



PAID FAMILY AND MEDICAL LEAVE POST IMPLEMENTATION REVIEW

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Project Manager

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The text boxes denote Paid Family and Medical Leave team member quotes from the project closure lessons learned survey.

Executive Summary

The Paid Family and Family and Medical Leave (Paid Leave Program) Project was established to implement an innovative new program in Washington state. SSB 5975 was passed into law in July 2017 making Washington the fifth state in the nation to implement a Paid Family and Medical Leave Program, but the first to do so from the ground up. The Employment Security Department rose to the challenge of implementing all aspects of the program, including standing up a new Division, promulgating rules, creating standard operating procedures, creating a world-class customer care operation, and implementing tools to support the new program. A key implementation component of the project was the procurement, build and implementation of a new technology platform. In order to meet the aggressive timeframe, the team needed to establish a change-tolerant culture, adopt Scrum methodology and Agile mindset, and apply ruthless prioritization to define Minimally Viable Product for iterative deployment. The goal: launch and last—continuing to iterate the product to meet ever-evolving customer needs. As a result of the hard work and dedication of the team and the application of such innovative approaches, the program was established, and benefits processing began three days early. Washington's journey has been a model for others across the nation as they look to this program's successes as an example for building and launching a Paid Leave program.

ESD successfully achieved the following objectives:

- Established Paid Family and Medical Leave in Washington State.
- Built the program infrastructure (technology, communications, operations, treasury, policy, administration) to support this line of business.
- Developed formal rules, policies, and standards for the Program.
- Opened a new operating facility with a workspace strategy that supports collaboration, teamwork and openness.
- Enabled businesses operating within Washington state to submit wage reports and collect premiums.
- Received and processed employer's wage reports and premium payments.
- Provided a fully operational external portal and support system for filing benefit claims.
- Built awareness of the program and collected feedback on the service supplied.
- Stabilized the technology systems.
- Established monitor and control mechanisms for the technology and operational systems.

This was a successful project as it was:

- Within scope.
- On time. The three key milestones were successfully completed within specified timeframes.
- Under Budget. The approved Investment plan was \$57,989,493. The Legislature allocated \$82 million in funds to stand up the project.
- The loan was repaid within the designated timeframe.

Achieved the following outcomes:

- Went from bill signature to benefits implementation in 30 months (with the launch of the core technology platform in less than 24 months).
- Paid back the start-up loan plus interest two days early on June 28, 2019.
- Began collecting wage reports and premium payments in April 2019.
- Received positive customer feedback from the information presented at various outreach events and webinars.
- Assessed premiums slightly above projections each quarter totaling over \$776 million (as of 6/27/2020).
- Launched benefits three days early on December 30, 2020. In the first month of operation the program received nearly 85% of applications anticipated in the first year within the first four months of operation.
- Received over 83,000 applications and paid nearly \$230 million in the first six months of operation.
- Received the National Association of State Workforce Agencies' [2020 Merrill Baumgardner Excellence in Information Technology award](https://www.naswa.org/naswa-awards).

A critical success factor for the Paid Leave Implementation was the persistent and committed focus on the culture, specifically:

- Respect for People. Staff are empowered to make good choices. Teams were honored and celebrated, respecting their knowledge and expertise.
- Innovation. Pivot without mercy or guilt. Celebrate successes and failures.
- Relentless Improvement. Made gaps visible and addressed them thoughtfully. Reflected often and at key milestones. Identify and address root causes.

Recommendations from Lessons Learned

The Paid Family and Medical Leave project offers the following recommendations for other similar projects to have even greater success:

Address and adjust customer expectations from Government- *Launch & Last*

The project approach was to follow Agile best practices by implementing with a minimum viable product (MVP). A key strategy to meet the aggressive timeline was to prioritize those features that were critical first and continue to enhance those features as we learned more about their use. The need to change in response to feedback early on resulted in embracing this approach. “Launch and Last” reflects the program’s intention to continue to enhance the product (both operations and technology) through prioritizing future improvements based on customer feedback and data. Expectation management and stakeholder support is important, to promote the idea that government can and will continue to iterate, and the technology they use will last if we support its continued evolution and investment to better meet customer needs over time.

Identify common organizational goals in advance, align project plans with those goals, and allow time for iteration.

Designing and building an entire program, including the policy, while simultaneously building a technology product increases the complexity and risk for all program implementation work. The team eventually learned to build small and iterate to help other

“We were all working towards the same goal, go live for Premiums and then Benefits. It was exhilarating and frustrating at the same time. But, when you stopped to think what we were building and how it will help so many people, it made you smile.”

parts of the program engage more successfully in defining the end product. Early commitment to cross-organizational service delivery goals could have helped each workstream stay aligned and would have reduced rework. Utilizing low technology solutions (e.g. mock-ups) to gather customer feedback early would have helped reduce rework, efforts in stabilization and development. Other examples could include rapid prototyping before development or to allocate time for the staff to familiarize themselves with new technology products (e.g. Microsoft Dynamics) before they are customized, deployed and need to be maintained.

Embrace emerging technology

While we can frequently see and know emerging technology is on the horizon, embracing broad changes to the technology landscape, like cloud, take broad support. For projects, this is a difficult early decision which introduces project risk. For Paid Family and Medical leave, we believed the difficulty to overcome the heavy amount of coordination and stakeholder work necessary to adopt cloud, outweighed the introduced risk in other areas like testing, operations, and delivery. Ultimately, cloud implementation may have increased our development and delivery capability as well as the supportability of our platform. The team has quickly shifted our focus to migrate to the cloud and has had great success engaging with the ESD enterprise and WaTech partners in this effort.

"The IT implementation was a heavy and complex set of software to install and configure leading to fewer environments, more configuration points to deal with promoting code across environments and more failure points. The other difficult aspect was we have some great software but solutioning business problems on top of it in a short time period lead to some unoptimized business processes. It also requires special knowledge of the systems to understand how to best use them."

Plan to have resource contention between operating the solution and improving it

Implementing technology iteratively means planning for resource capacity to support both operating a system and improving it, simultaneously. Projects should allow time for normalization of business practices. The Paid Family and Medical Leave project's mandated timeline did not allow that. The phased milestones, while necessary, required stabilizing a component of the live system while continuing to add more functionality. For example, after the premium payment and wage collection milestone in April 2019, the team's attention had to focus on the benefits implementation of January 1, 2020. Over time this resulted in the need to forego work on the live system improvements (premium payments and wage collection) to ensure the timely and successful benefits delivery. For our care team, the staff had to continually add policy, procedures, desk aides and training to their knowledge base while serving the public while subject matter experts' capacity to support them competed with the next phase of development work. For our customers, that meant that we supplied them with information as needed, rather than being able to fully illustrate the complete program implementation.

"It was challenging that the system was not fully functional and policies and standard operating procedures were not ready before we needed them. It was very frustrating and I felt incompetent when speaking with customers."

The effort to align the teams, starting with key decision makers, on the product vision and core features early is essential. Maintain the shared vision, while defining and delivering more frequent iterations to prevent large changes from happening all at once and running up against mandated timelines. The Paid Leave team adapted this approach with the benefits launch and it proved to be significantly more effective. We will continue to work to reach a sustainable pace for changes as we move forward to support our next phases of improvements.

Critical Success Factors

Worth noting are the key principles that assured our success, and we recommend for future projects:

Develop strong & visible sponsorship

The established project governance set forward the necessary foundation for project success. ESD Leaders, OCIO, and vendor management were actively engaged with the Paid Family and Medical Leave team, including onsite visits, attending all-staff meetings, and supporting the team during critical moments (e.g. long weekends prior to a launch, opening of the phone lines, difficult adjustments). The Advisory Committee is quite invested in the program, and the monthly meetings provide honest dialog about the project's status, triumphs and challenges. Executive support is critical.

"I loved our team's ability to pivot and the positive atmosphere that surrounds our work, even when we are facing extreme obstacles. I loved how leadership was responsive and reactive to the needs of specialists. Even though it took longer to get a solution than we would have liked sometimes, I do feel heard when I'm at work and feel like management cares about our well-being."

Engage the right people, partners & co-locate the team

From the beginning, the project established highly collaborative partnerships. For example, the two technology vendors (Deloitte and Microsoft) worked with the internal Paid Leave technology and project management staff, together finding solutions to challenges as *one team*. This teamwork extends to all parts of the organization and partners (e.g. state agencies, quality assurance consultant, national banks) where all Paid Family and Medical Leave team members embrace a distinct culture that is highly collaborative and interactive.



The core values outlined in the chart above are prominently displayed throughout the office space and embedded into the organizational goals, playbook (strategic plan) and retrospectives. These values, along with transparency of project status, collective ownership to find solutions and resolve problems has resulted in a deeply committed team.

“The people I've worked with. Regardless of differences of opinion, I almost always felt like the person on the other side of the table wanted to provide the highest quality product we could, while helping the most people possible. I loved the fact that the people I worked with had the end users in mind, the people who would ultimately benefit from the program. In a lot of projects it's easy to lose track of what the actual ultimate purpose is of what is being built. I've seen less of that here than I have anywhere else”.

Actively plan for and manage change

A key strategy outlined in the Investment Plan and carried throughout the project is resourcing organizational change management within the program. Actively taking care of our people (e.g. 1:1 coaching, team coaching; problem resolution) is critical to our success as a project. Whenever a significant shift was considered, the leadership working with the change manager assessed the changes and actively developed a change plan, when needed. Being an agile project, we utilized the practice of team reflection, learning and adjustments after each milestone, and the conducted whole-team retrospectives semi-annually.

“I enjoyed learning more details about agile, the ceremonies, and just a high level understanding of how work flows through our systems. I also learned a lot about myself, including crucial conversations regarding my job, my boss etc. That was a true learning and growth experience.”

Invest in Communication & User Outreach

Our objective is to reach customers where they are, and we invested accordingly. Paid Family and Medical Leave offers a multi-modal communications approach, including outreach, direct mail and email, paid advertising and public relations. We conducted extensive outreach, webinars, videos, print and digital communications

in order to prepare employers, key stakeholders and legislators for the program's 1/1/2019 benefit collection milestone and mirrored this approach for the benefits launch on 1/1/2020. We built, maintained and upgraded the paidleave.wa.gov website (also translated into Spanish) to a contemporary, information-rich customer tool, filled with toolkits, frequently asked questions and resources for the public.

Maintain transparency about project status

The project team knew it was essential to be honest about project/ program status and embraced the hard questions. We believe its ok to be red on the dashboard and identify the roadblocks. We recognized early the timelines were aggressive and it would collective efforts and support for a successful project. In fact, we have embraced and shared our learnings with other states. In October 2019, Washington state hosted the National Paid Leave Convening where people from many states to talk about Paid Family and Medical Leave programs.

"If things weren't going as planned, Leadership let us know. If they didn't know how to tackle a task, Leadership asked for help. It was reassuring to see our leaders acting as people and not governmental power."

Projected Goals & Objectives

[RCW 50A.05](#) outlines the expectation to create a family and medical leave insurance program to provide reasonable paid family leave for the birth or placement of a child with the employee, for the care of a family member who has a serious health condition, and for a qualifying exigency under the federal family and medical leave act, and reasonable paid medical leave for an employee's own serious health condition and to reasonably assist businesses in implementing and maintaining a program to support their employees and family. The aggressive timeline signed into law by the Governor July 5, 2017 specified businesses would begin collecting premiums on January 1, 2019 and benefit claims may be filed starting January 1, 2020.

The objectives for the Paid Leave program as defined in RCW are:

- Adopt government efficiencies to improve administration and reduce costs, with combined reporting and payment;
- Use information sharing and integration technology to facilitate the disclosure of relevant information or records by the department;
- Information contained in the files and records pertaining to an employee under this chapter are confidential and not open to public inspection;

- Develop and implement an outreach program to ensure that employees who may be qualified to receive family and medical leave benefits under this title are made aware of these benefits;
- Establish mechanisms to inspect and audit employer files and records relating to the family and medical leave program, including employer voluntary plans.
- Convene an advisory committee to review issues and topics related to the program;
- Establish an Ombud office for family and medical leave within the department;
- Beginning December 1, 2020, and annually thereafter, report to the legislature on the entire program (measures outlined below);
- Adopt rules as necessary to implement the program; and,
- Establish medical leave insurance and enforcement accounts in the custody of the state treasurer.

The technology vision, goals and objectives outlined in the investment plan are:

- Washington to be seen as a national leader in service delivery through technology in this program's implementation and contemporary design.
- Utilize Microsoft Dynamics 365 for an on-site implementation with contracted services to configure and extend the platform.
- Provide three decoupled solutions- a customer-facing portal, an integration layer, and a backend platform hosting customer relationship and accounting tools.
 - Maximize effective, efficient delivery of services by matching technology to customer needs,
 - Have a modern look and feel, aligning with the expectations of today's users,
 - Integrate into the state enterprise environment, and
 - Support continuous improvement for external customers and internal users.
- Leverage existing ESD and state investments (e.g. SAW, ILINX, SDC, SGN, TIDAL), and supporting the OCIO strategic technology plan through the use of commercial off-the shelf (COTS) software products.
- Utilize an Agile project delivery method.
- Embed business representatives into Sprint development teams to align services and support processes with business needs.

Actual Results

As the fifth state in the nation to implement Paid Family and Medical Leave, and the first to create both types of leave simultaneously and from the ground up (previous states added family leave programs onto long-standing temporary disability programs), ESD has served as a model for other states interested in providing paid leave to their citizens. The

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projected goals from the legislation were completed as noted above, as well as the technology vision, goals and objectives.

The Project completed all major milestones noted in the RCW on-time or early:

- Employers to collect premium payments by 1/1/2019 (on-time);
- Employers to make premium payments to Employment Security Department by 5/26/2019 (soft launch began 4/30/2019);
- Loan repayment by 6/30/2019 (loan repaid with interest on 6/28/2019);
- Customers to be able to submit benefit applications by 1/1/2020 (soft launch 12/30/2019).

SCHEDULE

	PROJECTED	ACTUAL	VARIANCE REASON
Start	8/1/2017	8/1/2017	
Employers can submit Voluntary Plan applications (M1)	8/30/2018	9/17/2018	Stakeholder feedback indicated a preference for less automation in the Voluntary Plan reviews, changing requirements and causing a delay.
Employers to collect Premiums	1/1/2019	1/1/2019	
Employers remit wage reports / premium payments (M2)	5/26/2019	4/30/2019	Opted for a soft launch approach, worked with select subset of employers to use the system before the broader public launch.
Benefit Claims can be filed (M3)	1/1/2020	12/30/2019	Soft launch was accomplished three days ahead of the publicly communicated launch on the first working day of 2020 (1/2/2020).
Stabilization Complete*	8/1/2020	1/31/2020	System stabilization began immediately following the release of functionality to allow for people to apply and be paid benefit claims.
IT Project end	8/15/2020	6/30/2020	Agile framework and iterative development will continue as the platform is optimized to meet customer and program needs.

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COSTS

FUNDED AMOUNT	INVESTMENT PLAN	ACTUAL SPENT-TO-DATE	EXPLANATION OF VARIANCE
\$82M	\$57,989,493	\$50,347,499	State employee staffing, hardware and equipment costs were underspend compared to budget.

SCOPE

Project completion and achievement of scope was demonstrated by live, working software for stakeholders and customers. Following agile best practices, the incremental requirements were mapped to tasks that were examined for priority on a regular basis. Requirements were and will continue to be, prioritized by their inherent value to the customer as they related to the minimum viable product that achieves the mandated scope.

Variance

The reason for the variance between the projected and actual goals and objectives was tied to the extremely aggressive schedule. Given this, we initiated and sustained the project and ultimately achieved success by being agile. By design, adjustments occurred as we depended on constant and ruthless prioritization to achieve the minimally viable product and iterative delivery to accomplish the project goals. Additionally, we employed consistent application of retrospectives throughout the project which allowed for the successful identification of gaps and presented the opportunity for adjustments.

Quality Assurance Recommendations

The Quality Assurance vendors final recommendations are posted on the OCIO project site.

Activities to be completed after project closure

There are three items that will be completed after June 2020: Small Business Assistance Grants, Child Support Collections and to initiate the Legislative reporting.

Child Support Collections

Initial data gathering, multiple design sessions between Department of Social & Health Services- Division of Child Support (DCS) and Paid Family and Medical Leave. DCS and Paid Leave executives agreed the child support deduction would not be part of Benefits 1.0 or before June 2020.

Next steps are to determine when this work will be prioritized and then develop a tentative timeline. Executive communication and alignment will need to support the proposal to DCS. Then re-establish a joint working group to initiate and proceed with the work.

Small Business Assistance Grants

Design work is underway, and the following key milestones will be completed before the end of 2020. Advisory Committee is aware of the timeline and shares the objective with Paid Family and Medical Leave to implement the Small Business Assistance Grant program as soon as possible.



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 Initiate Annual Legislative reporting

One component of the [RCW 50A.05](#) outlines the requirement to provide a legislative report beginning in December 2020 and annually thereafter. This report is on track for on-time delivery and will include the following:

Required Measures
1. Projected and actual program participation
2. Premium rates
3. Fund balances
4. Benefits paid
5. Demographic information on program participants
6. Costs of providing benefits
7. Elective coverage participation
8. Voluntary Plan participation
9. Outreach Efforts
10. Small business assistance
Product Measures:
1. Customer self-service on the portal
2. Customer behavior-based measures on the portal (adoption rates & repetitive use)
3. Customer service speed on the portal
4. Customer claim process metrics
Technical Implementation Measures:
1. Progress against Paid Family and Medical Leave project milestones
2. Status of the project's critical success factors
3. Speed of development work
4. Quality of the development work (bugs, missed requirements, and integration failures)
5. Development work progress
6. Actionable development operations measures, including software build failures
7. Team member satisfaction with work