

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Department of Employment Services**



Public Oversight Roundtable On

“Implementation of Law 21-264, the Universal Paid Leave Amendment Act  
of 2016”

Testimony of  
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Before the

Committee on Labor & Workforce Development  
Council of the District of Columbia  
The Honorable Elissa Silverman, Chairperson

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John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004

Good afternoon, Chairperson Silverman, councilmembers, and staff of the Committee on Labor and Workforce Development. I am Dr. Unique Morris-Hughes, Director of the Department of Employment Services (DOES), and this afternoon I will provide an update on the Executive's implementation of Law 21-264, the "Universal Paid Leave Amendment Act of 2016" (the Act).

Today marks the eighth Council roundtable since the effective date of the Act, and I am here to tell you that DOES has successfully launched the District's Paid Leave program. Last Monday, July 1, the District began collecting the 0.62 percent payroll tax from employers for the Paid Leave program. Today, I will detail the accomplishments that made it possible for this agency to meet this milestone and the actions the agency has taken since the last quarterly hearing. With the vision and support of Mayor Muriel Bowser, City Administrator Rashad Young, and the amazing team behind me, Paid Family Leave in Washington, DC is on track to be fully implemented on time.

I want to begin by acknowledging the DOES Paid Family Leave (PFL) team for their hard work in realizing this important program. Starting with a team of five, our PFL team has expanded to 45 professionals (41 FTEs and four contractors/resources) whose roles range from lawyers and policy experts to customer service specialists. Our PFL team is on track to have 90 employees by the end of FY19 and over 120 employees by July 1, 2020. This dynamic team took a legislative concept, designed a blueprint for success, and began building the best paid leave program in the country.

With the most aggressive timelines for implementation in the country, DOES has met every challenge head on and succeeded. Over the last two years DOES has:

- Created a transparent, bifurcated rulemaking process, including the publication of the final tax rules on June 21, 2019, and the coming publication of proposed benefits rules;
- Toured the country engaging with current paid leave administrators to find the most efficient and effective way to build and manage a paid leave system;
- Engaged thousands of businesses through a multi-faceted public outreach campaign of town halls, mailings, emails, live events, business walks, and webinars;
- Utilized various recruitment and selection strategies to search, identify, and hire talented staff from around the DC Washington region and the nation;
- Engaged with dozens of IT professionals to discuss best practices in building a system under the short timelines created through the Council legislation; and
- Obtained a vendor through the procurement process that would provide the District a tax system at the best value to our taxpayers.

While other states with similar paid leave programs have delayed their implementation rollouts and requested additional resources, we implemented our tax program on time and stand prepared to deliver benefits on July 1, 2020. In the third quarter of FY19, our staff continued their work on rulemaking, procurement, public engagement, IT development, hiring, and research to bring us to where we are today. Specifically, we finalized procurement for the PFL tax system, conducted independent verification and validation of the tax system, began

procurement for the PFL benefits system, continued to bring in new staff, and greatly expanded our public engagement efforts.

Prior to July 1, DOES and Sagitec Solutions made sure that the District had a functional and usable Employer Self-Service Portal (ESSP) for the business community. Our team focused on perfecting the system procedures for:

- Employer Registration;
- Employer Account Maintenance;
- Wage Reports; and
- Allowing PFL tax payments.

Testing the usability and functionality of the system was of critical importance to DOES. To that end, the agency solicited vendors to provide independent verification and validation services for the PFL Tax System. On May 21, 2019, the PFL independent verification and validation contract was awarded to Eigennet, LLC, a certified business enterprise. Eigennet was responsible for testing a PFL Tax System that meets the necessary functions and requirements to set-up, run, administer, and manage a PFL program compliant with DC Code. As of last month, Eigennet began working alongside Sagitec Solutions to do just that. In addition, the Office of Paid Family Leave (OPFL) worked with Eigennet to conduct user testing on the PFL Tax System with internal staff and external stakeholders, including already registered employers, third-party administrators, and self-employed individuals to verify the functionality of the system.

As our team enters phase two of the PFL tax system, we are working to roll out additional user supports by the end of the year. The second phase will include:

- Tax refunds and financial interfaces;
- Tax collections for non-compliance;
- Tax rates and field audits;
- General ledger; and
- Management reports.

For the Paid Family Leave Benefits Administration System, a request for solicitations closed on June 20, 2019. DOES, in conjunction with our partners at the Office of Contracting and Procurement (OCP), is procuring a PFL benefits system that will work seamlessly with the tax system. On May 30, 2019, DOES, OCP, and the Department of Small and Local Business Development (DSLBD), hosted a pre-proposal meeting to provide the opportunity for potential bidders to address questions regarding the solicitation. The District anticipates awarding a contract for the PFL benefits system in Fall 2019.

Finally, OPFL continues a large-scale campaign to educate the public about the upcoming benefits, and employer and employee rights and responsibilities under the law. In the third quarter of FY19, DOES increased employer information sessions, roundtables, business walks in all eight wards, a weekly PFL newsletter, informational videos, and a host of new print and digital materials. These items are in addition to the weekly webinars, town hall forums, emails, and other advertisements that PFL has leveraged. To date, DOES has shared information about the Paid Leave program with over 34,000 businesses. The business walks directly engaged over 1,000 businesses, and the town halls averaged over 200 attendees per event.

I want to again thank all of my co-workers and colleagues at DOES, OCP, DCHR, OCTO DSLBD, and the Executive Office of the Mayor who have contributed to the success and the on-time implementation of the Paid Leave program. Together, our agencies provide the District workforce the tools they need to remain a vital part of the city's prosperity and growth. Moving forward, DOES is confidently building the infrastructure necessary to meet the July 1, 2020 benefits deadline and create a paid leave system that will be the envy of every state in the country.

This concludes my testimony. I am available to address any questions you may have at this time.