

<b>Location</b>	Teleconference
<b>Time</b>	10:00 am – 12:00 pm
<b>Attendees (all on the phone)</b>	Paid Family and Medical Leave Interim Director: John Mattes Employee's Interests Representative: Joe Kendo Employee's Interests Representative: Maggie Humphreys Employee's Interests Representative: Marilyn Watkins Employee's Interests Representative: Samantha Grad Employer's Interests Representative: Tammie Hetrick Employer's Interests Representative: Bob Battles Employer's Interests Representative: Julia Gorton Employer's Interests Representative: Christine Brewer Paid Family and Medical Leave Act Ombudsman: Edsonya Charles
<b>Guests</b>	Employment Security Department Budget Director: Sondra Walsh PFML Interim Operations Manager: Leah Coberly PFML Policy Manager: April Amundson PFML Business Systems Product Manager: Matt Buelow
<b>Members Absent</b>	None
<b>Scribe</b>	Linda Kleingartner

**Introductions** - Members introduced themselves.

**April Minutes** – Approved.

**Customer Service Processing Update** – Leah Coberly presented the application and weekly claim data (see presentation slides 5 and 6) through 5/18/2020. At April's meeting the Program had shared the new applications were decreasing. In the past three weeks, the application rate has leveled off and then increased slightly in the most recent week. The new weekly claims had increased substantially following our accelerated application review, which resulted in many more weekly claims being processed. They've since come back to approach our earlier trajectory. The percentage of family versus medical applications continues to slightly shift overall. When excluding the January submissions, we've been averaging about 55% Family consistently. In mid-late March, Bonding applications went down relative to other types, but their share of applications has increased since then. There hasn't been any consistent apparent effect of Covid-19.

**Action Leah-** Provide data on the number of pregnancy claims for birth parents that did not access both types of leave, over the past 5 months, excluding 2019 applications.

*Update following meeting: We do not record whether someone is a birthing parent in the bonding application, so we are not able to provide this specific data request. Also, please note that pregnancy is only for incapacity (e.g. bed rest). Data we do have:*

- *Bonding applications to date with 2020 child DOB = 19,623.*
  - *Of those, 1,534 also submitted a pregnancy incapacity application.*

Leah shared the Customer Care Team continues to process applications and weekly claims as quickly as possible. As of last Saturday (5/16/2020), we had processed over 45,000 applications and almost 265,000 weekly claims. John shared the Program has received ~69,000 applications since the 12/30/2019 launch. Calls have continued to decline, partly because more customers might be receiving the high call volume message. We're continuing to focus staff time on processing to most effectively serve customers.

**Action Leah-** provide the data on the number of people who have abandoned the call (not gone into the phone queue) after receiving the high call volume message.

*Update following meeting: The Paid Leave Program has a report that offers calls presented, handled and abandoned. Going forward we will adjust our reporting to reflect this data request.*

For the Target Two Weeks update (see slides 8-10), Leah updated on the progress of hiring Specialists who process the applications and weekly claims, and shared a comparison on the volume of applications processed with the expanded workforce (Weekly processing 2/15/2020 resulted in 1,472 applications processed; and with the addition of 54 additional Specialists processing, 3,674 applications were processed during the week of 5/16/2020). John Mattes shared in recent weeks, the average number of new applications received per week has ranged between 2,220 to 2,400, and the team will be able to process more applications than received. **The Target Two Weeks effort is still on track to have new applications processed within two weeks by the end of June.** "Processed" means the application will have a determination or the fact finding will have been initiated within two weeks of receipt. The Customer Care Team has also been looking at the aging applications that were held up because there was no customer response to the Specialist's follow up.

The 2020 1<sup>st</sup> Quarter reporting period ended on 4/30/2020. The Covid-19 impacts were not apparent in this quarter and we should have a better understanding following the 2<sup>nd</sup> filing (August 2020). The Paid Leave program did allow employers to report late, following the Unemployment Insurance approach for deferment, however most employers still reported within the reporting window. Bob Battles noted the timing of the announcement was late in the reporting cycle and most employers had already prepared their filing.

There are many unknowns pertaining to impact to the Paid Leave Program from the recent unexpected events (e.g. high application volumes, Covid-19). The Advisory Committee and Employment Security Department are closely monitoring the data around application volumes, Benefit payments, Employer reporting and premium payments. All these factors contribute to the Program solvency. **Currently solvency is not an issue.** After much discussion, it was agreed that a measured approach to prepare for a deep discussion in the fall will be helpful. Christine Brewer suggested a standing agenda topic is around the Premium Rate, starting with a refresher on what is in statute, and future meetings building upon the data we have and possibly consider different scenarios. The Program is interested in receiving any specific questions and scenarios in advance from the Advisory Committee.

**Action Leah:** Provide information in response to Marilyn's request for the different sector data (e.g. income-level other demographics).

*Update following meeting: Sectors are not possible at this time as we have not built industry code capacity into our database (but on the list of things to be done). Providing data at this time would be a manual and time-consuming effort (and it would only reflect approved applications, not all applications). We will provide income information to Advisory Committee on the applicants later this summer. For now we can offer the average weekly benefit amount for approved applications, by month processed:*

*January: \$815*

*February: \$784*

*March: \$785*

*April: \$776*

**Program Enhancements** – Matt Buelow reviewed the Program enhancements (see Slides 11-12) which will be deployed in the evening (available 5/22/2020) and noted these changes will positively affect both external customers and internal staff's usability of the technology. The current release supports the Target Two Weeks objectives by ensuring the applications received are complete and more accurate as some error-proofing measures have been added. Matt also shared a preview of the functions planned for Release 1.2 (targeted implementation timeframe is late June).

**Small Business Update** – Matt summarized the two components of the Small Business Grants, reiterating that “small business” in this context is fewer than 150 employees. The Paid Leave Program has committed the application process will be established and available by the end of 2020; and will be retroactively available for all employees who took leave beginning 1/1/2020. The Product Team, under Matt's leadership, is currently evaluating some design options and intends to send the Advisory Committee some materials for input (e.g. process flow and communication methods). Matt reviewed the draft listing of the documents to required and is specifically interested in Advisory feedback on the types of examples to be included in the list. The Advisory Committee would like to see some data relating to businesses (50 employees or under) who have been voluntarily paying for the employee portion of the premium (if available, Matt was unsure if this data was easily accessible).

**Action Matt:** Distribute small business grant materials to the Advisory Committee along with specific feedback questions. *Emailed to Advisory Committee 6/10/2020.*

**Action Matt:** Provide data requested for smaller businesses who have been voluntarily paying for the employee portion of the paid leave.

*Update following meeting: this data is not easily accessible at this time.*

**Paid Family and Medical Leave Budget** - Sondra Walsh, Employment Security Department Budget Director presented the Biennial Budget (slide 15). She clarified the fiscal year is July through June, and the fiscal year 20 (FY20) ends 6/30/2020. Sondra outlined the strategy reflected in the slides where the Department did a frontload allotment and then requested the

approved supplemental decision package and a Target Two Weeks budget request (both approved in the 2020 Legislative Session). SHB 1399 covers the appropriated legal costs. She also noted the staffing allotments (reflected as FTE, Full Time Equivalent) could change if needed.

Sondra also shared the new format of the budget report reflecting April 2020 (slide 17) and advised the Advisory Committee will resume receiving this as part of the meeting packet going forward. John clarified the "true" operational costs are reflected in the FY21 numbers. Sondra reviewed the format and the Advisory Committee didn't have any questions. Marilyn Watkins asked for a budget summary of the separate start up costs versus the ongoing operation.

**Action Sondra:** Provide a budget summary of the Project's implementation costs, separating start-up from the operational costs (FY20 and prior).

### **Open Comment –**

Bob Battles asked for an update on the rulemaking efforts around the continuation of health care benefits. April Amundson shared the team submitted our CR 103 Rule-making order for permanent rule on 5/14/2020. The rule around the continuation of health care benefits will be final effective 6/14/2020. This is filing WSR 20-11-035.

A few additional questions were posted in the meeting chat as well as some via the audio (*Paid Leave response in italics*):

Megan Newton via Chat: What is the current processing time for new claim applications?  
*Current processing time can be up to 10 weeks.*

Via Chat (not identified): What is the total number of specialists (assume there was turnover)?  
*145 as of 5/21/2020.*

Ali Schaafsma via Chat: It would really be helpful for people to see this data shown as claims processed versus claims received over time. *This information is available on Slide 6.*

Patricia Lauren Zuniga via Chat: RCW 50A.10.030(2) allows rate adjustments starting calendar year 2022. RCW 50A.10.030(7) allows a solvency surcharge for calendar year 2021. Questions:

1. Is the proposed change in 2021 a "solvency surcharge" or a "rate adjustment"? *The Department is not proposing changes for 2021. The math for the rate is in the statute. The implementation (when needed) will be per the law. As discussed earlier in the meeting, there will be more conversations over the next several meetings, starting with a review of what is specified in the RCW.*

1a. If it is a "solvency surcharge", does this apply to employers with a voluntary plan? *A Voluntary Plan holder (meaning an Employer who has submitted an approved Voluntary Plan and offering a program accordingly) does not have the same mandates of the state program.*

*The Voluntary Plan holder just cannot charge more than the state's rate, should they choose to charge anything to their employees or not.*

2. Will there be an actuarial study for imposing the solvency surcharge and/or increasing rates? *An actuarial study is not necessary as the math is spelled out in the law. The Employment Security Department's labor market expertise will use the data available and assess this annually in September.*

Bobby via Chat: you haven't processed the claims reported to date so how can you accurately answer solvency questions? *Agreed, we cannot accurately answer solvency questions at this time.*

jshearer via Chat: When someone applies earlier than their qualifying event, isn't the law written such that the clock of eligible weeks of benefits start when the application is received and not the date the worker first becomes eligible for a benefit based on their date of qualifying event?

*There are two things here in the question, eligibility "entitlement" and "claim year."*

- *Eligibility "entitlement" in statute*
  - *For the 12 weeks of family leave for birth or placement expires 12 months after the birth or placement.*
  - *For any other leave, 12 months beginning when the employee filed their application.*
- *We also have operationalized a "claim year" to begin the Sunday of the date of the application expiring 52 weeks after the application.*
- *Applications can be backdated in which "entitlement" and "claim year" applies to when the application was backdated to.*

**Next Meeting:** Thursday, June 18, 10:00 am - Noon | This meeting will be held via WebEx only