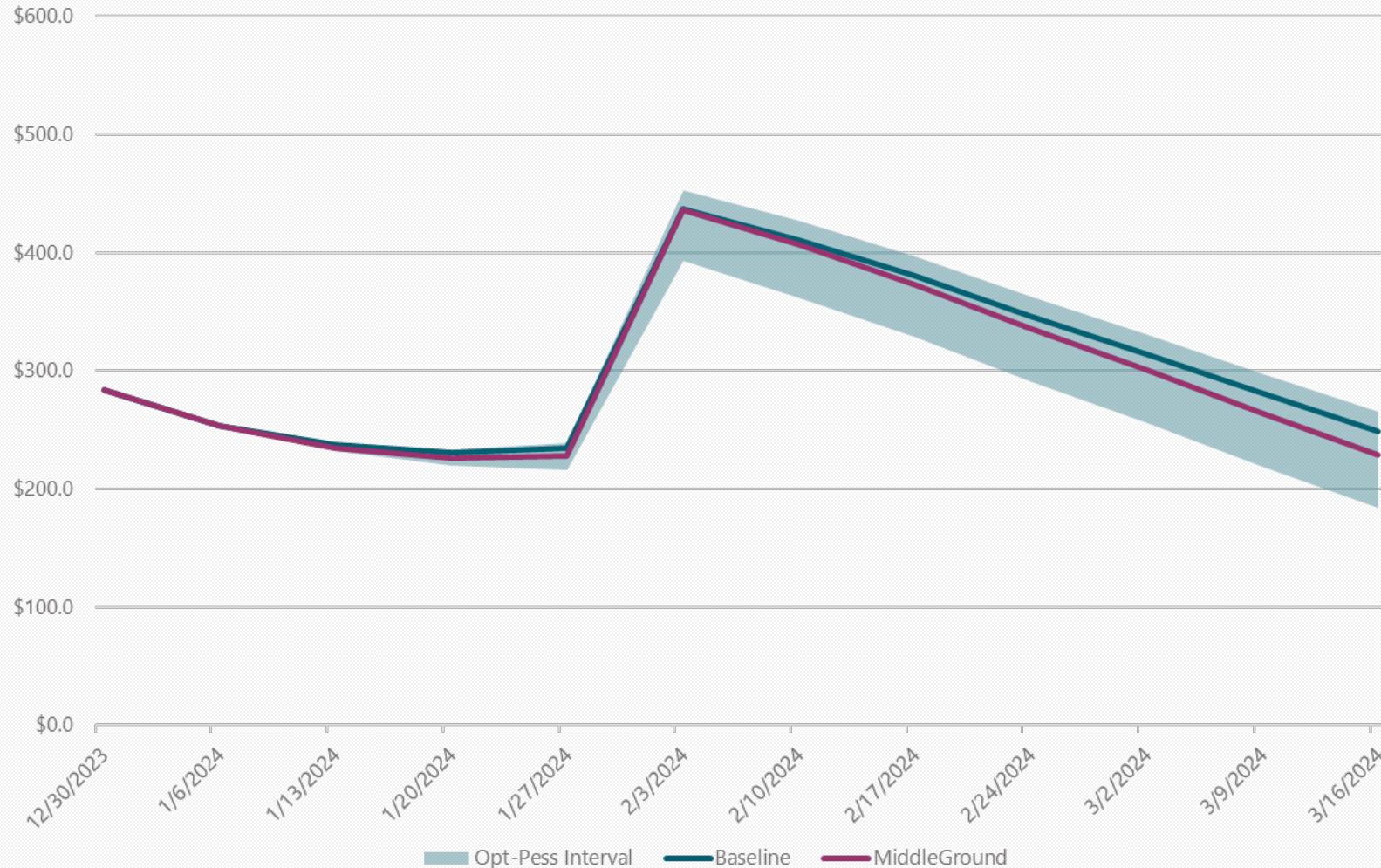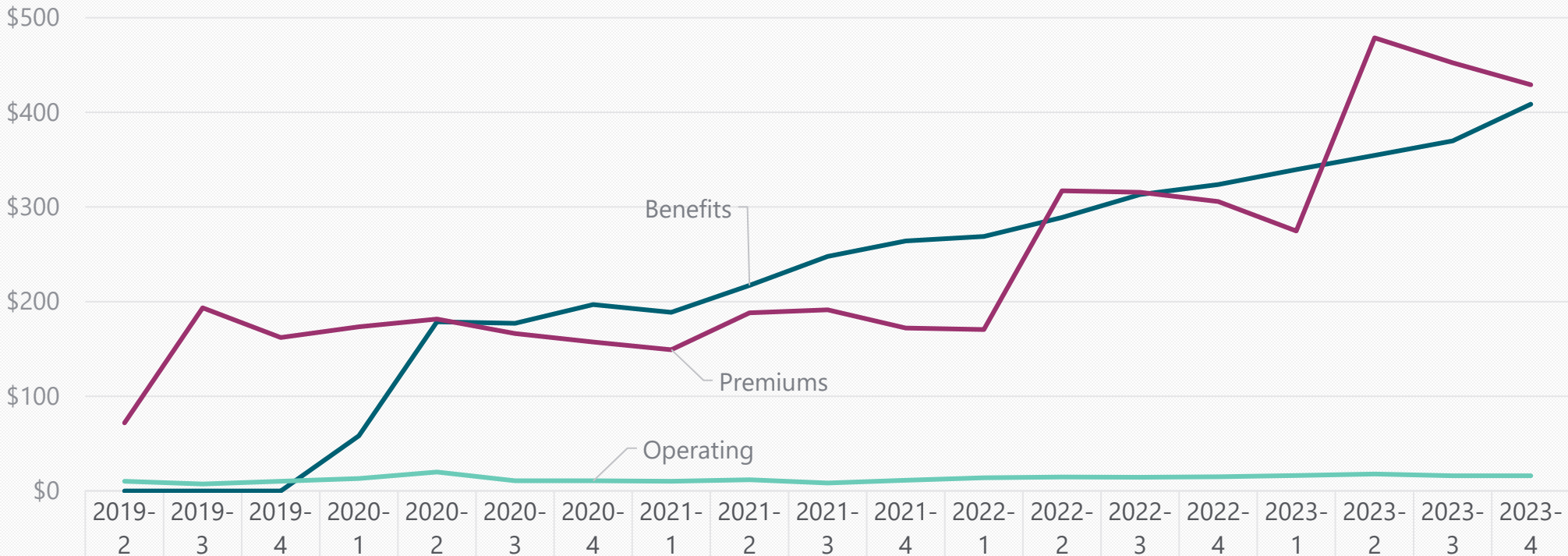
Monthly benefits paid (millions)
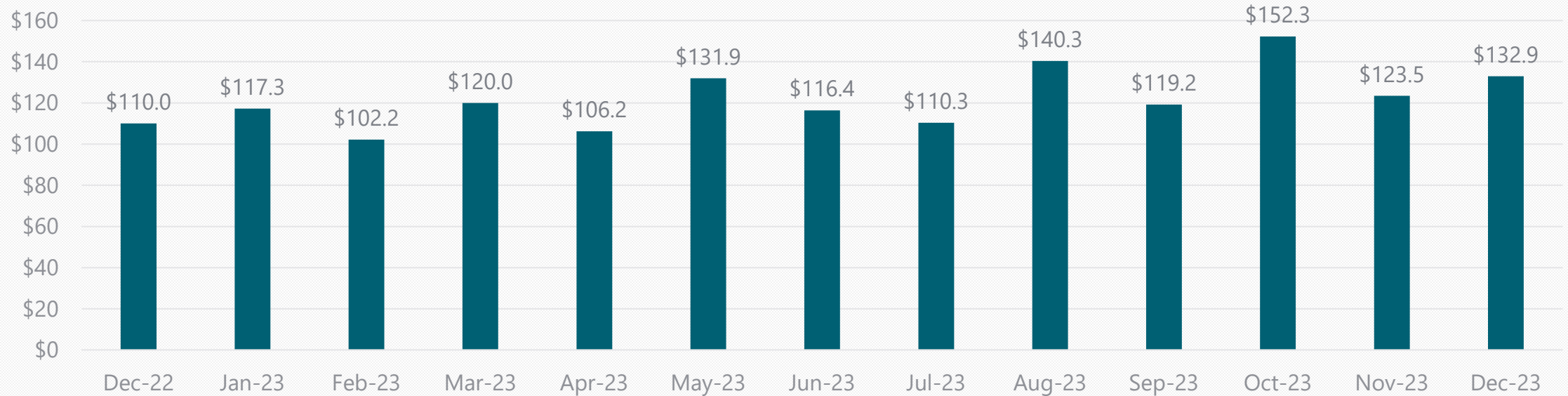
- December 2023 had $132.9 million in benefits paid
  - 8% more than November
  - 21% more than last December
- $1.472 billion in benefits paid in 2023
  - $278 million more, or 23% higher, than 2022
- 2023 Projections: $1.463 billion, under projecting only $9 million, or 1%
- $122.7 million average monthly benefits paid over preceding twelve months

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.

Monthly premiums remitted (millions)

- Cyclical pattern of highest monthly premium transactions occurring at end of quarterly reporting months

- Premiums assessed for each quarter are remitted in the following quarter

- Q3 Premiums remitted Oct-Dec were $429.1 million compared to $305.8 million in same period of 2022—an increase of 40%

Month	Value
Nov-22	$19.3
Dec-22	$4.7
Jan-23	$250.6
Feb-23	$21.0
Mar-23	$3.2
Apr-23	$370.1
May-23	$103.4
Jun-23	$5.2
Jul-23	$417.5
Aug-23	$31.5
Sep-23	$3.2
Oct-23	$386.9
Nov-23	$36.1
Dec-23	$6.20

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

Premiums, benefits, operating expenses, and account 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	2022-2	2022-3	2022-4	2023-1	2023-2	2023-3	2023-4
Benefits	$0.0	$0.0	$0.0	$58.1	$178.7	$177.0	$196.9	$188.7	$217.2	$247.6	$264.0	$268.7	$289.0	$313.0	$323.7	$339.5	$354.5	$369.9	$408.6
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	$317.2	$315.4	$305.8	$274.7	$478.7	$452.2	$429.1
Operating	$10.2	$7.3	$10.3	$13.2	$19.9	$10.8	$10.6	$10.3	$11.8	$8.3	$11.2	$13.9	$14.7	$14.3	$15.0	$16.2	$17.7	$15.9	$16.0
Account 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	$31.6	$16.8	-$18.5	-$97.8	$211.4	$278.3	$284.0

Technical note: Operating expenses in recent quarter are preliminary.

Monthly ending account balance (millions)
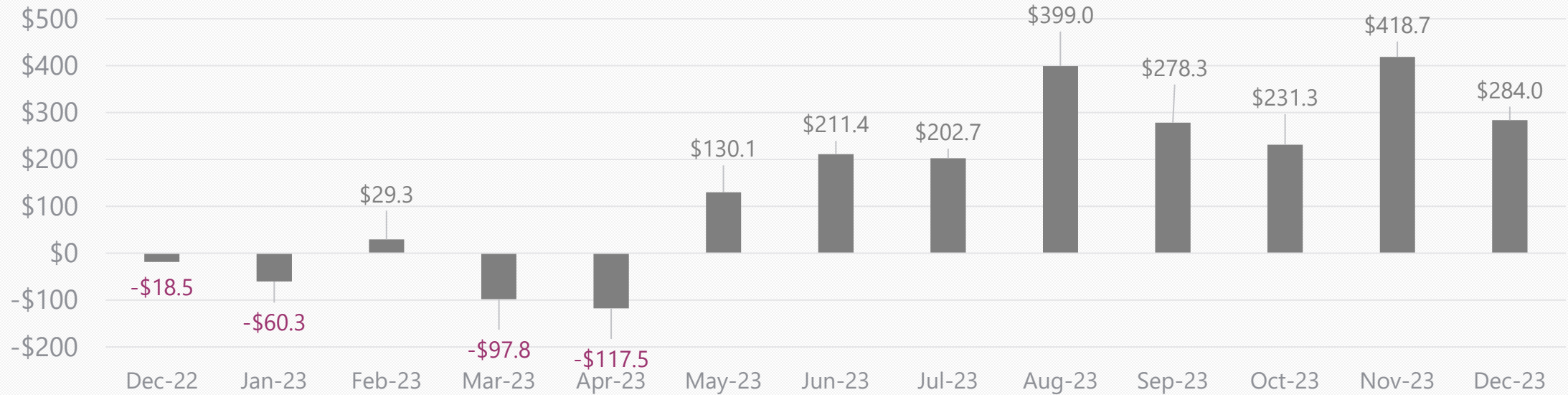
- December 2022 ending balance was -$18.5 million

- December 2023 ending balance was $284 million

- December year over year increase in account balance due to:

  - $200 million FY23 supplemental budget transfer

  - $102.5 million excess of total revenues over expenditures (includes benefits and administrative expenses)

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

Time from application submission to first payment

Month	Average weeks	Median weeks
Dec 2022	4.3	3.0
Dec 2023	4.5	3.4

Month	Average weeks	Median weeks
Feb 2023	4.3	3.3
Mar 2023	3.9	2.9
Apr 2023	4.2	3.0
May 2023	4.2	3.1
June 2023	4.7	3.6
July 2023	5.3	4.3
Aug 2023	5.3	4.4
Sept 2023	5.1	4.4
Oct 2023	4.3	3.3
Nov 2023	4.6	3.4
Dec 2023	4.5	3.4

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave
January 2023	79%	68%	08:27
February 2023	81%	65%	09:42
March 2023	85%	66%	04:12
April 2023	84%	62%	05:59
May 2023	82%	60%	12:27
June 2023	75%	66%	22:35
July 2023	62%	57%	27:23
August 2023	66%	50%	25:24
September 2023	48%	46%	29:20
October 2023	31%	56%	28:27
November 2023	37%	57%	28:19
December 2023	42%	57%	28:54

Since December 2022:
- 20% increase in calls into queue
- 42% decrease in calls answered

*Includes WA Cares

Current program priorities

Alison Eldridge, Transformation Manager

Current priorities

Project	Status	Target end date
Employer webinars	In progress	12/31/2023
Annual changes 2024	In progress	1/15/2024
2023 1099s	In progress	1/31/2024
Increase equitable benefit access using data	In progress	2/1/2024
Cloud migration: AX and portal	In progress	3/1/2024
Expiring CBA provision for Paid Leave	In progress	3/31/2024
Sharing employee benefit data with employers (5586)	In progress	3/31/2024
Community engagement model for Paid Leave benefits	In progress	4/30/2024
TNC pilot for elective coverage (1570)	Initiating	7/1/2024
Benefit application improvements	Initiating	7/1/2024

Future work

Next

- **Redetermination improvements**
- Develop a division employee engagement plan
- Support performance management
- **Withhold child support from Paid Leave benefits**
- **Crossmatch UI with Paid Leave benefits**

Later

- **Benefit overpayments**
- **Penalties and interest (employer and employee)**
- **Adding county & legislative district to database**
- **Elective coverage for tribes**
- **Crossmatching L&I with Paid Leave benefits**
- **Collections (employer & employee)**
- **Conditional benefit payments**
- Pre-application for benefits
- Implement community engagement program
- Implement comprehensive authorized representative process

Bolded items are components of, or enable progress toward completion of, the Paid Leave balance of work.

Next meeting:

2 to 3 p.m. on Friday, February 16, 2024

Proposed topics

- Legislative update
- Update on UW study

Open comment

Reminders   Please frame your questions as a comment.

If online -"Raise your hand" virtually

In person – let us know and we will give you the floor

The meeting host will unmute online individuals to allow for the open comment.

In person we will call on you

Continue the conversation

Justin DeFour

Director, Paid Family & Medical Leave

Employment Security Department

Justin.defour@esd.wa.gov

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