Advisory Committee Meeting
July 25, 2019
Presentation overview

- Introductions
- Approve meeting minutes
- July launch update
- Communications update
- Budget update
- Benefits planning
- Open comment
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

*Total # of employers reported & Total premiums $ collected will be included next month, and then monthly thereafter*
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](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](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
- 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)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20-Q1</th>
<th>FY20-Q2</th>
<th>FY20-Q3</th>
<th>FY20-Q4</th>
<th>FY20 Total</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td></td>
<td>$69.2</td>
<td>$27.3</td>
<td>$189.2</td>
<td>$305.2</td>
<td>$309.2</td>
<td>$27.3</td>
<td>$311.7</td>
<td>$440.5</td>
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<td><strong>Revenue</strong></td>
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<td>General Fund Loan to PFML</td>
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<td>Premium Collection Revenue</td>
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<td>$175.9</td>
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<td>$130.0</td>
<td>$130.0</td>
<td>$565.9</td>
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<tr>
<td>Loan Repayment with interest**</td>
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<td>Benefit Payments</td>
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<tr>
<td>Small Business Assistance - Grants</td>
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<td>Admin and Implementation Costs***</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$69.2</td>
<td>$27.3</td>
<td>$189.2</td>
<td>$305.2</td>
<td>$309.2</td>
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<td>$311.7</td>
<td>$440.5</td>
<td>$451.4</td>
<td>$430.2</td>
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</table>

* 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.
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 Account (22F) Ending Fund Balance by Fiscal Year

Ending Fund Balance

- FY18
- FY19
- FY20
- FY21
- FY22
- FY23

$500.00
$450.00
$400.00
$350.00
$300.00
$250.00
$200.00
$150.00
$100.00
$50.00
$
## PFML Operating Budget

### AS of June 2019

<table>
<thead>
<tr>
<th>Org Index &amp; Title</th>
<th>FY18 Actual</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>Total</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
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<tbody>
<tr>
<td><strong>Program Administration</strong></td>
<td>$3,021,447</td>
<td>$1,806,005</td>
<td>$3,769,759</td>
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<td>$4,930,460</td>
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<tr>
<td><strong>Office of the OMBUDS</strong></td>
<td>$45,066</td>
<td>$231,822</td>
<td>$549,702</td>
<td>$561,207</td>
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<td><strong>Education and Outreach</strong></td>
<td>$147,644</td>
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<td><strong>PFML Training and Staff Development</strong></td>
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**Operations**

<table>
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<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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<th>Total</th>
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<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
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<tbody>
<tr>
<td><strong>PFML Customer Care Center</strong></td>
<td>$29,089</td>
<td>$5,462,365</td>
<td>$6,792,170</td>
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<td><strong>PFML Operations Admin.</strong></td>
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<td><strong>PFML Operations Development</strong></td>
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<tr>
<td><strong>PFML Operations Accounting</strong></td>
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<td>$1,785,022</td>
<td>$1,785,022</td>
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<td><strong>IT</strong></td>
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</table>

**Rules & Policies**

<table>
<thead>
<tr>
<th>Org Index &amp; Title</th>
<th>FY18 Actual</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>Total</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PFML Rules &amp; Policies</strong></td>
<td>$204,506</td>
<td>$1,002,632</td>
<td>$1,193,192</td>
<td>$283,456</td>
<td>$139,473</td>
<td>$139,473</td>
<td>$2,962,732</td>
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<td>9.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$204,506</td>
<td>$1,002,632</td>
<td>$1,193,192</td>
<td>$283,456</td>
<td>$139,473</td>
<td>$139,473</td>
<td>$2,962,732</td>
<td>7.3</td>
<td>9.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

**Total Direct Budgeted in PFML Division**

$10,840,105 | $44,441,550 | $45,337,652 | $22,584,983 | $18,156,977 | $17,507,911 | $158,860,178 | 130.4 | 179.0 | 95.0 | 94.0 | 94.0 |

### Add: Indirect --- Expenditures will be paid by PFML account but not allotted in PFML Division.

<table>
<thead>
<tr>
<th>Org Index &amp; Title</th>
<th>FY18 Actual</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>Total</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AS&amp;T: AS&amp;T, Pool Cost, and Special Allocations</strong></td>
<td>$1,842,547</td>
<td>$2,598,702</td>
<td>$2,683,161</td>
<td>$2,683,161</td>
<td>$2,517,562</td>
<td>$2,517,562</td>
<td>$14,684,602</td>
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<td>39.8</td>
<td>32.2</td>
<td>22.0</td>
<td>22.0</td>
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<tr>
<td><strong>AS&amp;T: Commissioner’s Review Office (CRO)</strong></td>
<td>$484,686</td>
<td>$396,522</td>
<td>$640,495</td>
<td>$662,632</td>
<td>$662,632</td>
<td>$662,632</td>
<td>$2,846,967</td>
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<td>9.0</td>
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<tr>
<td><strong>CSB: Central Service Costs (CSB)</strong></td>
<td>$1,144,184</td>
<td>$210,760</td>
<td>$210,760</td>
<td>$288,082</td>
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<td><strong>CSB from Other Services</strong></td>
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<td><strong>Office of Administrative Hearings (OAH)</strong></td>
<td>$273,137</td>
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<td>$381,000</td>
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<td>$381,000</td>
<td>$381,000</td>
<td>$1,728,640</td>
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<td><strong>Attorney General (AGO)</strong></td>
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<td>$293,000</td>
<td>$273,137</td>
<td>$381,000</td>
<td>$381,000</td>
<td>$381,000</td>
<td>$1,728,640</td>
<td>218.8</td>
<td>32.2</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
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<tr>
<td><strong>Total Indirect Not Allotted in PFML</strong></td>
<td>$1,969,554</td>
<td>$4,966,572</td>
<td>$5,061,696</td>
<td>$5,305,668</td>
<td>$5,643,276</td>
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<td>39.8</td>
<td>32.2</td>
<td>22.0</td>
<td>22.0</td>
</tr>
</tbody>
</table>

**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 |

**Add: Contingency - 15% of (B)**

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
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<tbody>
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<td>7,560</td>
<td>4,184</td>
<td>3,570</td>
<td>3,449</td>
<td>$18,763,000</td>
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</table>

**Total Dollars**

$12,810,000 | $49,408,000 | $57,959,000 | $32,075,000 | $27,370,000 | $26,442,000 | $206,064,000 | 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

<table>
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<tr>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
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<tr>
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</tbody>
</table>

### June
- **Q1 & Q2 Filing / Payments**
  - **Account Creation Iteration Ends:** 7/23
  - **Premium Adjustments:** Hard Step: 6/5
  - **App Apple Submission & Processing Iteration Ends:** 8/3
  - **Benefit Payment Processing Iteration Ends:** 9/3
  - **Amount & Duration Calc Iteration Ends:** 9/10
  - **Account Type, User Settings & Cost Iteration:** Not Started

### July
- **Weekly Claim Submission & Processing Iteration Ends:** 10/20
- **Last Post Dev. Cycle Before:**

### August
- **Development Cycle Before:**

### September
- **Development Cycle Before:**

### October
- **Development Cycle Before:**

### November
- **Development Cycle Before:**

### December
- **Development Cycle Before:**

**Indicator of % of MVP complete at end point; RYG line indicates risk:**

- **Benefits:**
  - **75% done**

- **Premiums**
  - **Other**
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

Carla Reyes
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Employment Security Department
360-485-2349
creyes@esd.wa.gov

Visit us online at
www.paidleave.wa.gov

Join our listserv at
bit.ly/PaidLeaveList

Ask questions and make
comments on our public forum
at bit.ly/CommentForum
Voluntary plan update
As of 7/17/2019

<table>
<thead>
<tr>
<th>362 preliminary applications</th>
<th>43 medical</th>
<th>24 family</th>
<th>295 both</th>
</tr>
</thead>
</table>

| 321 completed applications received |

| 291 applications fully processed | 240 approved | 31 denied | 20 withdrawn |