

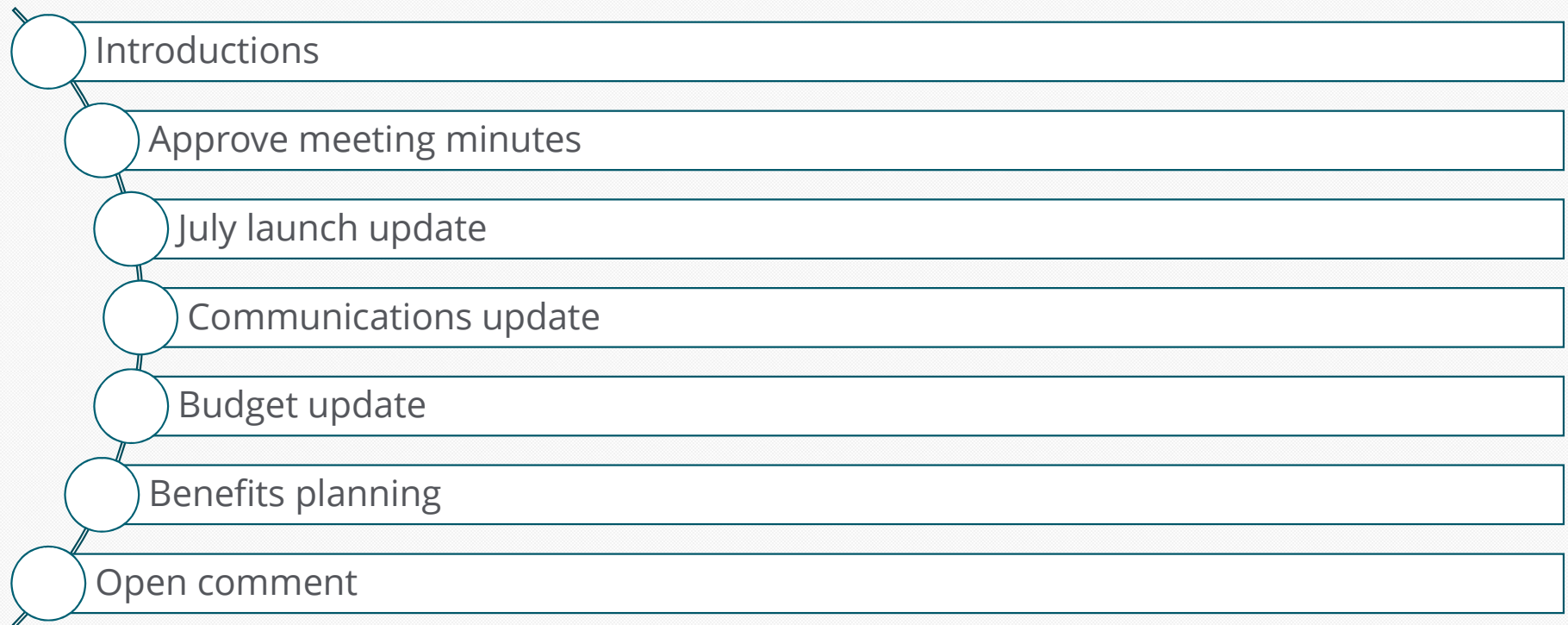
Washington
Paid Family & Medical Leave

 **Employment Security Department**
WASHINGTON STATE

Advisory Committee Meeting
July 25, 2019



Presentation overview



Introductions


- Advisory Committee
- In-person attendees

(Note: We will use the conference call feature to identify who is on the phone rather than announcing during meeting)

Approve June minutes

- Discussion

July Launch Update (stats as of 7/23/19)



Wage Files Processed	• 60,888
Accounts Created	• 34,108
Total Calls: 13,125	• Handled: 9,946 • Abandoned: 3,179
Emails:	• 9,462
<i>Total # of employers reported & Total premiums \$ collected will be included next month, and then monthly thereafter</i>	

Launch Highlights / Opportunities

Summary of the Highlights:

- Specialists are well prepared
- Supporting resources available to Care Team
- Fully staffed

Opportunities for Improvement:

- Helping Customer Care Team get more familiar with systems
- System Reporting Tools

Communications update: We launched!

Newsroom (paidleave.wa.gov/newsroom)

- Letter sent to about 340,000 employers
- Mass emails to list of about 630,000 employers
- Press release sent out at launch

Tools (paidleave.wa.gov/reporting)

- How-to videos: About 23,300 views
- Reporting webinars: 916 registrants
- Website traffic: 81,542 (July 1-22)
- Employer toolkit: 84,200+ total downloads



Communications update: Up next

Focus groups wrapped up July 2!

- Digital ads ramping up toward reporting deadline
- Research and focus group findings to be shared at August 15 meeting
- Animated video for employers to share with employees coming in September

Budget Update - What is a Biennium and Fiscal Year (FY)?

- A biennium is made up of two fiscal years running from July of an odd year through June of the next odd year (e.g. July 1, 2019 – June 30, 2021). It is referred to as the “2019-2021 biennium or “19-21 biennium”):
 - ❖ Months 1 through 12 encompass the first fiscal year (e.g. FY20).
 - ❖ Months 13-24 encompass the second fiscal year (e.g. FY21).
- A fiscal year runs from July 1 through June 30 of the following year, and is named for the calendar year in which it **ends** (e.g., July 1, 2019 through June 30, **2020** is Fiscal Year 2020 or FY20).



Revenue, Expenditures, and Fund Balance - Paid Family and Medical Leave Account (22F) - As of June 2019

Data Source: Labor Market and Performance Analysis (in millions)

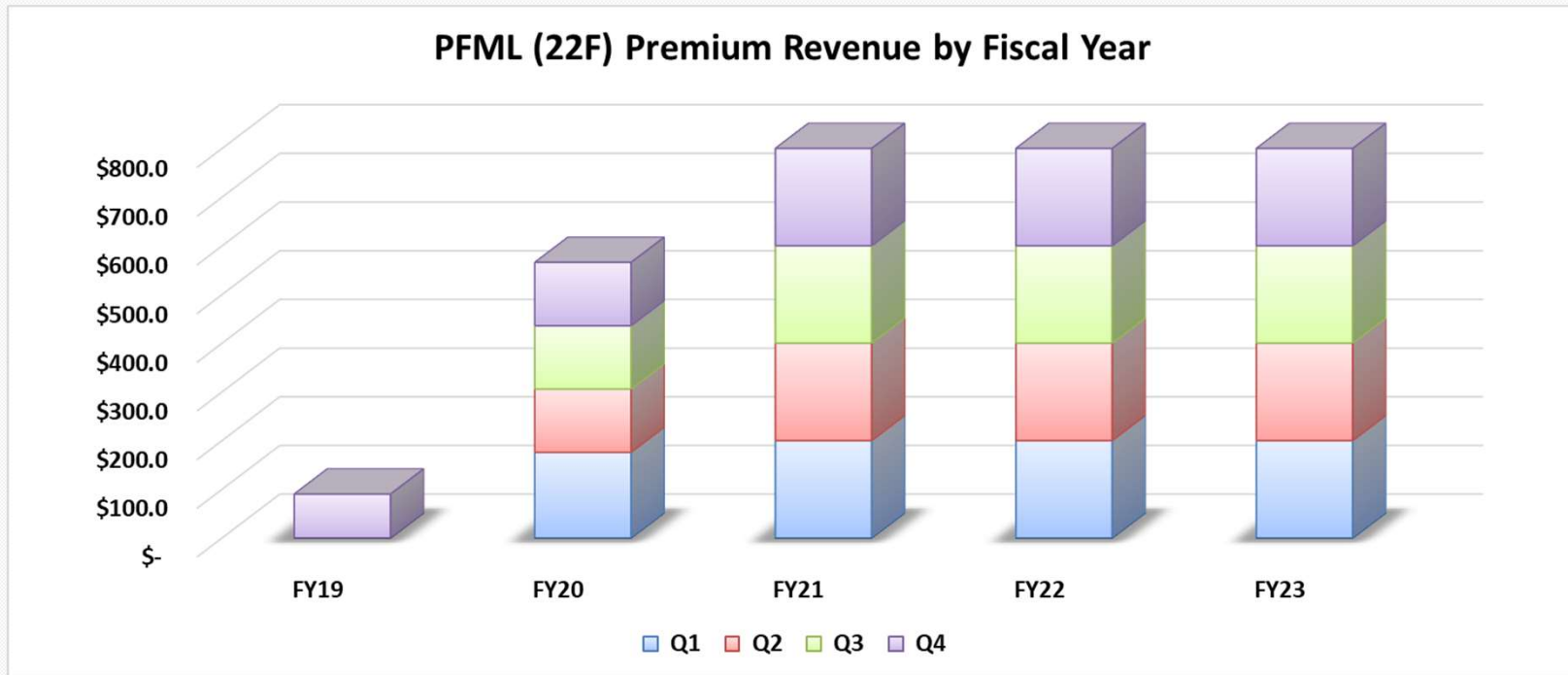
Description	FY18	FY19	FY20-Q1	FY20-Q2	FY20-Q3	FY20-Q4	FY20 Total	FY21	FY22	FY23
Beginning Fund Balance	\$ -	\$ 69.2	\$ 27.3	\$ 189.2	\$ 305.2	\$ 309.2	\$ 27.3	\$ 311.7	\$ 440.5	\$ 451.4
Revenue*										
General Fund Loan to PFML	\$ 82.0									
Premium Collection Revenue		\$ 90.1	\$ 175.9	\$ 130.0	\$ 130.0	\$ 130.0	\$ 565.9	\$ 800.0	\$ 800.0	\$ 800.0
Interest		\$ 1.4				\$ 3.0	\$ 3.0	\$ 4.0	\$ 4.0	\$ 4.0
Subtotal	\$ 82.0	\$ 91.5	\$ 175.9	\$ 130.0	\$ 130.0	\$ 133.0	\$ 568.9	\$ 804.0	\$ 804.0	\$ 804.0
Expenditures										
Loan Repayment with interest**		\$ 84.0								
Benefit Payments					\$ 112.0	\$ 113.0	\$ 225.0	\$ 639.1	\$ 759.7	\$ 774.9
Small Business Assistance - Grants							\$ 1.5	\$ 4.0	\$ 6.0	\$ 23.9
Admin and Implementation Costs***	\$ 12.8	\$ 49.4	\$ 14.0	\$ 14.0	\$ 14.0	\$ 16.0	\$ 58.0	\$ 32.1	\$ 27.4	\$ 26.4
Subtotal	\$ 12.8	\$ 133.4	\$ 14.0	\$ 14.0	\$ 126.0	\$ 129.0	\$ 284.5	\$ 675.2	\$ 793.1	\$ 825.2
Ending Fund Balance	\$ 69.2	\$ 27.3	\$ 189.2	\$ 305.2	\$ 309.2	\$ 313.2	\$ 311.7	\$ 440.5	\$ 451.4	\$ 430.2

* Revenues reflected do not include Penalties and Interest (P&I), or VP application processing fees (\$250 per application).

**The loan plus interest has been repaid in June 2019 from PFML premium collections.

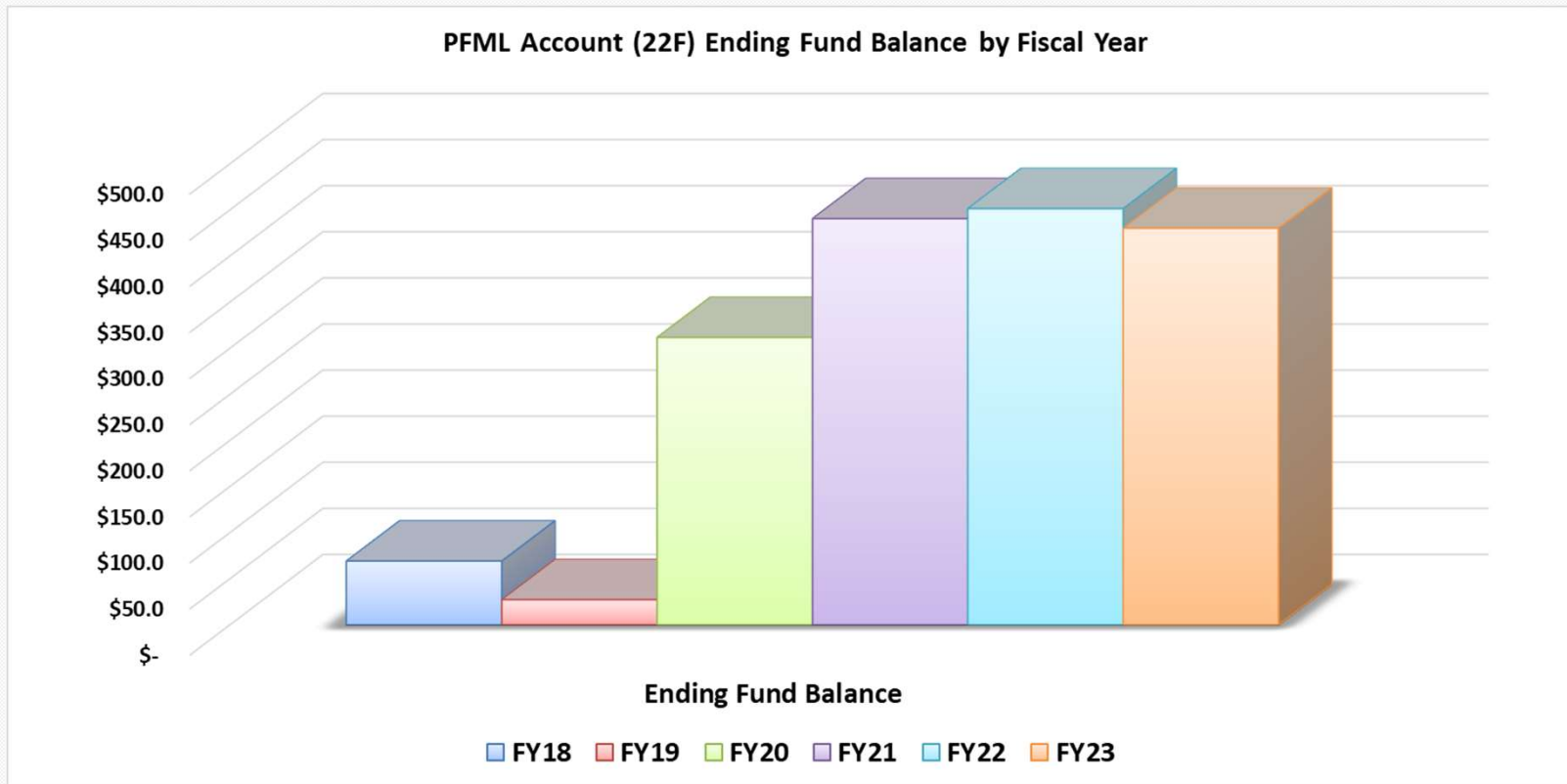
***Unknown/unanticipated costs, such as IT systems/services, staffing, etc.

PFML (22F) PREMIUM REVENUE BY FISCAL YEAR



Note: Revenues from Penalties and Interest (P&I), or Voluntary Plan application processing fees (\$250 per application) are not reflected in the Revenue section.

PFML ACCOUNT(22F) ENDING FUND BALANCE --- BY FISCAL YEAR

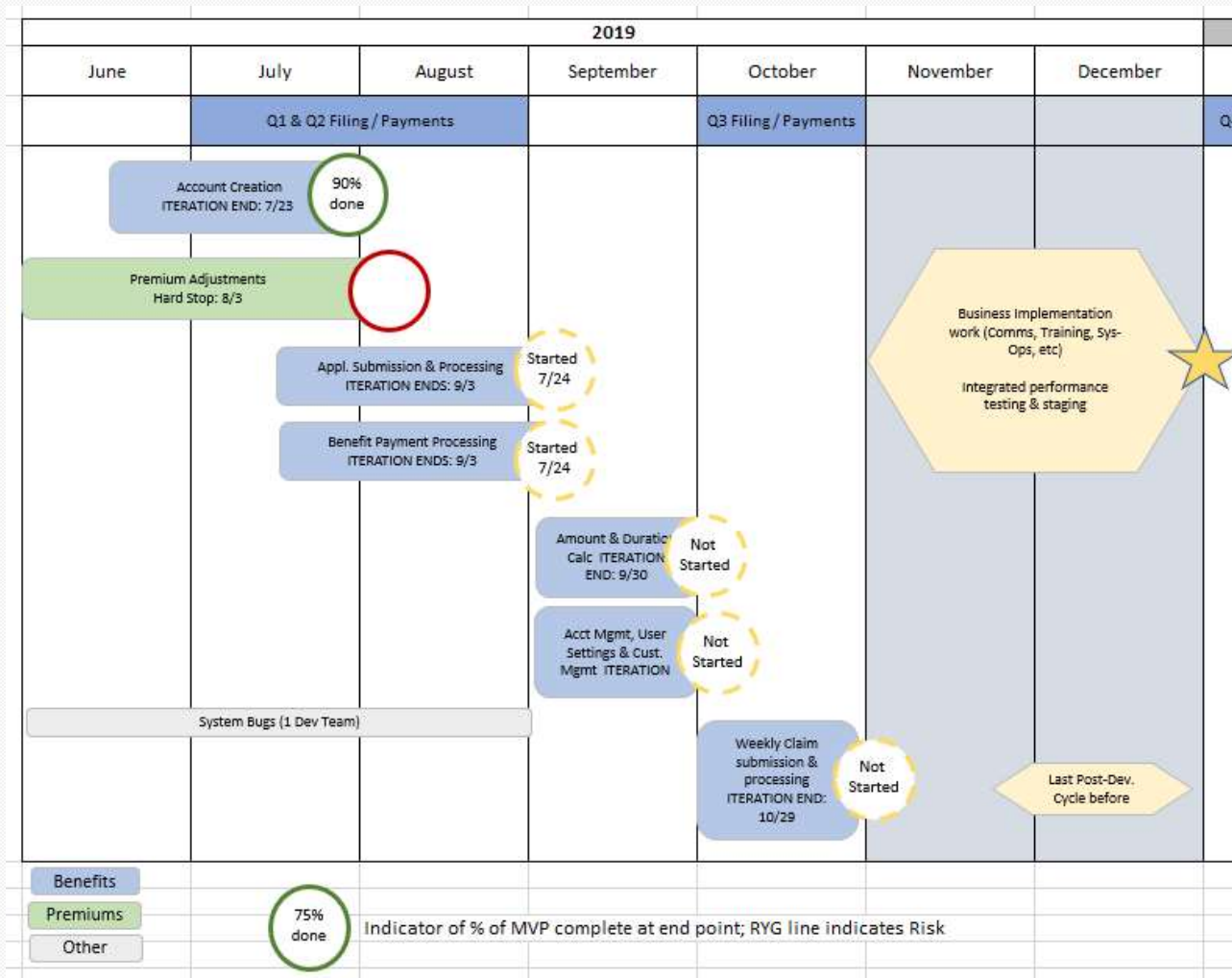


PFML OPERATING BUDGET

AS of June 2019		Dollars						FTEs				
Org Index & Title	FY18 Actual	FY19	FY20	FY21	FY22	FY23	Total	FY19	FY20	FY21	FY22	FY23
Program Administration												
4001 PFML Program Administration	\$3,021,447	\$1,806,005	\$3,769,759	\$5,959,574	\$4,930,460	\$4,930,460	\$24,417,705	11.0	14.0	5.0	5.0	5.0
Office of the OMBUDS												
4002 PFML Office of the OMBUDS	\$45,066	\$231,822	\$549,702	\$561,207	\$561,207	\$561,207	\$2,510,211	1.5	3.0	3.0	3.0	3.0
Subtotal	\$45,066	\$231,822	\$549,702	\$561,207	\$561,207	\$561,207	\$2,510,211	1.5	3.0	3.0	3.0	3.0
Education and Outreach**												
4003 PFML Communications and Outreach	\$147,644	\$2,284,481	\$5,391,626	\$3,082,757	\$682,757	\$682,757	\$12,272,022	8.1	8.0	4.0	4.0	4.0
4004 PFML Training and Staff Development	\$58,315	\$346,081	\$377,139	\$160,081	\$160,081	\$160,081	\$1,261,778	2.7	3.0	1.0	1.0	1.0
Subtotal	\$205,959	\$2,630,562	\$5,768,765	\$3,242,838	\$842,838	\$842,838	\$13,533,800	10.8	11.0	5.0	5.0	5.0
Operations												
4005 PFML Customer Care Center	\$29,089	\$5,462,365	\$6,792,170	\$6,801,283	\$6,801,283	\$6,801,283	\$32,687,473	44.7	62.0	62.0	62.0	62.0
4006 PFML Operations Admin.	\$65,875	\$440,689	\$476,157	\$485,076	\$485,076	\$485,076	\$2,437,949	3.5	4.0	4.0	4.0	4.0
4007 PFML Operations Development	\$196,234	\$891,920	\$1,219,390	\$0	\$0	\$0	\$2,307,544	7.8	10.0	0.0	0.0	0.0
4008 PFML Operations Accounting	\$52,405	\$618,884	\$1,661,545	\$1,785,022	\$1,785,022	\$1,785,022	\$7,687,900	3.6	11.0	12.0	12.0	12.0
Subtotal	\$343,603	\$7,413,858	\$10,149,262	\$9,071,381	\$9,071,381	\$9,071,381	\$45,120,866	59.6	87.0	78.0	78.0	78.0
IT**												
4009 PFML IT Product Build	\$6,009,074	\$26,002,776	\$21,392,972	\$1,805,367	\$1,006,478	\$1,006,478	\$57,223,145	33.3	44.0	0.0	0.0	0.0
4010 PFML IT Product Maintenance and Technology	\$1,010,450	\$2,175,209	\$1,812,465	\$1,319,160	\$1,335,940	\$686,874	\$8,340,098	3.8	7.0	2.0	2.0	2.0
4011 PFML Care Center Technology	\$0	\$3,178,686	\$701,535	\$342,000	\$269,200	\$269,200	\$4,760,621	3.2	4.0	0.0	0.0	0.0
Subtotal	\$7,019,524	\$31,356,671	\$23,906,972	\$3,466,527	\$2,611,618	\$1,962,552	\$70,323,864	40.3	55.0	2.0	2.0	2.0
Rules & Policies**												
4012 PFML Rules & Policies	\$204,506	\$1,002,632	\$1,193,192	\$283,456	\$139,473	\$139,473	\$2,962,732	7.3	9.0	2.0	1.0	1.0
Subtotal	\$204,506	\$1,002,632	\$1,193,192	\$283,456	\$139,473	\$139,473	\$2,962,732	7.3	9.0	2.0	1.0	1.0
(A) Total Direct Budgeted in PFML Division	\$10,840,105	\$44,441,550	\$45,337,652	\$22,584,983	\$18,156,977	\$17,507,911	\$158,869,178	130.4	179.0	95.0	94.0	94.0
Adds: Indirect --- Expenditures will be paid by PFML account but not allotted in PFML Division.												
AS&T: AS&T, Pool Cost, and Special Allocations	\$ 1,842,547	\$ 2,598,702	\$ 2,683,161	\$ 2,683,161	\$ 2,517,562	\$ 2,359,469	\$14,684,602	33.1	39.8	32.2	22.0	22.0
AS&T: Commissioner's Review Office (CRO)	\$ 484,686	\$ 396,522	\$ 640,495	\$ 662,632	\$ 662,632	\$ 662,632	\$2,846,967					
CSB: Central Service Costs (CSB)		\$ 1,144,184	\$ 216,070	\$ 216,070	\$ 288,082	\$ 288,082	\$2,152,487					
CSB from Other Agencies												
CSB from Legal Services												
Office of Administrative Hearings (OAH)	\$ 127,007	\$ 446,000	\$ 1,492,626	\$ 1,492,626	\$ 1,794,000	\$ 1,794,000	\$7,019,252					
Attorney General (AGO)		\$ 293,000	\$ 273,317	\$ 273,316	\$ 381,000	\$ 381,000	\$1,728,640					
(B) Total Indirect Not Allotted in PFML	\$1,969,554	\$4,966,572	\$5,061,696	\$5,305,668	\$5,643,276	\$5,485,183	\$28,431,948	33.1	39.8	32.2	22.0	22.0
(A)+(B) Total Budgeted in PFML	\$12,810,000	\$49,408,000	\$50,399,000	\$27,891,000	\$23,800,000	\$22,993,000	\$187,301,000	163.5	218.8	127.2	116.0	116.0
(C) Adds: Contingency* - 15% of (B)												
15%			7,560,000	4,184,000	3,570,000	3,449,000	\$18,763,000					
(A)+(B)+(C) Total Dollars	\$12,810,000	\$49,408,000	\$57,959,000	\$32,075,000	\$27,370,000	\$26,442,000	\$206,064,000					
(A)+(C) Total Direct FTEs		17-19 BI	19-21BI	21-23BI				130.4	179.0	95.0	94.0	94.0
Biennial Total		\$62,218,000	\$90,034,000	\$53,812,000								

Benefits Planning

-DEVELOPMENT TIMELINE



BENEFITS PLANNING— RISK / ISSUES

Risks:

- Scope is larger than time allows
- Acceptance of more manual processes
- Velocity doesn't increase
- Supporting a production system

Issues:

- Manual Processes
- Emerging requirements
- Carry over from Premiums
- Unplanned higher priorities emerge (Int. Perf. Testing, Bug resolution)

For the good of the order: open comment

Next meeting Thursday, August 15, 2019

Continue the conversation

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Ask questions and make
comments on our public forum
at bit.ly/CommentForum

Voluntary plan update

As of 7/17/2019

362 preliminary applications

43 medical

24 family

295 both



321 completed applications received



291 applications fully processed

240 approved

31 denied

20 withdrawn