dc paid
family leave

QUARTER 4 FISCAL YEAR 2020 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 OF THE REPORT

The Department of Employment Services (DOES) is submitting this District of Columbia Paid Family Leave Quarter 4 Fiscal Year (FY) 2020 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 from July 1, 2020, through September 30, 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 (PFL) 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 weeks of parental leave, six weeks of family leave, and two 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, all activities included after August 10, 2020, were planned and had not been completed as of the development of this report. Updates to these activities will be included in the next quarterly report, as needed.

The Administration established an internal working group to move each component of the District's implementation plan forward and appropriately prepare to administer the program. The working group consists of representatives from DOES, the Executive Office of the Mayor (EOM), Office of the City Administrator (OCA), Office of the Deputy Mayor for Education (DME), Office of Human Rights (OHR), Office of the Chief Technology Officer (OCTO), Office of the Chief Financial Officer (OCFO), Department of General Services (DGS), Department of Human Resources (DCHR), Office of Policy and Legislative Affairs (OPLA), and Office of Contracting and Procurement (OCP).

IMPLEMENTATION OF THE PFL PROGRAM

The District has fully implemented the PFL program on time. Following the release of the PFL Tax System (PFLTS) on July 1, 2019, DOES launched the PFL Benefit Administration System (PFLBAS) on July 1, 2020, and began the administration of PFL benefits. Due to the hard work of OPFL staff, the program has successfully processed 1,361 claims and has approved 1,037 claims thus far. OPFL will continue to collect employer contributions, process timely benefits, and work with selected vendors to fine-tune all systems' functionality.

TAX COLLECTION

To date, OPFL's Division of Tax has collected more than $370 million for the Universal Paid Leave Fund[2]. As part of this effort, OPFL has collected 98 percent of taxes owed on wages reported for the first three quarters of operations in Calendar Year (CY) 2019 through the second quarter of CY 2020. As part of the $370 million, OPFL has collected nearly $8.5 million in delinquent taxes, interest, and penalties.

For the employers that did not file wage reports or submit their payments in full for quarter two (Q2) of CY 2020 by the deadline of July 31, 2020, OPFL will send late notices in August 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 September 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.

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 1,361 claims, as shown in table 1 below.

2 The reported total includes the Q2, Calendar Year 2020 payments collected to date but not those payments still in process.

Table 1: Total PFL claims received, as of August 10, 2020

PFL CLAIM TYPE	COUNT
Parental Leave	1,179
Medical Leave	137
Family Leave	45
Total Claims Received	**1,361**

POLICY

DOES intends to enter into Memoranda of Understanding (MOUs) with both the Office of Human Rights (OHR) and the Office of Administrative Hearings (OAH). The MOU with OHR is to provide funding and an agreement as to how OHR will handle PFL complaints other than claim determinations as required under the Act. The MOU with OAH is to provide funding and an agreement as to how OAH will handle appeals of claim determinations as required by the Act. The MOUs with both agencies have been drafted and are currently undergoing the review process by all interested parties.

STAFFING PLAN

Currently, there are 108 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 16 additional staff members for a total of 124 employees by the end of Q4 of FY2020.

SYSTEM IMPLEMENTATION

PFL Tax System

The 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 approved 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 Reports (SOAR) is scheduled for deployment in fall 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:

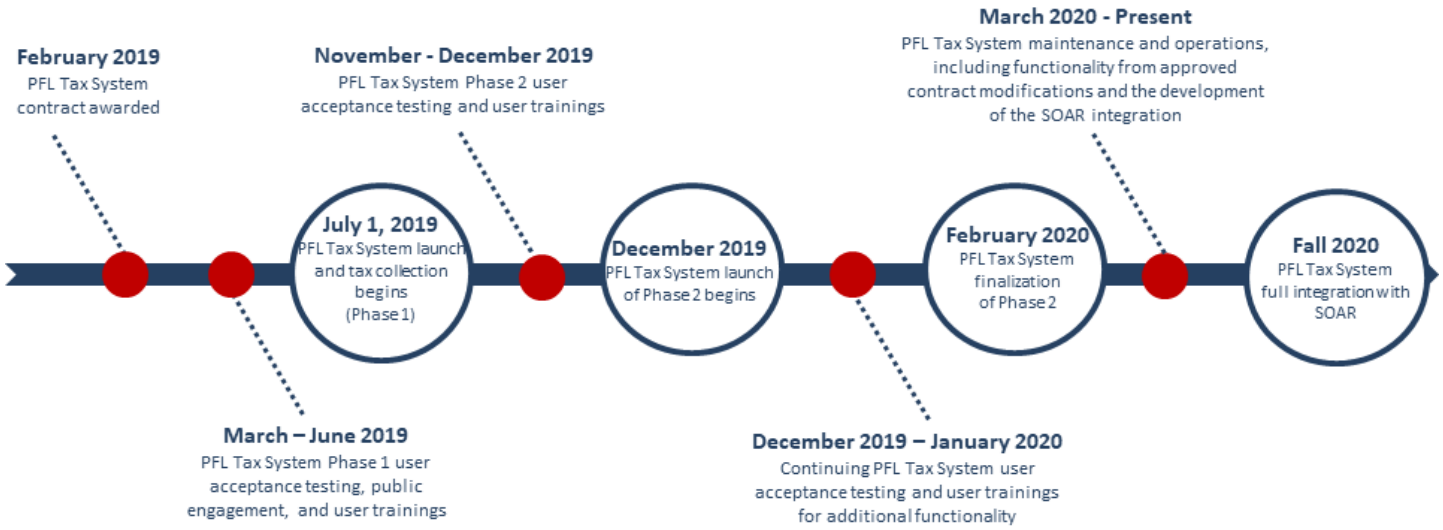

Figure 1: Paid Family Leave Tax System Project Timeline

PFL Benefits Administration System

The District successfully launched the PFLBAS on July 1, 2020. In Q4 of FY2020, the District completed the construction and transition phases of the project, which concluded user acceptance testing, data validation, and all other developmental tasks in order to deploy the PFLBAS. Following the launch of the PFLBAS, the project entered into the maintenance phase in which Geographic Solutions, Inc. (GSI), the PFLBAS vendor, provides support level services, upgrades, and system enhancements to fine-tune key areas of the system.

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

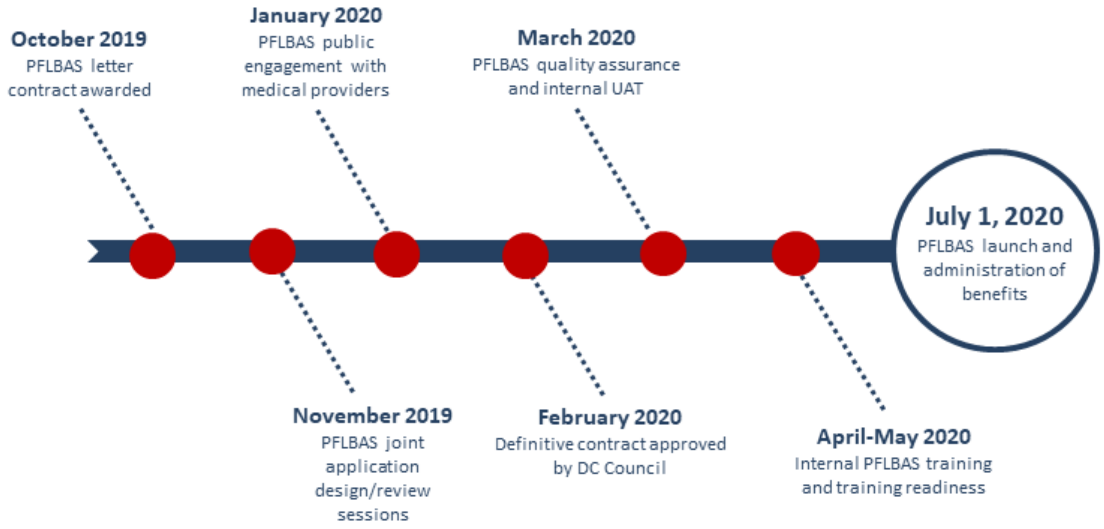

Figure 2: Paid Family Leave Benefits Administration System Project Timeline

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 the development of training materials to help trainees navigate the system, create test cases, and perform 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 continues 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 (IVR)

The 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.

Healthcare Provider Verification

The Healthcare Professional (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 (API) product, "DASH," to process 90 percent of verifications within 24 hours of the request, per the contract requirements. The full integration of the DASH software with the PFLBAS is anticipated to be completed by the end of Q4 of FY2020.

Continuous Process Improvement

The continuous process improvement solicitation was posted on January 14, 2020, and closed on February 3, 2020. The contract was awarded on May 1, 2020, to DigiDocs, Inc. The solicitation asked for a vendor

to provide guidance to the 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.

PUBLIC ENGAGEMENT

The COVID-19 emergency declaration continues to have short- and long-term impacts on OPFL's communication and outreach strategy. As the District makes steady progress, OPFL has focused on sustaining key partnerships, developing new content, and forging relationships in support of the administration of benefits. 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.

In collaboration with LINK Strategic Partners, a communications vendor, OPFL implemented a strategic communications plan to engage employers, employees, and the medical community in all eight wards of the District of Columbia. This plan included outreach to stakeholders, including medical providers, healthcare facilities, and community groups; development of diverse creative collateral materials; and participation in several community-based programs.

Healthcare Provider Outreach

OPFL is committed to providing health providers with the necessary resources to educate and support their patients on how this program will impact their lives. Healthcare initiatives include disseminating an electronic medical provider toolkit to 10,000 healthcare facilities and distributing program-branded supply items to 3,500 health-related sites across the District. In addition, OPFL continues to host the Wellness Wednesday virtual series, a powerful online platform that engages District workers and employers around health and well-being. Past facilitators of Wellness Wednesdays include the DC Office of Aging and Community Living, Giant Food Stores, and Thrive by Five. Since the launch of benefits, OPFL has hosted information sessions for the DC Hospital Association and Unity Healthcare.

Webinars

Due to COVID-19, OPFL reimagined how to communicate with stakeholders through biweekly webinars. OPFL used this initiative to create opportunities for accessibility, including providing a bilingual event in Spanish and using an American Sign Language (ASL) interpreter. OPFL developed a series of partnerships and hosted partner-specific events, including with the Greater Washington Hispanic Chamber of Commerce (GWHCC) and the Latino Economic Development Center (LEDC). To date, PFL webinars have engaged more than 8,000 stakeholders, focusing on how to apply for benefits, what workers need to know before applying, employer requirements, and other program-related information.

Paid Family Leave Newsletter

OPFL continues to produce the PFL electronic newsletter for employer and employee audiences. Reaching more than 70,000 key stakeholders, the newsletter is an effective way to communicate program updates, including PFL in the community, resource development, and benefits and tax-related information.

Social Media

Due to COVID-19, OPFL restructured its efforts to increase awareness in the virtual world. OPFL worked with LINK Strategic Partners to develop a social media strategy, including designing a suite of graphics used in preparation for the launch of benefits on July 1, 2020, and beyond. With the program underway, OPFL is using social media to highlight frequently asked questions and posting from the DOES twitter account three times a week. The program has developed over 30 different graphics, including translations in the six commonly-spoken, non-English languages across the District: Spanish, Amharic, Chinese, French, Korean, and Vietnamese.

Paid Family Leave Website

The PFL website, https://dcpaidfamilyleave.dc.gov, is the hub for PFL communication. In support of the launch of benefits, the program has expanded the site to include a dedicated page for healthcare providers, diverse resources for target audience segments, and an expansion to the workers' page with extensive information on how to apply for benefits. In addition, materials, including audience specific one-pagers, toolkits, handbooks, and fact sheets, are translated in the six commonly-spoken, non-English languages across the District.

Informational Sessions

In the digital space, OPFL continues to build and strengthen partnerships with community-based organizations by hosting virtual information sessions. These information sessions serve as an outlet to exchange program-related information to key members of the business community and to allow OPFL to interact directly with claimants. Past presentations include the Natural Resources Defense Council, Mercer, and EAB: Education Technology, Services, and Research.

Partnerships

An integral part of public engagement has been developing partnerships with organizations that reach target audiences. Outreach to organizations such as the Restaurant Association of Washington, HR Alliance, and the DC Chamber of Commerce has included sharing social media graphics and resource materials, developing content for their newsletters, and inviting members to attend bi-weekly webinars. Aligned with efforts to reach the low-wage worker, OPFL has also worked to disseminate translated resource materials to non-English speakers in residential buildings.

Special Events

OPFL continues to create opportunities to increase the footprint of DC Paid Family Leave among District workers. These opportunities include participation in the Momference Digital 2020, a virtual conference for millennial moms of color, and hosting a bilingual webinar with partners that serve the Spanish-speaking community during Hispanic Heritage Month. Additionally, OPFL co-sponsored Mayor Muriel Bowser's National Maternal and Infant Health Summit. This year's virtual summit offered the opportunity to build on the growing public awareness and interest in perinatal health and wellness. In addition, OPFL collaborated with local community-based organizations on the Districtwide Baby Shower. This shower allowed OPFL to promote the program with new parents in the District.

CONCLUSION

Despite the current public health emergency, OPFL successfully launched the PFL program on time for District workers. 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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DEPARTMENT OF EMPLOYMENT SERVICES
4058 Minnesota Avenue, NE
Washington, DC 20019

DCPaidFamilyLeave@dc.gov

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