dc paid
family leave

QUARTER 1 FISCAL YEAR 2021 REPORT

DC PAID FAMILY LEAVE

DOES
DISTRICT OF COLUMBIA
DEPARTMENT OF
EMPLOYMENT SERVICES

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GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

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PURPOSE

The Department of Employment Services (DOES) is submitting this District of Columbia Paid Family Leave (PFL) Quarter 1 (Q1) Fiscal Year (FY) 2021 report on behalf of the Executive pursuant to section 104 of the Universal Paid Leave Amendment Act of 2016 ("Paid Leave Act" or "Act") (D.C. Law 21-264; D.C. Official Code § 32-541.04).

The report provides an update on the status of the Bowser Administration's progress in implementing the Act. It further serves as the quarterly report required by the Paid Leave Act and explains the requirements needed to develop all software necessary to administer the paid leave system established pursuant to the Act. This report also includes information on program administration, critical program deadlines, information technology (IT), staffing, procurement, and public engagement. The findings in this report detail implementation activities during Q1 of FY 2021 (October 1, 2020, through December 31, 2020).[1]

BACKGROUND

The Paid Leave Act, which became District law in 2017, provides paid leave for employees who are bonding with a new child, providing care or companionship for a family member with a serious health condition, and/or caring for the employee's own serious health condition. To qualify for these paid family leave benefits, an individual must be a part-time or full-time employee in the District, regardless of their residence, and must meet all the requirements established by the Paid Leave Act. District government and federal employees are excluded from coverage under the Act. The Paid Leave Act allows for eight (8) weeks of parental leave, six (6) weeks of family leave, and two (2) weeks of medical leave for every 52 weeks. The maximum weekly benefit amount is currently $1,000 and is funded solely by an employer-paid tax. The current tax rate is 0.62 percent of the wages of each of the employer's covered employees or the annual self-employment income of a self-employed individual.

DOES has established the Office of Paid Family Leave (OPFL) to implement the District's PFL program. OPFL is comprised of the following:

- Division of Tax, which handles the collection of taxes, premiums, contributions, fees, and revenue functions;
- Division of Benefits, which handles claim filing, claim processing, payment of paid leave benefits, and benefit payment control;
- Appeals, which handles internal reconsideration requests, affirms or overturns an initial determination based on the evidence, and represents OPFL in external proceedings with the Office of Administrative Hearings (OAH);
- Contact Center, which provides customer service;
- Communications and Outreach, which provides public engagement; and
- Support, which develops procedures, budget, studies, quality assurance, and trainings.

1 Due to the timeframes involved for reviewing and submitting this quarterly report, the status of all activities included are as of November 2, 2020. The activities that were planned to occur between then and the end of the quarter are noted throughout the report. Updates to these activities will be included in the next quarterly report, as needed.

IMPLEMENTATION OF THE PFL PROGRAM

The District has successfully been operating the PFL program for two quarters following the launch of the PFL Benefit Administration System (PFLBAS) on July 1, 2020. As the program continues to provide timely benefits to the District's employees, DOES has made a concerted effort to enhance its IT systems, customer service, and community engagement. Additionally, the program has successfully processed more than 3,900 claims and approved more than 3,200 claims while meeting the projected staffing goals. OPFL will continue to collect employer tax contributions, administer PFL benefits, and work with vendors, community leaders, and other key stakeholders.

TAX COLLECTION

To date, OPFL's Division of Tax has collected more than $70 million for the Universal Paid Leave Fund in Q3 of Calendar Year (CY) 2020, the most recently completed quarter. As part of this effort, OPFL has collected approximately 97 percent of taxes owed on wages reported during the quarter. As part of the more than $70 million, OPFL has collected approximately $1.7 million in delinquent taxes, interest, and penalties.

For the employers who did not file wage reports or submit their payments in full for Q3 of CY2020 by the deadline of October 31, 2020, OPFL will send late notices in November 2020. The notices will inform employers of the 30-day remittal requirement, which includes interest and penalties. For employers who do not request an administrative appeal, after 30 days, if payment is not received in full, OPFL will send delinquency notices in December 2020. The notices will give employers the option to enter into an installment payment agreement. If employers do not respond accordingly to the notices by entering into an installment payment agreement or by paying in full the amounts owed, the Collections Unit from the Division of Tax will consider all methods authorized by the Act to collect the delinquent amounts.

The annual self-employed individual (SEI) enrollment period was open from November 1, 2020, through December 31, 2020. An individual who earns income from self-employment in the District was permitted to opt in to the PFL program during this period. In addition to this annual open enrollment period, SEIs can opt in to the PFL program within 60 days of the commencement of their self-employment in the District. A wide range of individuals may be considered self-employed, including ride-sharing drivers, bloggers, photographers, food-delivery workers, consultants, caregivers, artists, and graphic designers.

BENEFITS CLAIMS

As referenced above, on July 1, 2020, OPFL successfully launched the PFLBAS and began administering benefits to eligible workers in the District. Since the launch of benefits administration, OPFL has received a total of 3,932 claims, as shown in Table 1 below.

Table 1: Total PFL claims received, as of November 2, 2020

PFL Claim Type	Count
Parental Leave	2,978
Medical Leave	722
Family Leave	232
Total Claims Received	**3,932**

APPEALS

Claimants have had the opportunity to appeal their determinations via the internal DOES reconsideration process and/or the external OAH process.

The internal DOES reconsideration process allows claimants to provide additional information or clarification to issues that were not resolved during the initial 10-day benefits determination process. For example, if the claimant did not provide adequate documentation or needed clarification on a document, the internal reconsideration process provides the claimants with additional time and recourse to produce this information. This internal process provides claimants with an additional opportunity to resolve an issue without having to file an appeal and request a formal hearing with OAH. Since the launch of benefits administration, OPFL has resolved a total of 111 internal reconsideration requests, as shown in Table 2 below.

Table 2: Status of PFL internal reconsideration requests, as of November 2, 2020

Internal Reconsideration Requests	Count
Total Internal Appeals	111
Overturned Claims	65
Affirmed Claims	46

The external OAH process allows claimants to directly appeal a decision based on their disagreement with the benefits determination and/or the internal reconsideration determination. Since the launch of benefits administration, there have been 3 OAH appeal requests, as shown in Table 3 below.

Table 3: Status of PFL appeals, as of November 2, 2020

OAH Appeals	Count
Total OAH Filings	3
Pending Claims	1
Affirmed Claims	2
Overturned Claims	0

CONTACT CENTER

The PFL Contact Center enlisted the assistance of vendor agents to assist with the launch of PFL benefits. Since the launch of benefits administration, these agents, along with DOES staff, have answered nearly 15,000 calls with an average wait time of 15 seconds. Agents have assisted customers with claim filing, answering general PFL questions, troubleshooting issues, and completing a variety of other tasks associated with the PFL Benefits and Tax Divisions. All PFL Contact Center staff members have been cross-trained to assist with both benefits and tax calls.

POLICY

DOES signed a Memorandum of Understanding (MOU) with the Office of Human Rights (OHR) for FY2021 on October 1, 2020, transferring $1,858,227 to OHR per the FY2021 Budget Support Act of 2020 (BSA). The MOU with OHR provided funding and an agreement as to how OHR will handle PFL complaints other than

claim determinations as required under the Paid Leave Act. DOES also signed an MOU with the OAH for FY2021 on September 30, 2020, transferring $939,806 to OAH per the terms of the BSA. The MOU with OAH provided funding and an agreement as to how OAH will handle appeals of claim determinations as required by the Paid Leave Act.

DOES prepared a Request for Applications (RFA) for grants to be awarded to private organizations in the District under the Workplace Leave Navigators Program Establishment Amendment Act of 2020. The RFA was posted on the DOES website on October 30, 2020. All applications for grants must be received by December 1, 2020. OPFL intends to award funding to applicants to help District employers and employees better understand and navigate the available District and federal leave laws, such as the DC Paid Leave Act, the DC Accrued Sick and Safe Leave Act, and the DC and federal Family and Medical Leave Acts.

STAFFING PLAN

Currently, there are 112 fully-onboarded PFL employees. These employees are critical to the program's success as OPFL collects employer tax contributions and distributes PFL benefits. OPFL continues to hire new staff during the declared public health emergency and plans to hire 12 additional staff members for a total of 124 employees by the end of Q1 of FY2021.

SYSTEM IMPLEMENTATION

PFL Tax System

The PFL Tax System (PFLTS) has been operational for employers to remit their PFL contributions since July 2019. Over the last year, OPFL made enhancements to the system to improve the efficiency of tax collection processes through field audit and management reporting functionality.

On February 21, 2020, the District renewed its contract with Sagitec Solutions, Inc. to continue the operations and maintenance of the PFLTS and exercise the contract's first option year. On July 21, 2020, the Council of the District of Columbia passed the Approval and Payment Authorization Emergency Declaration Resolution and Act of 2020 for modifications 3, 4, and 5 to contract number CW67661 with Sagitec. These modifications will enhance the PFLTS with new functionality in the areas of financial reporting, tax payments, payment plans, and the general ledger. The full integration of the PFLTS with the District's System of Accounting and Reporting (SOAR) is scheduled for deployment in December 2020.

PFL Tax System Project Timeline

The following timeline, as shown in Figure 1, depicts a high-level overview of milestones for the implementation of the PFLTS:

Figure 1: Paid Family Leave Tax System Project Timeline

PFL Benefits Administration System

Following the successful launch of the PFLBAS on July 1, 2020, the project entered the maintenance phase in which Geographic Solutions, Inc., the PFLBAS vendor, provides support-level services, upgrades, and system enhancements to fine-tune key areas of the system. Prioritization meetings are held regularly to determine key functionalities that require additional development or strategizing to improve the overall customer experience. A larger focus this quarter has been further enhancing the overpayment, investigations, collections, and reporting functional areas.

The following timeline, as shown in Figure 2, provides a high-level overview of milestones for the implementation of the PFLBAS:

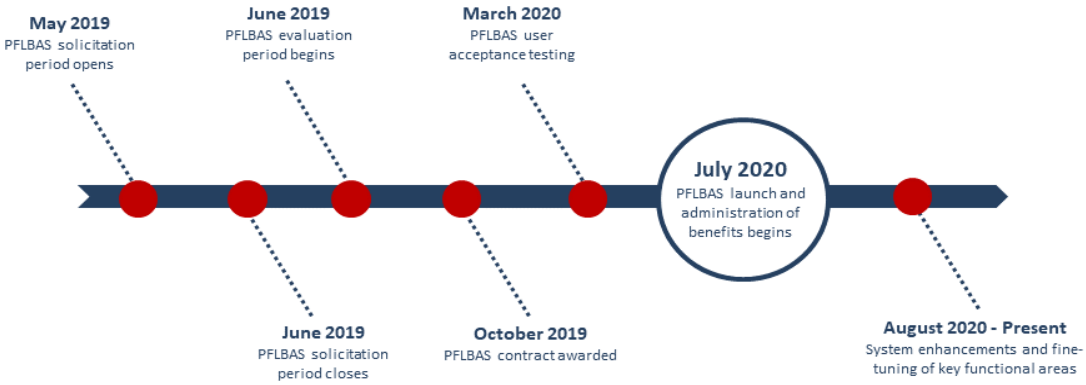

Figure 2: Paid Family Leave Benefits Administration System Project Timeline

Independent Verification and Validation

Independent verification and validation (IV&V) services are important to ensure that the District's implementation of both the PFLTS and the PFLBAS meet the necessary functions and requirements to establish, administer, and manage a PFL program compliant with the Act.

In May 2020, the PFLTS IV&V contract was renewed with Eigennet, LLC. As a result, Eigennet continues to provide assistance in verifying system issues and performing regression testing for each system build to verify that the system is working as expected.

In February 2020, the PFLBAS IV&V contract was awarded to Promesa Consulting Group, Inc. Promesa immediately began to work alongside the District to validate the technical and functional components of the PFLBAS. Post-launch, Promesa has continued to assist the District in the verification of the platform's functionality through system architecture assessments, in-depth risk analyses, and ongoing testing efforts.

Organizational Change Management

On July 24, 2020, the District renewed the Georgetown Firm's contract to continue providing Organizational Change Management (OCM) services to OPFL. During the option year, OCM services will focus on the creation of a strategic management plan, which will assist in the areas of human capital, communication, and reporting.

Business Transformation

The Business Transformation and Data Analytics contract was awarded to Metropolitan Strategies and Solutions on April 10, 2020. Metropolitan Strategies and Solutions is responsible for providing OPFL with transformation services in support of PFLBAS operations, as well as support in the areas of economic modeling and forecasting, claim projections, data analytics, project management, and accounting.

Interactive Voice Response

The Interactive Voice Response (IVR) solicitation was posted on April 22, 2020, and closed on June 19, 2020. The District is seeking a vendor that can provide a web-based IVR solution with the ability to receive claim support as well as provide call queue maintenance, account updates to claimants without speaking to a call center representative, and reporting. The solicitation is currently in the evaluation period.

Healthcare Provider Verification

The Healthcare Provider (HCP) License Verification solution was awarded to Provider Trust, Inc. on May 13, 2020. Provider Trust, Inc. supplies software that enables the program to verify and manage HCP credentials when claimants apply for PFL benefits. The company has fine-tuned its Application Programming Interface product, "DASH," to process 90 percent of verifications within 24 hours of the request. The DASH software will be integrated with the PFLBAS this quarter.

Continuous Process Improvement

The Continuous Process Improvement contract was awarded on May 1, 2020, to DigiDocs, Inc. The solicitation required the vendor to provide guidance to OPFL and the Office of Unemployment Compensation leadership through the development and implementation of a continuing and comprehensive process-improvement program, specifically targeting new and growing organizations within the government sector. These programs are undergoing capital projects focused on modernization that require a significant change from former systems and practices.

Clean Hands Interface

The Clean Hands contract was awarded on October 21, 2020, to Northrop Grumman Systems, Inc. The District of Columbia Clean Hands mandate stipulates that individuals and businesses are to be denied city goods or services if there is a debt owed to the District for fees, fines, taxes, and/or penalties. In early 2021, the vendor will create a digital interface with the PFLTS and the Office of Tax and Revenue's Clean Hands database to ensure that employers are compliant with provisions of the Clean Hands initiative. The interface reports delinquent employers and compiles their data which is sent for tracking within the Clean Hands process. This effort includes analysis, development, deployment, testing, documentation, and monitoring of the interface.

PUBLIC ENGAGEMENT

The challenges brought on by the COVID-19 pandemic continue to impact OPFL's communication and outreach strategy. As many workers and employers adjust to the current environment, OPFL's goal is to better inform our key stakeholders about the benefits of paid family leave while navigating these uncertain times.

Continuing to expand upon the communications plan to engage employers, employees, and the medical community, OPFL has made great strides in providing interactive and innovative initiatives to increase program awareness in the digital space. In addition, communication channels such as the PFL electronic newsletter, social media platforms, and PFL and DOES websites continue to be at the forefront of the program's multi-faceted public education campaign.

Healthcare Provider Outreach

To enhance outreach to healthcare providers, OPFL hosted an information session to educate medical professionals about the DC Paid Family Leave program on October 22, 2020. Also, OPFL continues to host Wellness Wednesdays, a free 20-minute virtual series offering an opportunity to learn about essential subject matters impacting the community. Past topics of Wellness Wednesday sessions included parenting during COVID-19, the importance of routine health visits, and preventive care for chronic diseases. Past collaborators included the Mayor's Office on Latino Affairs (MOLA), Children's Health Center Anacostia, and Mary's Center. Thus far, Wellness Wednesdays have attracted over 1,000 participants.

Direct Marketing Outreach

The COVID-19 pandemic continues to shed light on the health disparities facing minorities, specifically in the African American and Hispanic communities. Understanding the importance of outreach to underserved populations, OPFL implemented initiatives to help minimize the gap and provide insight on PFL resources. For example, OPFL delivered 325,000 postcards to households with an income below the poverty line. OPFL will continue outreach to the most vulnerable communities by helping to alleviate barriers, achieving exemplary customer service, and providing a more inclusive program.

Webinars

Biweekly webinars continue to be the go-to method in connecting with PFL's target market. By providing insightful and valuable information, OPFL addresses concerns and common questions harbored by District residents and employers about the program. Using data captured by PFL's website metrics, OPFL hosted webinars for targeted groups, including self-employed individuals, medical providers, and a session in Spanish for the Hispanic and Latinx community. To date, PFL webinars have engaged more than 8,500 stakeholders

about the benefits of paid family leave.

Paid Family Leave Newsletter

The PFL electronic newsletter for employer and employee audiences continues to be a powerful email marketing tool. With a member list of more than 70,000 key stakeholders, the newsletter is essential in sharing program updates, increasing PFL website traffic, and driving awareness of the PFL program.

Paid Family Leave Website

The PFL website, dcpaidfamilyleave.dc.gov, is crucial in delivering program-related information to key stakeholders. Serving as the focal point of PFL communications, OPFL is continuously updating the website to address our target audience's needs. In addition, OPFL continues to develop and house new resources, including Frequently Asked Questions guides, one-pagers, and toolkits. These resources are translated into the six (6) commonly-spoken, non-English languages across the District and are available on the PFL website.

Partnerships

Partnership development is an essential component to OPFL's overall communications and outreach strategy. By forging relationships, OPFL has increased program knowledge, reached a broader audience, and learned new methods in engagement. Outcomes from strategic partnerships have included email blasts, newsletter inclusion, social media content, and featured media interviews and stories, engaging more than 72,000 residents and employers across all eight wards of the District. OPFL partners include Sinclair Broadcast, El Tiempo Latino, Univision, the DC State Board of Education, and the Greater DC Diaper Bank.

Special Events

Whether it is transitioning in-person events to the digital space or downsizing efforts to accommodate the current climate, OPFL has successfully executed innovative initiatives to attract potential claimants. These activities included organizing the inaugural DC-wide Baby Shower, a virtual experience for new and expecting parents with 535 Facebook views and counting, and the Maternity Ward Dropoff, a gratitude gesture to OPFL's medical provider partners that distributed over 1,000 cloth face masks to maternity wards across the District. Through these initiatives, OPFL continues to build on the growing public awareness and interest in paid family leave.

CONCLUSION

Despite the current public health emergency, OPFL successfully launched the PFL program on time for District workers and continues to effectively administer the program. With the implementation of benefits, DC Paid Family Leave is helping to ensure the economic stability and community prosperity for individuals who need it most. More than ever, District workers are demanding a better place to work, live, and do business. OPFL is committed to maintaining the momentum from the successful launch of PFL benefits and to helping provide District workers with the resources to plan for tomorrow, today.

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