

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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Good morning, 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 morning I will provide an update on the implementation of Law 21-264, the “Universal Paid Leave Amendment Act of 2016” (the Act). 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 continues to remain on-track.

Today, I am here to share the progress DOES has achieved in four key areas over the last quarter, as the agency moves toward full implementation of the District’s Paid Leave program. First, I am pleased to report that last October the District awarded the letter contract for the new Paid Leave benefits system and we are working with the vendor, Geographic Solutions, Inc., to design and develop the system. Second, DOES submitted the final paid leave benefits rules to Council in early January for its review. Third, DOES has continued to successfully collect taxes from DC employers for the Paid Family Leave (PFL) Trust Fund. Finally, the District continues to engage the public through a variety of critical outreach efforts.

As of today, the PFL team has 73 professionals whose roles range from IT specialists and policy experts to tax examiners and customer service specialists. DOES is on track to have a PFL team of over 120 employees to fully implement the program by the end of FY2020.

In the first quarter of FY2020, DOES made significant progress in the procurement and development of the PFL technology systems. In October 2019, the District awarded a letter contract to Geographic Solutions, Inc. to design, develop, and implement the PFL Benefits Administration System. The District is on its way to developing a benefits system that will include the following key functional features:

- Claims filing management;

- Adjudication of parental, family, and medical leave claims;
- Payment and administration of benefits;
- Investigations and fraud prevention tools;
- Repayment recovery; and
- Reporting and data analytics.

The proposed, definitized contract will be submitted to the Council for review and approval in the second quarter of FY2020. In the meantime, the PFL team continues to work closely with Geographic Solutions, Inc. to gather requirements and build out the benefits system. Over the next few months, as the agency prepares to launch the benefits system, key milestones will include: public engagement with medical providers, training, and user readiness testing. In addition, the District released a solicitation for independent verification and validation (IV&V) services for the benefits system in December 2019 and expects to award a contract in early 2020.

DOES made strides with rulemaking in the first quarter of FY2020 as well. Last summer's comment period for the proposed paid leave benefits rulemaking was a critical opportunity to ensure the public has input. I am pleased to share that DOES has completed its review of the approximately 1,200 comments received from nearly 400 individuals. As I mentioned at the last roundtable, the comments ranged from the desire to modify who may receive PFL benefits to comments supporting the procedures detailed in the regulations that make the administration of benefits as easy as possible for workers. Based on these comments, the final rulemaking includes clarifications to the provisions for filing for benefits in emergency circumstances, such as when an employer fails to provide their workers with the required PFL notice; information needed to file a claim; lists the documents accepted as proof of qualifying parental leave events; and makes other minor technical or conforming changes. The final rules

provide a strong regulatory framework for the benefits phase of the District's Paid Leave program. Finalizing these rules is critical for ensuring that DOES can implement an effective PFL benefits administration program on time. I urge the Council to approve them.

As we make progress towards benefits administration, DOES continues to strengthen the PFL tax collection program. As I have previously testified, DOES successfully implemented the tax program in July 2019. At that time, employers began using the same Employer Self-Service Portal used to submit wages and pay Unemployment Insurance. In the first quarter of FY2020, DOES continued to make enhancements to the tax system and roll out additional user supports. For example, in December 2019, the agency deployed functionality for PFL tax collections. Further, DOES will deploy another update in the second quarter of FY2020 with PFL tax refund and field auditing functionality. To date, DOES has collected more than \$144 million for the Paid Family Leave Trust Fund. For the second and third quarters of calendar year 2019, the agency collected approximately 97 percent of reported wages. These results speak to the success of outreach and education efforts to District employers.

For the small number of employers that have not submitted payments in full for the third quarter of calendar year 2019, the Office of Paid Family Leave (OPFL) sent late notices on November 12, 2019 to notify employers that they had 30 days to remit payment with interest and penalties. After 30 days, if OPFL did not receive payment in full, a delinquency notice was sent on December 12, 2019. Employers were also given the option to enter into an installment payment plan during this period. To date, DOES has collected nearly \$4.5 million in delinquent taxes, interest, and penalties.

As the start of PFL benefits administration nears, it is important that eligible workers are aware of their PFL rights. Beginning February 1, 2020, employers must post a notice to employees detailing PFL benefits rights in a conspicuous place at their worksites. OPFL

published and made employers aware of this notice's availability at a town hall event, in an email newsletter, and on the DOES Paid Family Leave website in December 2019. OPFL also sent a link to download the notice to all covered employers this month.

DOES continues to execute a robust public education campaign that informs employers, employees, and medical communities about each stage of the PFL rollout. Last quarter, outreach efforts shifted towards PFL benefits in advance of the benefits administration launch later this year. For example, on October 28, 2019, I hosted the first quarterly DOES Business and Community Stakeholder event. At this event, attendees shared feedback on a range of PFL issues, such as policies, program administration, and benefits. I greatly value these opportunities to meet with and hear directly from interested members of the public and key stakeholders. These quarterly meetings will continue moving forward with the second quarterly meeting being held on February 3, 2020 at 11:30 a.m. in the DOES Community Room. Also, on December 6, 2019, DOES held its fifth PFL town hall forum at the True Reformer Building. At the town hall, DOES provided updates on PFL implementation status, the benefits regulations, the required employee notice, and other key resources for District workers. Tax examiners were also onsite to answer employers' account and tax-related questions. The agency continues to broaden outreach through a weekly, electronic PFL newsletter that is sent to over 41,000 stakeholders, and post additional resources on the PFL website—dcpaidfamilyleave.dc.gov.

The website is the primary resource for workers, businesses, advocates, and organizations to learn about their PFL rights and responsibilities. Last quarter, DOES released a new six-part webinar series on PFL benefits on the site, providing detailed information on:

- Employer requirements;
- Covered workers and covered events;
- The benefits application process;

- Calculating PFL benefits;
- Leave schedules; and
- An overview of the forthcoming benefit's launch.

Finally, I am excited about recent efforts to increase engagement with healthcare stakeholders in the District. As trusted members of the community, it is vital that local healthcare professionals are knowledgeable about how the PFL program operates and how it impacts their work and the lives of their patients. Earlier this month, OPFL started two healthcare initiatives—Wellness Wednesdays and Family First Fridays—to enhance outreach to medical facilities and healthcare providers, such as Unity Healthcare, the DC Office on Aging, and Women, Infant, and Children (WIC). Outreach activities include tabling at local hospitals, clinics, and rehabilitation centers; conducting Wellness Wednesday walks in all eight wards; and distributing PFL materials at nursing homes, childcare centers, and adult day programs.

Over the next few months, the dedicated PFL team will work diligently toward a successful launch of the PFL benefits administration system. As my testimony demonstrates, OPFL has made significant progress in recent months by building upon the successful rollout of the PFL tax system. I want to again thank the staff at DOES, OCP, DCHR, OCTO, DSLBD, the Office of the City Administrator, and the Executive Office of the Mayor who have contributed to the success and implementation of the Paid Leave program. Together, DC government has provided the District workforce the tools needed to remain a vital part of the city's prosperity and growth. In making an advanced, robust, and manageable system, the focus has been on getting the small details right so that the large issues are addressed accordingly. DOES is confidently building the infrastructure necessary to 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 your questions.