

Implementation Issues for the H.107 Paid Family Leave Program

1) Many discussions Spring 2018

In the 2016 Feasibility Study, administrative costs were assumed to be 7.5% of annual benefits paid when the program included leave for own medical, parental, and family care

Likely higher when omit own medical care as in last year's bill – still must evaluate "serious illness" for family members

Feasibility Study showed positions, salaries, FTE, cost of IT, facilities cost, etc.

Discussions with Washington State, Rhode Island, DC; look at spending from CA, RI

Established Temporary Disability programs with added PFL in larger states report ~5%

CALIFORNIA (\$Ms) (MAY 2018 DISABILITY INSURANCE (DI) FUND FORECAST Table 1)				
	2016	2017	2018(F)	2019(F)
Net Benefits (mil)	\$5,751.6	\$6,038.4	\$6,926.9	\$7,470.9
Admin (mil)	\$259.3	\$275	\$288.5	\$289.9
	4.5%	4.6%	4.2%	3.9%
RHODE ISLAND (Statistical and Fiscal Digest, p. 12 for 2017)				
	2016	2017		
Insurance Fund	\$181,195,250	\$182,286,032		
Admin Funds	\$8,924,256	\$8,276,187		
	4.9%	4.5%		

Input from VT Departments of Taxes and Labor, Senate Economic Development

Estimated cost to develop barebones collection of payroll tax by Tax Dept:

\$500,000 if done internally

\$2 million if hire outside contractor

In May 2018 Fiscal Note, JFO used 1/2 of adjusted Feasibility Study personnel costs in 1st two years, then 8.0% of annual benefits paid

2) Memo from Dan Smith, IT consultant to JFO

<https://legislature.vermont.gov/Documents/2018/WorkGroups/Senate%20Economic%20Development/Bills/H.196/H.196~Joyce%20Manchester~Memo~4-19-2018.pdf>

3) Vermont Paid Family and Medical Leave Feasibility Study: Final Report, Dec. 2016

https://women.vermont.gov/sites/women/files/pdf/VT%20PFML%20Study_Final%20Report_FINAL_V3.pdf

For the Vermont Commission on Women, completed by IMPAQ International

Illustrative Staffing Plan from the 2016 Report, all in 2016\$

Table 1: Proposed Staffing Plan for Establishing and Administering a Family and Medical Leave Insurance Program in Vermont

	2017		2018		2019		2020		2021	
	FTE	\$K	FTE	\$K	FTE	\$K	FTE	\$K	FTE	\$K
Program Staff										
Director	1.0	\$90.0	1.0	\$92.3	1.0	\$94.6	1.0	\$96.9	1.0	\$99.3
Office Manager	1.0	\$39.7	1.0	\$40.7	1.0	\$41.7	1.0	\$42.7	1.0	\$43.8
Policy Development Team	2.0	\$127.0	2.0	\$130.2	2.0	\$133.4	2.0	\$136.8	2.0	\$140.2
Communications & Outreach Coordinator	1.0	\$44.3	1.0	\$45.4	1.0	\$46.5	1.0	\$47.7	1.0	\$48.9
Administrative Support	1.0	\$33.9	1.0	\$34.7	1.0	\$35.6	1.0	\$36.5	1.0	\$37.4
Health Systems Physician	0.5	\$38.5	0.5	\$39.4						
IT Administrator			0.3	\$10.7	1.0	\$52.2	1.0	\$53.5	1.0	\$54.8
IT Analyst & Information Coordinator			0.3	\$11.3	1.0	\$46.5	1.0	\$47.7	1.0	\$48.9
IT Support			0.3	\$10.7	1.0	\$46.5	1.0	\$47.7	1.0	\$48.9
IT Implementation										
IT staff (development, testing, warehouse)	13.5	\$670.8	13.5	\$687.6						
Ongoing Claims Administration										
Customer Service Supervisors			0.5	\$21.5	2.0	\$88.1	2.0	\$90.3	2.0	\$92.5
Claims Specialist			3.8	\$144.5	15.0	\$563.8	15.0	\$577.9	15.0	\$592.4
Claims Adjudicator			1.9	\$80.1	7.5	\$312.7	7.5	\$320.5	7.5	\$328.5
Clinical Consultants/RNs			0.5	\$24.0	2.0	\$98.5	2.0	\$100.9	2.0	\$103.5
Compliance & Fraud			0.3	\$11.3	1.0	\$44.0	1.0	\$45.1	1.0	\$46.3
Additional Expenses										
Benefits (30 percent of salary)		\$111.99		\$124.64		\$149.12		\$152.85		\$156.67
Office Space				\$77.5		\$77.5		\$77.5		\$77.5
Furnishings				\$387.6						
IT Hardware		\$2,129.0								
Workstations		\$4.3		\$4.8		\$6.0		\$6.0		\$6.0
Telecommunications		\$18.0		\$24.9		\$32.9		\$32.9		\$32.9
Outreach				\$55.0		\$55.0		\$55.0		\$55.0
TOTAL	20.0	\$3,307.5	27.6	\$2,058.9	36.5	\$1,924.6	36.5	\$1,968.5	36.5	\$2,013.4

New Modeling Results for H.107 (Estimated 2019\$)	
	12-Feb-19
	12 Weeks, 100%
	If 25% of self- employed opt in
Number of Leaves Taken and Receiving Program Benefits	
Own Health	9,829
Maternity & Bonding	4,536
Family Care	1,897
Total	16,282
Weeks Receiving Program Benefits	
Own Health	8.1
Maternity & Bonding	8.2
Family Care	4.5
Overall	8.3
Average Weekly Benefit (est. mil. 2019\$)	\$794
Benefit Cost (est. mil. 2019\$)	
Own Health	\$63.1
Maternity & Bonding	\$29.7
Family Care	\$6.3
Total Benefit Cost (millions)	\$99.2
Administrative (7.5 percent, millions)	\$7.4
Total Cost (millions)	\$106.6
Cost as a Percentage of Wage Base	0.72%
<p>Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2013-2017 American Community Survey and 2012 FMLA Employees survey.</p> <p>Note: Values in 2016 dollars reported by IWPR were increased by 10% to represent wage growth between 2016 and 2019.</p>	