



MURIEL BOWSER
MAYOR

October 1, 2021

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania, NW
Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

I am pleased to submit to the Council of the District of Columbia the enclosed "DC Paid Family Leave Quarter 4 Fiscal Year 2021 Report," prepared by the Department of Employment Services (DOES). Pursuant to section 104 of the Universal Paid Leave Amendment Act of 2016, effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code §32-541.04), this report provides information from July 1, 2021 through September 30, 2021 on program administration activities including tax collection, benefit claims, appeals, call center activity, staffing, information technology, contracts and procurement, and public engagement

July 2021 marked the one-year anniversary of full implementation of the District's Paid Family Leave program. I am pleased to report that DOES continues to effectively administer the program and has been paying benefits since the launch of the Paid Family Leave Benefits Administration System on July 1, 2020. Since then, the Office of Paid Family Leave has received more than 12,000 claims for benefits. Due to the timeframes involved for reviewing and submitting this quarterly report, the status of all activities included are as of August 2, 2021. The activities that are 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.

I am available to discuss any questions you may have regarding this report. In order to facilitate a response to your questions, please have your staff contact Dr. Unique Morris-Hughes, Director, DOES, at (202) 671-1900.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser
Mayor

QUARTER 4 FISCAL YEAR 2021 REPORT

DC PAID **FAMILY LEAVE**



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PURPOSE

The Department of Employment Services (DOES) is submitting this District of Columbia Paid Family Leave (PFL) Quarter 4 (Q4) 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 DOES’ administration of the PFL program. The report includes information on program administration, critical deadlines, information technology (IT), staffing, procurement, and public engagement. The findings in this report detail activities during Q4 of FY2021 (July 1, 2021 through September 30, 2021).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 paid family leave benefits an individual must be employed in the District and meet all eligibility requirements established by the Paid Leave Act. District and federal government employees are excluded from the program. The Paid Leave Act provides for a maximum of eight (8) weeks of parental leave, six (6) weeks of family leave, and two (2) weeks of medical leave per 52-week period. The maximum weekly benefit amount is \$1,000 through FY2021. Benefits are funded solely via 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 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 oversees the collection of taxes, premiums, contributions, fees, and revenue functions;
- Division of Benefits, which is responsible for claim filing, claim processing, payment of paid leave benefits, and benefit payment control oversight;
- Appeals, which handles internal reconsideration requests 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 oversees budget and procurement, quality assurance, and trainings.

¹ Due to the timeframes involved for reviewing and submitting the report, the status of all activities included are as of August 2, 2021. 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's PFL program recently celebrated the one-year anniversary of the launch of benefits administration on July 1, 2021. While the program continues to successfully provide benefits to the District's workforce, DOES has made a concerted effort to enhance its IT systems, improve customer service, and increase community engagement and program awareness. In addition to administering benefits, OPFL continues to collect employer tax contributions and work with community leaders, advocates, vendors, and other key stakeholders to ensure that all programmatic goals are met.

TAX COLLECTION

OPFL's Division of Tax has collected more than \$72 million in revenue for the Universal Paid Leave Fund in Q2 of Calendar Year (CY) 2021, 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.

For employers who did not file wage reports or submit their payments in full for Q2 of CY2021 by the deadline, OPFL will send late notices in August 2021 to inform employers of the 30-day remittal requirement which includes interest and penalties. For employers who do not request an administrative appeal, and do not submit their payment in full after thirty (30) days, OPFL will send delinquency notices in September 2021. These 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 Collections Unit from the Division of Tax will consider all methods authorized by the Act to collect the delinquent taxes as well as interest and penalties.

BENEFITS CLAIMS

OPFL continues to successfully administer benefits to eligible workers. Since the launch of benefits administration on July 1, 2020, OPFL has received more than 12,000 claims, as shown in Table 1 below.

Table 1: Total PFL claims received, as of August 2, 2021

PFL CLAIM TYPE	COUNT
Parental Leave	8,430
Medical Leave	2,901
Family Leave	848
Total Claims Received	12,179

APPEALS

Claimants may appeal their determinations via the internal DOES reconsideration process and/or the external OAH process.

As of August 2, 2021, OPFL has received 396 internal reconsideration requests. OPFL has resolved 381 internal reconsiderations, of which 59 percent have been overturned in the claimant's favor, as shown in Table 2. The high rate of reversals for internal reconsiderations is based on the ability for claimants to submit documentation that was omitted at the time of filing. OPFL incorporated the internal reconsideration

process to better serve claimants and improve customer service; for context, OAH proceedings do not allow for the submission of new or additional documentation that was not included with the initial claim.

Table 2: Status of PFL internal reconsideration requests, as of August 2, 2021

INTERNAL RECONSIDERATION REQUESTS	COUNT
Total Internal Appeals	396
Total Resolved	381
Reversed Claims	226
Affirmed Claims	155
Pending Resolution	15

The OAH process allows claimants to directly appeal a decision based on their disagreement with a benefits determination or an internal reconsideration determination. To date, there have been 13 OAH appeal requests.

CONTACT CENTER

The PFL Contact Center enlisted contracted call center staff to assist with the launch of PFL benefits and ensure all calls could be answered in a timely manner. These vendor services concluded on July 30, 2021, and OPFL plans to hire additional staff. Since the launch of benefits, contracted call takers and DOES staff have answered more than 41,000 calls, with an average wait time of 14 seconds. Agents have assisted customers with claim filing, answering general PFL questions, and troubleshooting issues. All DOES PFL Contact Center staff members have been cross-trained to assist with both benefits- and tax-related inquiries.

LEGISLATION AND POLICY

OPFL is evaluating the legislative changes to the PFL program included in the FY2022 Budget Support Act passed by the Council of the District of Columbia and will announce any programmatic changes as part of our public education and outreach campaign.

In April 2021, DOES awarded grants to three (3) organizations in the District under the Workplace Leave Navigators Program Establishment Amendment Act of 2020 (D.C. Law 23-149, D.C. Official Code § 32-561.01 et seq.). The grant recipients were awarded a total of \$650,000 to help District employers and employees better understand and navigate District and federal leave laws, such as the Paid Leave Act, D.C. Accrued Sick and Safe Leave Act, and D.C. and federal Family and Medical Leave Acts. Grant recipients have been offering services to District employers and employees since April 2021.

STAFFING PLAN

There are currently 102 employees on staff with OPFL, out of a total of 124.5 FTEs. These employees are critical to the program's administration and success. OPFL continued to hire new staff during the public emergency and will continue to fill positions in CY2021.

SYSTEM IMPLEMENTATION

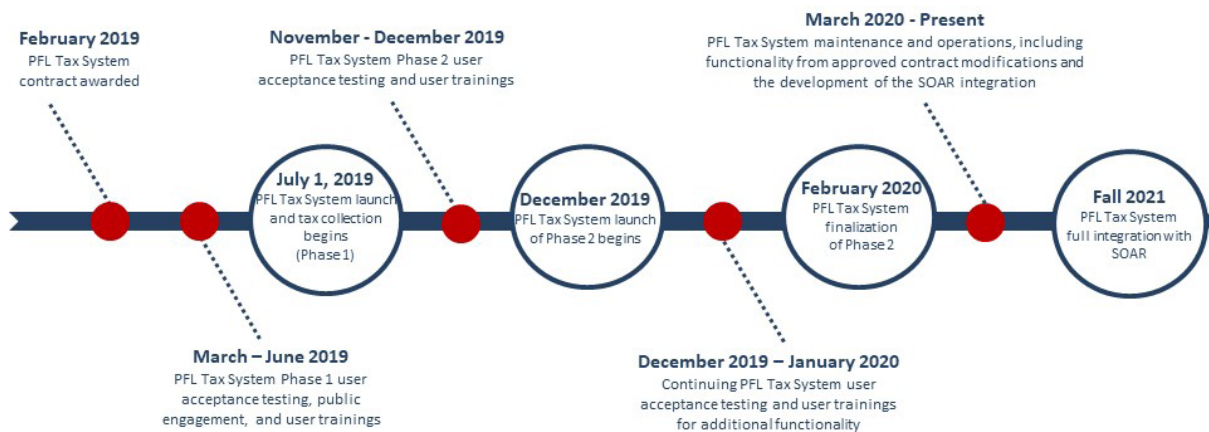
PFL Tax System

The PFL Tax System (PFLTS) has been operational for employers to remit their PFL contributions since July 2019. On February 21, 2021, DOES exercised the second option year of its contract with Sagitec Solutions, Inc. to continue the operations and maintenance of the PFLTS. The full integration of the PFLTS with the District's System of Accounting and Reporting (SOAR) is scheduled for deployment in fall 2021. Additional time for user acceptance testing was necessary for the SOAR integration to ensure a successful deployment.

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

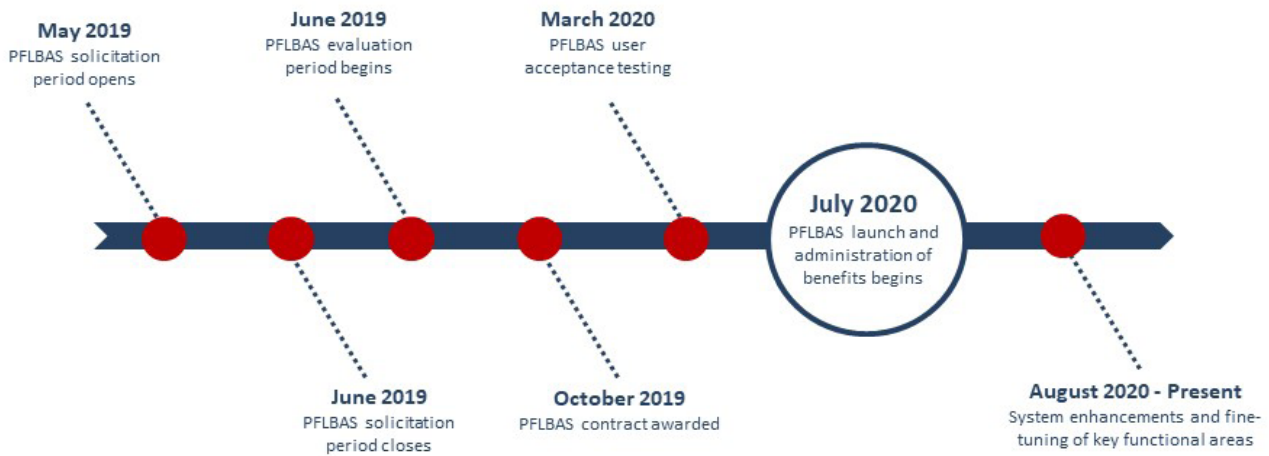


PFL Benefits Administration System

Since the launch of the PFL Benefits Administration System (PFLBAS) on July 1, 2020, the project has 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 focus area this quarter has been planning for the technical and functional requirements to implement the legislative changes to the PFL program included in the FY2022 Budget Support Act.

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 help ensure that the IT systems meet the necessary functions and requirements to administer the PFL program. Since the launch of the benefits program, Promesa Consulting Group, Inc. has supported DOES with verification and validation services for the PFLBAS. Promesa has provided system architecture assessments, in-depth risk analyses, and ongoing testing. In February 2021, DOES exercised the first option year of its contract with Promesa to continue verifying and validating interfaces, enhancements, phase 2 functionality, and security. Promesa is expected to provide the final assessment report of functional and technical testing, including a thorough test of all PFLBAS interfaces on August 13, 2021. The contract ended on August 17, 2021.

PROCUREMENT

Organizational Change Management

Since DOES exercised the first option year on July 24, 2020, the Georgetown Firm has focused on the creation of a strategic management plan for OPFL as part of their organizational change management (OCM) services. The Georgetown Firm submitted the strategic management plan to OPFL in July 2021. The plan documented the OPFL Division of Tax's reflection on their first year of operations and a path forward towards their departmental goals in the areas of human capital, inter-department collaboration, and operating smart and effective systems. DOES exercised the second option year of the contract on July 24, 2021.

Business Transformation

On April 7, 2021, DOES exercised the first option year of its contract with Metropolitan Strategies and Solutions. Metropolitan Strategies and Solutions will continue to provide 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.

Healthcare Provider Verification

In May 2021, DOES exercised the first option year of the Healthcare Provider (HCP) License Verification solution contract with Provider Trust, Inc. The vendor 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 in CY21.

Clean Hands Interface

The Clean Hands contract was awarded on October 21, 2020, to Peraton (formerly Northrop Grumman Systems, Inc.). The District’s 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. The vendor is currently creating a digital interface with the PFLTS and the Office of Tax and Revenue’s (OTR) Clean Hands database to ensure that employers are compliant with provisions of the Clean Hands mandate. The interface reports information on delinquent employers to OTR for tracking within the Clean Hands process. This effort includes analysis, development, deployment, testing, documentation, and monitoring of the interface. The interface is scheduled to be implemented in fall 2021.

Medical Examiners Staff Augmentation

On June 23, 2021, DOES exercised the first option year of its contract with DigiDoc, Inc. for medical staff augmentation. The contract provides part-time supportive services of multi-specialty medical examiners to OPFL. Medical examiners provide their technical expertise and knowledge in health and medical documentation reviews, assessments, and compliance of regulatory requirements in relation to the International Classification of Diseases, tenth revision (ICD-10) by the World Health Organization.

PUBLIC ENGAGEMENT

Although the public health emergency ended on July 25, 2021, the COVID-19 pandemic continues to influence OPFL’s communication and outreach strategy. As many workers and employers are adjusting to new virtual and in-person environments, OPFL’s goal is to better inform our key stakeholders about the PFL program and its benefits while adapting to changing circumstances. The District continues to contract with Link Strategic Partners to assist with its public awareness campaign to target large and diverse audiences.

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 the PFL and DOES websites, continue to be at the forefront of the program’s multi-faceted public education campaign. To increase its digital reach, OPFL ran a digital advertising campaign with Google which has received over three million impressions to date. In order to adapt our public engagement plan to the reopening of the District, OPFL has shifted focus back to participating in in-person events, such as the H Street Festival and the Mayor’s Maternal and Infant Health Summit.

Healthcare Provider Outreach

To enhance outreach to healthcare providers, multiple email blasts, including the Healthcare Provider Toolkit, were sent to more than 10,000 healthcare providers and District residents. The toolkit provides essential information, including a list of provider responsibilities, examples of the required forms, and other pertinent information for the medical community. OPFL has also partnered with the Ward 8 Health Council; Women, Infants, and Children (WIC); D.C. Breastfeeding Coalition; and D.C. Health to reach new parents in the District. OPFL also continues to host Wellness Wednesdays, a free 20-minute virtual series promoting self-health and well-being. Past Wellness Wednesday sessions included beginner yoga, summer gardening, and meditation for relaxation. For Wellness Wednesdays OPFL has partnered with Martha's Table, District Yoga, and Black Women's Health Imperative, among others. This series has attracted over 1,200 participants.

Direct Marketing Outreach

Although the public health emergency has ended, the health disparities facing historically underserved populations, specifically African American and Latino communities, continue. Understanding the importance of outreach to underserved populations, OPFL implemented initiatives to help minimize the gap and provide insight on PFL resources. OPFL has partnered with Latino community organizations, such as Mamatoto Village, Educare, and El Tiempo Latino to distribute more than 1,400 bilingual flyers and 500 promotional bags with informational materials. OPFL will continue outreach to the District's most vulnerable communities in order to alleviate barriers and provide an equitable and inclusive program.

OPFL has also reached out to Advisory Neighborhood Commissioners (ANCs) throughout the District and made a concerted effort to prioritize and engage ANCs in historically underserved neighborhoods. OPFL has also partnered with back-to-school events in wards 7 and 8, including I Dream PCS and Dupont Park Seventh-Day Adventist Community Day Back to School Event, to distribute informational flyers. In this effort, OPFL disseminated more than 400 informational pamphlets.

OPFL celebrated the one-year anniversary of benefits administration with a Facebook Live event featuring the women behind PFL, claimant testimonials, and a benefits overview. This event has over 550 views. OPFL will continue outreach to the District's most vulnerable communities, alleviating barriers and providing an equitable and inclusive program.

Webinars

Biweekly webinars are held to provide insightful and valuable information. During these webinars, OPFL addresses concerns and common questions from 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, the disabled community (partnering with the D.C. Commission on Persons with Disabilities), and the Latinx community (partnering with the Mayor's Office on Latino Affairs).

Paid Family Leave Newsletter

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

Paid Family Leave Website

The PFL website, dcpaidfamilyleave.dc.gov, is crucial in delivering program-related information to critical stakeholders. Serving as the focal point of PFL communications, OPFL continuously updates the website to address the target audience's needs. Additionally, OPFL continues to develop and house new resources on the website including Frequently Asked Question guides, flyers, and toolkits. These resources are translated into the six (6) commonly spoken, non-English languages. Additionally, the PFL website has been remapped for a more user-friendly navigation experience, making it easier for users to find essential resources such as flyers, benefit and tax forms, and a direct link to the benefits application.

Partnerships

Partnership development is an essential component of OPFL's overall communications and outreach strategy. By forging strong relationships, OPFL has increased program knowledge, reached a broader audience, and learned new engagement methods. Outcomes from strategic partnerships include email blasts, newsletter inclusion, social media content, and featured media interviews and stories that have engaged more than 72,000 residents and employers across all eight (8) wards. OPFL partners include WIC, D.C. Breastfeeding Coalition, D.C. Health, El Tiempo Latino, Bread for the City, Bridgepoint Healthcare, Unity Healthcare, Mamatoto Village, Community of Hope, Martha's Table, the D.C. Commission on Persons with Disabilities, and the Greater D.C. Diaper Bank.

CONCLUSION

July 2021 marked the one-year anniversary of the full implementation of the District's Paid Family Leave program. Since the launch of benefits administration, OPFL has continued to effectively administer the program despite the challenges caused by the public health emergency and has paid benefits to thousands of eligible District workers. With the successful collection of employer taxes and the administration of benefits, D.C. Paid Family Leave continues 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 building upon the momentum from the successful launch of PFL benefits in July 2020 and to providing District workers with the resources to effectively plan for their future.



DEPARTMENT OF EMPLOYMENT SERVICES
4058 Minnesota Avenue, NE
Washington, DC 20019

DCPaidFamilyLeave@dc.gov

