

Paid Family & Medical Leave



Wednesday, Feb 25, 2026

Meeting structure

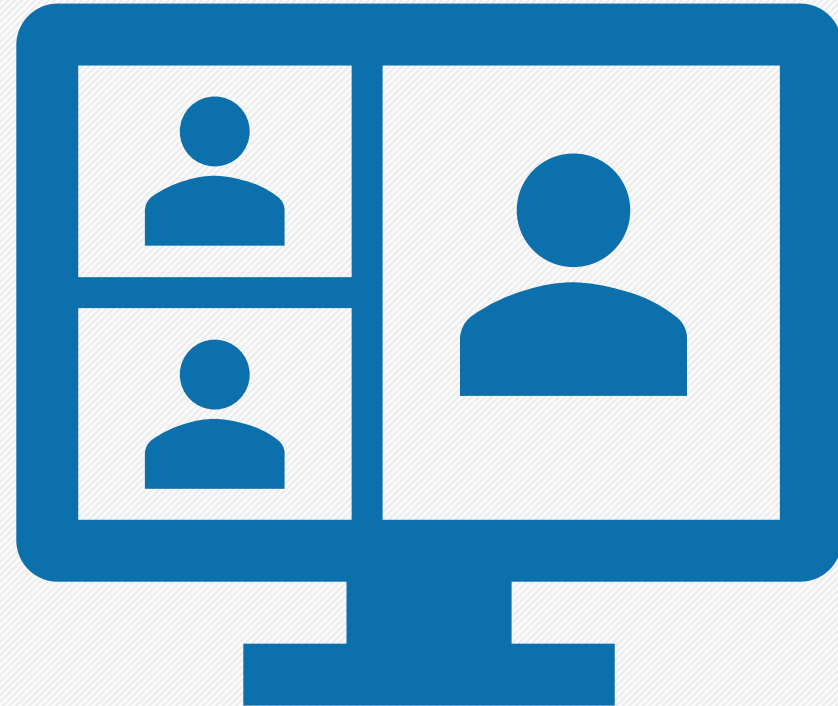


- Only Committee members and presenters will be unmuted during the meeting
- We ask members of the public to hold comments until the open comment period.
- Comments and questions in chat will not be reviewed during open comment.

Attendance



- Advisory members will confirm attendance when name is called



Advisory Meeting Agenda



Agenda:

- I. Approve January minutes
- II. Introducing ESD's new CFO
- III. Budget Update
- IV. Legislative update
- V. Program priorities
- VI. Open comment

Appendix:

- I. Account projections
- II. Program experience
- III. Performance metrics

Approve January minutes



Introducing our ESD's new CFO Tony Hanson



Chief Financial Officer, ESD

2026 Supplemental Budgets



Tony Hanson, Chief Financial Officer

2026 Supplemental Budget



PFML Contribution Modification –

- ESD’s agency request legislation to modify the PFML premium contribution requirements to alleviate the federal tax burden on employers. The proposal would move the employer contribution to family leave, easing implementation requirements, not change the total amount paid in premiums, reduce implementation and ongoing costs, and preventing confusion to the claimant experience.
- The request is primarily for contractor work to be completed in fiscal year 2027.
- Governor and House budgets fully fund this request. The Senate budget bypassed Senate Ways & Means.

New PFML Report –

- Within existing resources, ESD is to provide a report on the current state of the PFML program by November 1, 2026.
- Report must include an evaluation of the solvency and integrity of the program as well as any recommendations from ESD.

PFML Decision Packages



Decision Package	ESD Request	Governor's Budget	Senate's Budget	House's Budget
PFML Contribution Modification	\$1,160 FTE: 0.1	\$1,160 FTE: 0.1	Currently in process	\$1,160 FTE: 0.1

Dollars in thousands

Legislative Update



Josh Dye, Government Relations Director

Legislative Update



2SSB 5292 – Paid Leave premium rate setting

- Premium rate to be set based on actuarial report
- Lowest rate necessary to maintain solvency and close with a 4-month reserve
- 1.2% maximum rate

2SHB 2345 – ARL regarding Paid Leave contributions

- Adjusting the contributions of employers and employees for the family/medical rates

Program priorities



John Mattes, Deputy Director Employer Services

Portfolio status overview



Leave and Care | Portfolio Dashboard Status Report As of February 5, 2026

● Close Out
 ● On Target
 ● At Risk
 ● High Risk
 ● N/A (planning)
 ☆ Complete
➤ Overall Health
— Report Date

Lvl	Project Description	Theme	Sch	Res	Risk	Q4 - 2025	Q1 - 2026	Q2 - 2026	Q3 - 2026
3	Job protection and Small business grants (ESSHB 1213)	Legislation	●	●	●	01/31/2026	☆		
3	Cloud Migration Portal	Enhancement	●	●	●	Q1 - 2026			
1	2025 1099Gs	Annual project	●	●	●	02/28/2026			
2	Elective coverage for Tribes	Balance of Work	●	●	●		04/15/2026		
2	WA Cares Annual Statements 2026	WA Cares	●	●	●		04/30/2026		
2	Equitable hiring: Implementation of EO 24-04 and 24-05	Legislation	●	●	●			07/01/2026	
0	WA Cares: Pilot and Production	WA Cares	●	●	●			07/01/2026	
2	Quality Assurance Revamp	Enhancement	●	●	●			07/30/2026	
5	Paid Leave Benefit Overpayments	Balance of Work	●	●	●				08/30/2026
5	Paid Employer Responsibilities	Balance of Work	●	●	●				08/30/2026
3	WA Cares Out-of-State Coverage	WA Cares	●	●	●				01/20/2027
4	One Washington	Enhancements	●	●	●				03/01/2027

Paid Leave balance of work project summary

Status as of 2/19



Program



Schedule



Scope



Budget

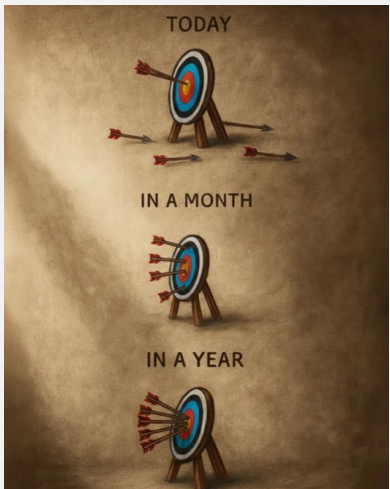


 In Progress, on-schedule

 In Progress, behind

 Risk to go live

- Program remain on track for our March milestones, with a few areas requiring close monitoring due to cross-team dependencies.
- June milestones/deliverables will require timely decisions and continued alignment across Product, Ops, and Technology. (e.g., Payment v Interest, Collections)
- **On target for Active March BoW deliverables:**
 - Assess overpayments (case management)
 - Fraud, fault and overpayment reason data
 - Conference & Conciliation case management
 - Identify Missing wage reports
 - Missing report penalty
 - Billing statements
 - Interest
- **Deliverable plans, alignment and status**
 - All major deliverables for the period are progressing as planned, with no scope changes requiring escalation.
 - Teams continue to validate that scope remains achievable within the current timeline and resource plan.
 - Product feature level roadmap has been completed; Dev team resources assigned.
- **Budget:**
 - Technology budget submitted and being reviewed by OFM.
 - Current expenditures are within the approved budget, with variances driven primarily by Professional Service Contract activity.



Public Comment



Public Comment



- If you would like to make public comment, please state your name and spell it so we can capture it correctly for the minutes, as well as the organization you represent if any.
- If you would like your comments to be included in the meeting minutes, please submit them in writing via email to Erika Barboza at erika.barboza@esd.wa.gov. (Erika's email will be posted in the chat)
- Please limit your comments to two minutes.

Next meeting



1:00 – 1:30 pm on Wednesday, March 25

Proposed topics

- Legislative wrap up
- Budget update

Thank you



Continue the conversation...

JR Richards, Director of Insurance Service Division

Employment Security Department

Jennifer.Richards@esd.wa.gov



Visit us online at
www.paidleave.wa.gov



Join our listserv at
bit.ly/PaidLeaveList

Appendix I.

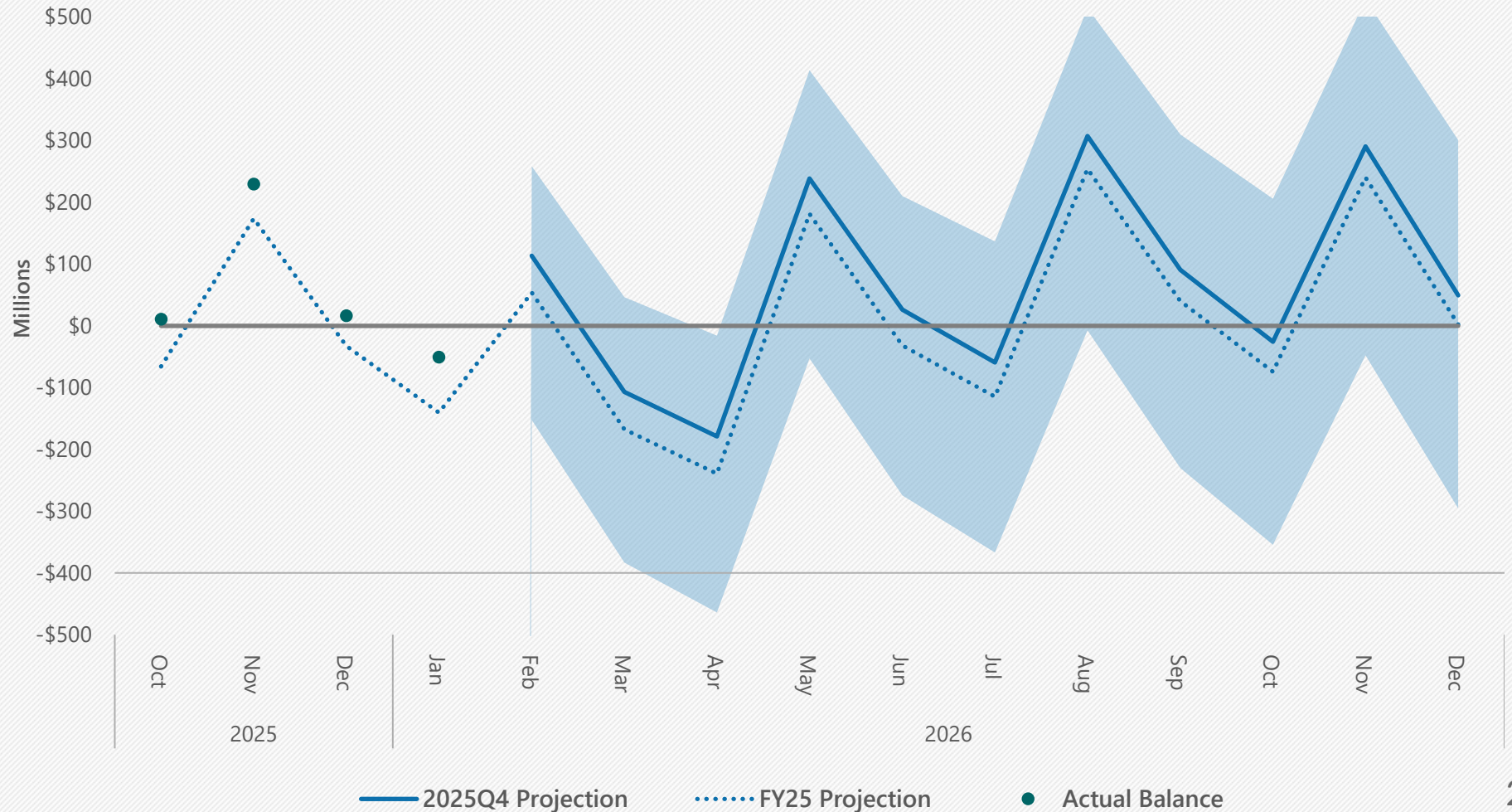


Account balance projections

Account balance projections through 2026



- Periods of short-term deficits are expected to continue leading up to quarterly premium collections.
- Current trends are expecting to have long-term deficits beginning in 2029.



Appendix II.

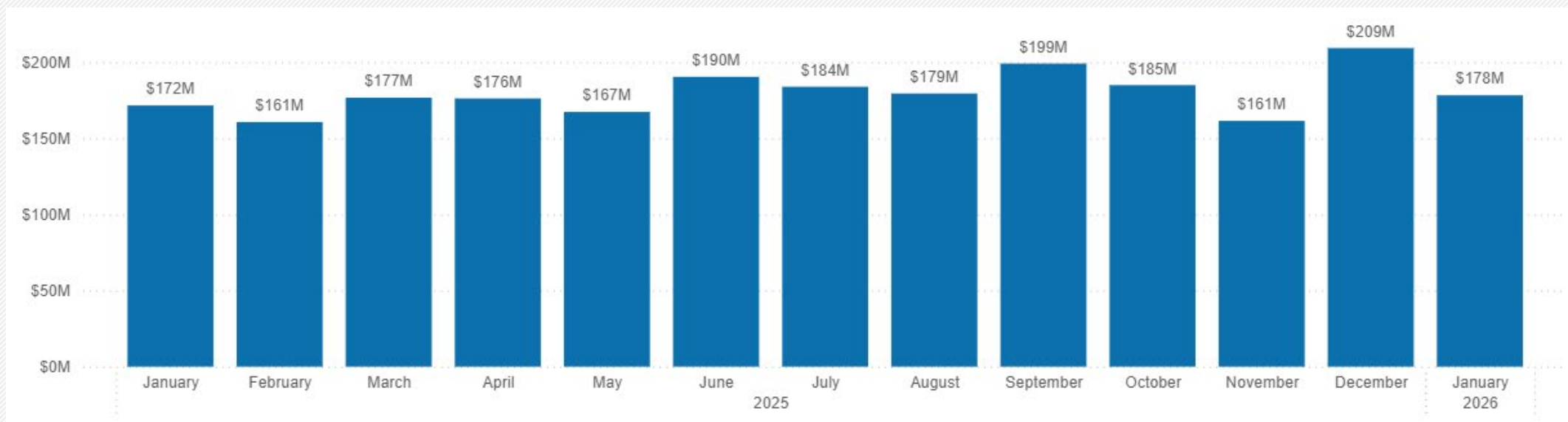


Program experience

Monthly Benefit Payments



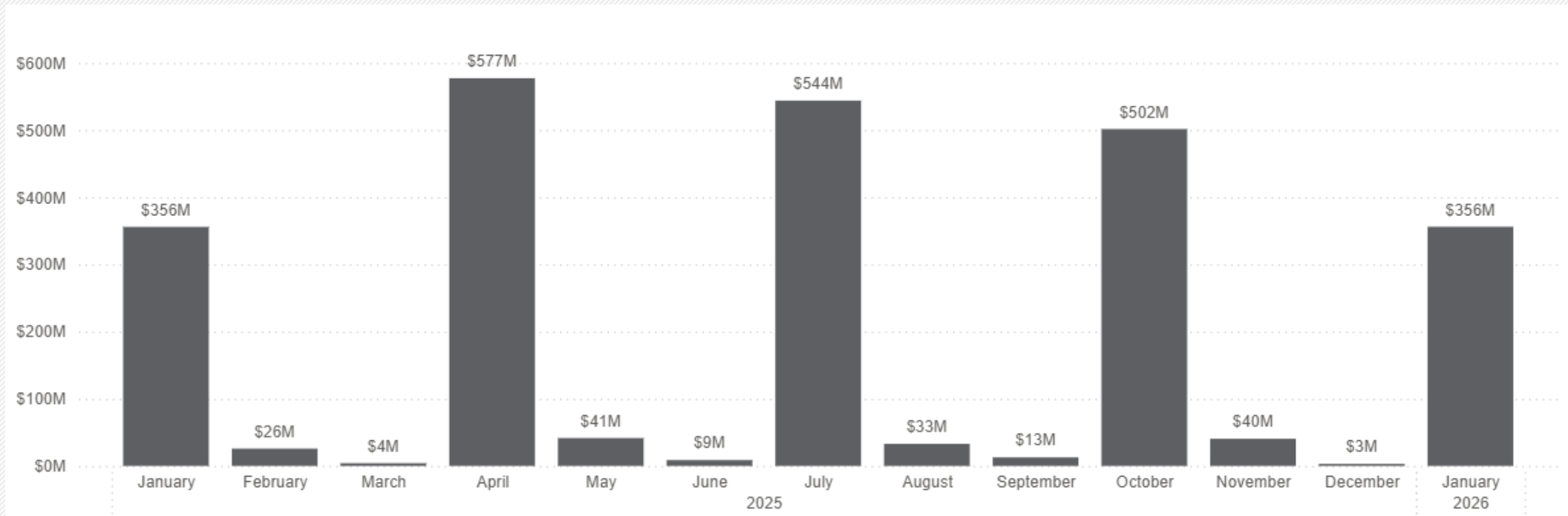
- January 2026, \$178 million benefits paid
 - 30% less than the prior month
 - 3% more than January 2025
- \$180 million avg. monthly payments for previous 12 months
- January 2026, avg. weekly benefit for new claim years was \$1,169



Monthly Premiums Remitted



- January 2026, \$356 million in premiums remitted
- \$2.15 billion in premiums remitted in previous 12 months



Technical note: Data grouped by date financial transaction occurred in accounting database. If comparing to monthly invoiced premiums or account balance data published elsewhere there may be slight variations.

Cyclical pattern of highest monthly premium transactions occurring at the end of quarterly report periods. Premiums assessed for each quarter are remitted in the following quarter.

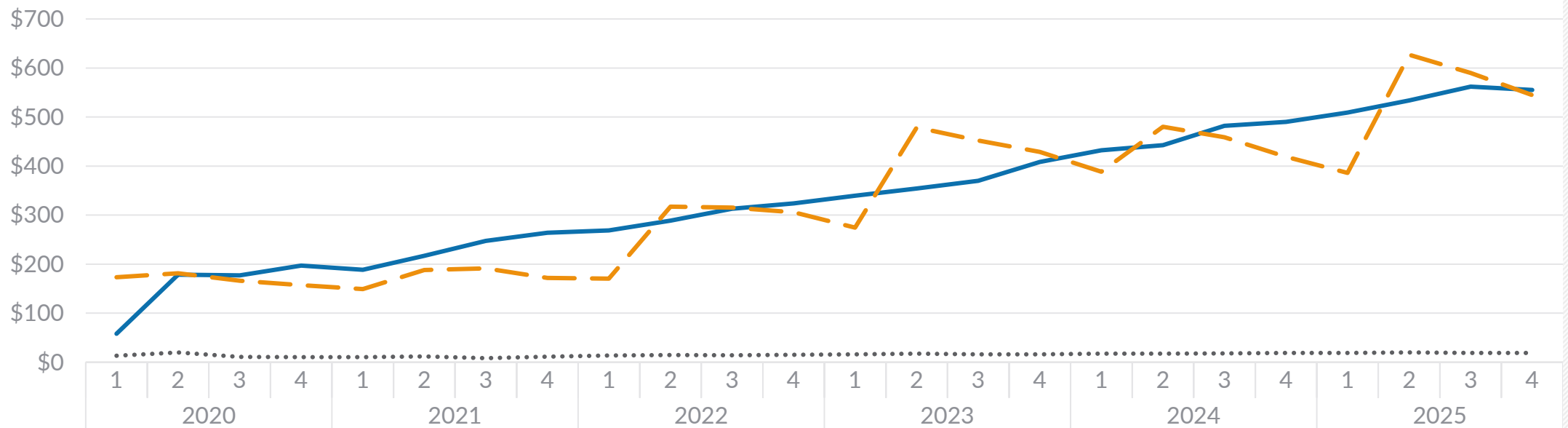
Monthly Account Balance



- Ending account balance for January 2026 was **-\$50.5 million**
 - \$67 million less than the prior month
 - \$101 million less than January 2025



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



	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
	2020				2021				2022				2023				2024				2025			
— Benefits	\$58	\$179	\$177	\$197	\$189	\$217	\$248	\$264	\$269	\$289	\$313	\$324	\$339	\$355	\$370	\$409	\$432	\$443	\$482	\$490	\$509	\$534	\$562	\$555
— Premiums	\$173	\$181	\$166	\$157	\$149	\$188	\$191	\$172	\$170	\$317	\$315	\$306	\$275	\$479	\$452	\$429	\$389	\$480	\$459	\$419	\$386	\$627	\$590	\$545
..... Operating	\$13	\$20	\$11	\$11	\$10	\$12	\$8	\$11	\$14	\$15	\$14	\$15	\$16	\$18	\$16	\$16	\$18	\$17	\$18	\$19	\$19	\$20	\$19	\$19
Account Balance	\$467	\$454	\$427	\$376	\$327	\$287	\$222	\$123	\$19	\$32	\$17	-\$19	-\$98	\$211	\$278	\$284	\$222	\$237	\$209	\$97	-\$19	\$57	\$53	\$17

Appendix III.



Program performance metrics

Performance metrics



Benefits wait time

- Time to application decision
- Time to first weekly claim processed

Customer contact response time

- Phone hold time
- Secure message & email response time

Employer accounts

- Full account access

Performance metric - Benefit wait time



Time to application decision
Goal: 75% within 14 days
(historical "target two weeks")

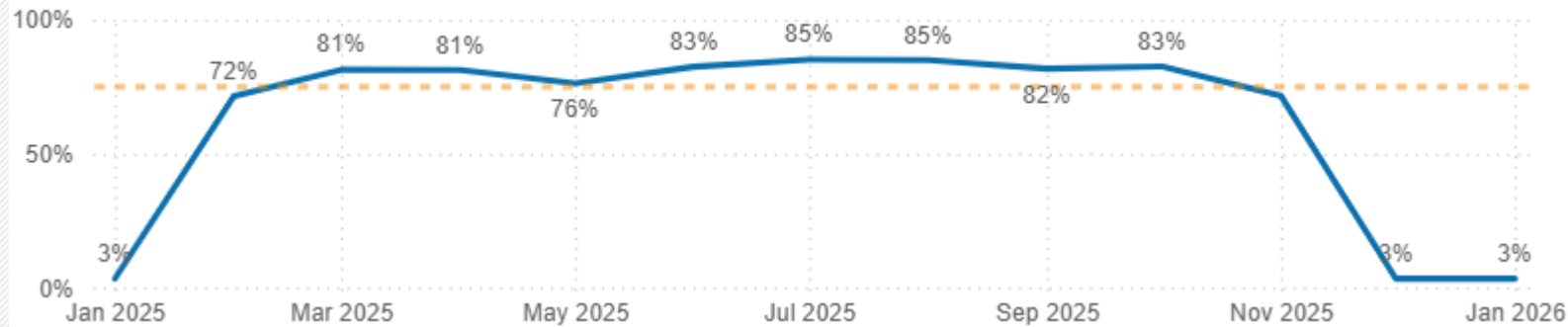


Time to first weekly claim processed
Goal: 75% within 21 days

Leave processing times

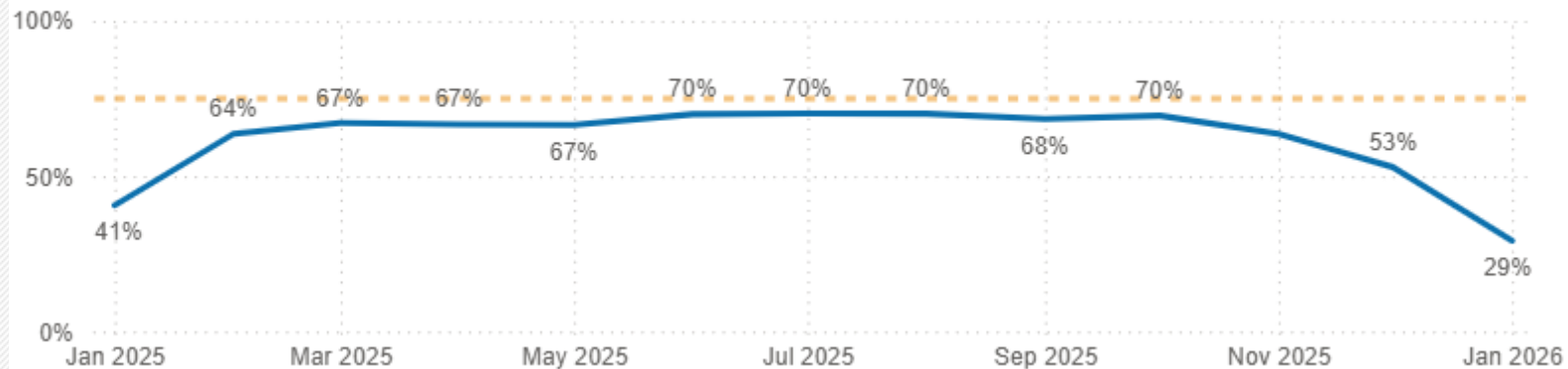


Applications with initial decision within 14 days (Goal: 75%)



- January 2026, short of goal with 3% of leave applications initially adjudicated within 14 days
 - Same as prior month
 - Same as Jan 2025
 - Jan 2026, median processing time was 21 days

Applications with first weekly claim processed within 21 days (Goal: 75%)



- January 2026, under goal with 29% of applications having first weekly claim processed within 21 days
 - 24 percentage points less than prior month
 - 12 percentage points less than Jan 2025
 - Jan 2026, median time from application submission to first weekly claims processed was 24 days.

Customer contact response time



Phone hold time

Goal: 80% within 10 minutes

With zero receiving "high call volume" message



Secure message & email response time

Goal: 80% within 1 business day (or 2 calendar days)

Will need new tech functionality to track



Overall responsiveness goal

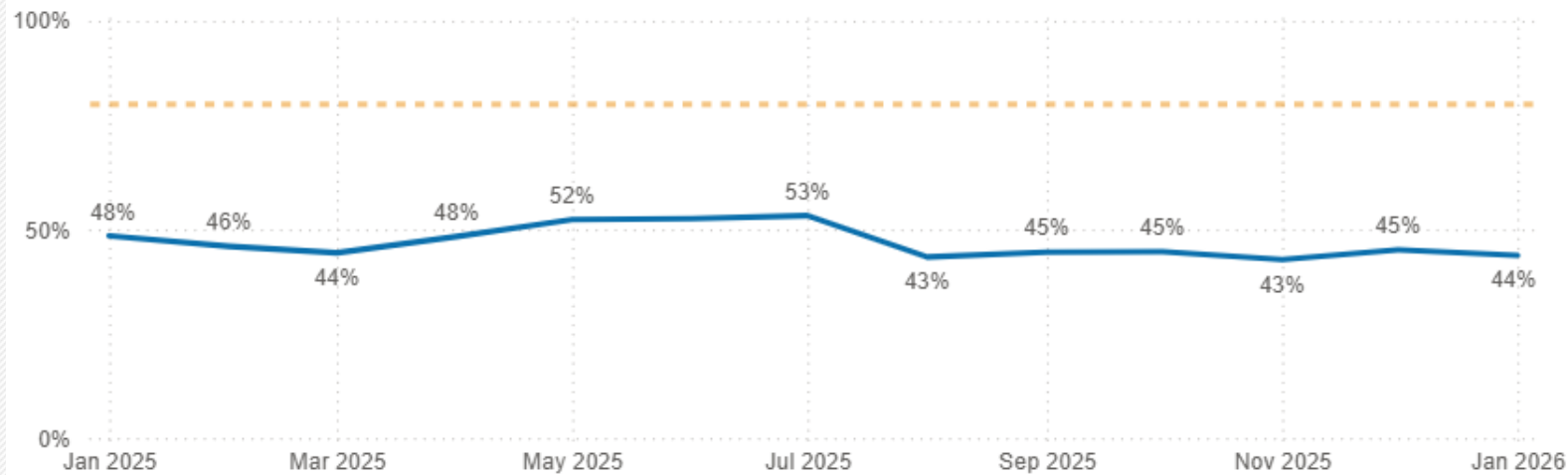
80% of contacts meeting response time goals

Split out tracking by contact type and customer

Phones responsiveness



Phone hold time less than 10 minutes (Goal: 80%)



- January 2026, 44% of Paid Leave calls were answered within 10 minutes.
 - 1 percentage point less than the prior month
 - 4 percentage points less than Jan 2025

Coming soon...



- Monthly tracking of progress toward
 - 80% of emails responded to within 1 business day
 - 80% of secure messages responded to within 1 business day

Employer accounts

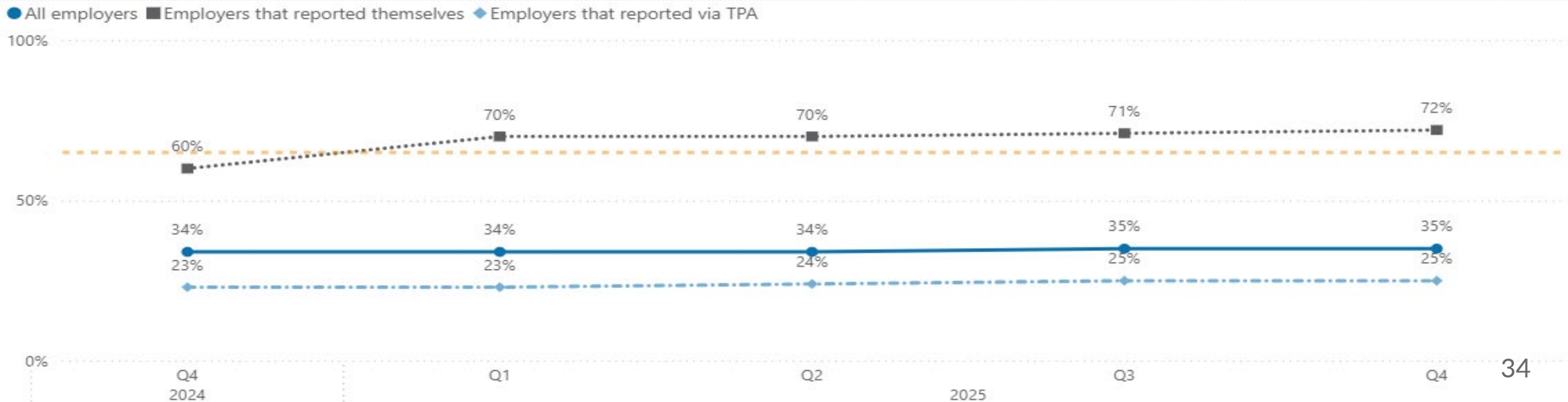


Employers with full account access



Goal: 65% of employers with quarterly reporting had full employer account access

- Q4 2025:
 - 35% of all employers had full access – same as previous quarter
 - 25% of employers using a TPA had full access – same as previous quarter
 - 72% of self-reporting employers had full access – 1 percentage point more than previous quarter



Summary of program performance goals

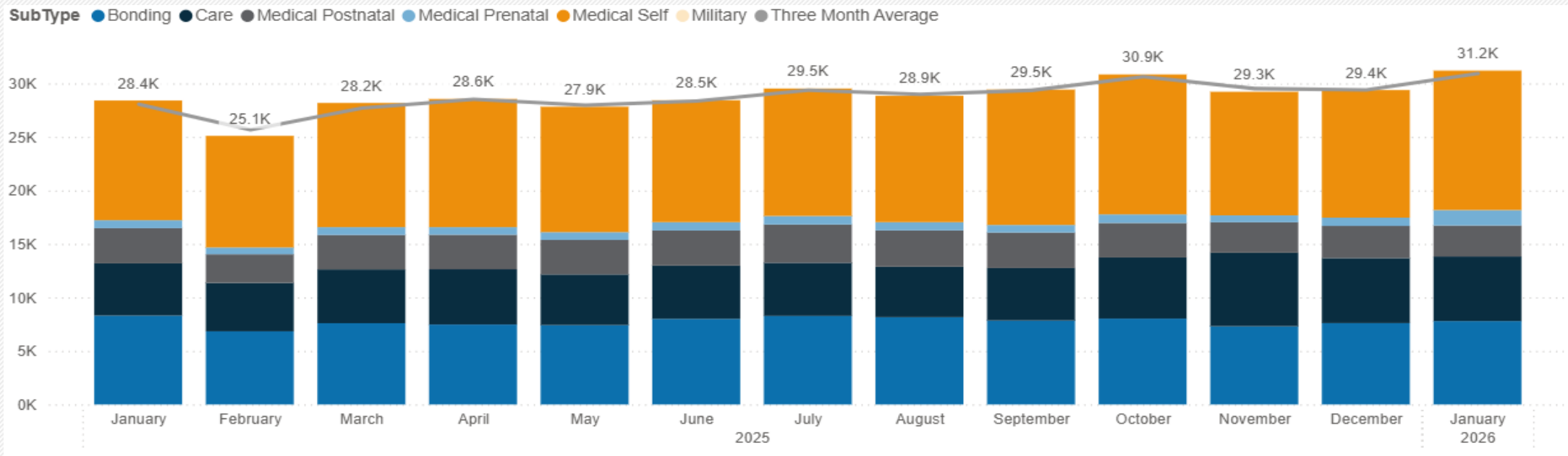


Performance Metric	Performance Goal	Current Status
Time to application decision	75% of applications with initial decision within 14 days	3%
Time to first weekly claim processed	75% of applications with first weekly claim processed within 21 days	29%
Phone hold time	80% of customers with less than 10-minute hold time	44% met hold time goal
Secure message & email response time	80% customers receiving a response in 1 business day	TBD
Full account access	65% of employer accounts with full access	35%

Claim applications submitted by type



- January 2026, we received 31.2 thousand applications
 - 6% more than prior month
 - 10% more than January 2025
- 44% family, 56% medical
- Three-month rolling average: 30 thousand



Claims with payments and approval rates



- January 2026, 82% of claims were approved
 - 84% were approved in the prior month
 - Current month typically lower than prior month (data maturity)
- January 2026, total unique paid claims was 60,615
 - 3% less than prior month



Phones



Month	Number of calls received for Paid Leave	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave
January 2025	34,408	39%	57%	31:35
February 2025	29,925	47%	60%	28:47
March 2025	32,189	57%	59%	26:50
April 2025	33,624	51%	57%	28:13
May 2025	34,886	56%	50%	23:54
June 2025	33,238	57%	51%	23:37
July 2025	37,587	57%	51%	25:21
August 2025	31,535	53%	59%	27:54
September 2025	33,300	54%	60%	27:37
October 2025	36,925	60%	58%	26:01
November 2025	26,825	45%	54%	31:56
December 2025	34,973	43%	54%	29:20