Paid Family Medical Leave: Overview of Washington State

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*Disclaimer: Information being provided is as technical assistance and is not an endorsement from the Department.

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Overview

- Washington State was the first state in the nation to create a Paid Family Medical Leave program from scratch.
 - Early implementers prior to Washington built their programs from Temporary Disability Insurance programs.
- Governor Inslee signed bill into law in July of 2017.
- Aggressive timeframe to complete work.
 - Loan had to be paid back by June 30, 2019.
 - Launch of program benefits by January 1, 2020.
- 30,000 applications were submitted for the month of January 2020.

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Innovations

- Emphasis on team culture and change management.
 - Created one team that works towards common goal.
 - Dedicated time and resources for change management and employee development.
 - Full time Organizational Change Manager on staff.
- Active executive sponsors.
 - Leadership is actively involved in the project.
- Customer centered design.
 - System was created with understanding it had to be designed for workers and employers.
 - Targeted outreach to customers.
 - Dedicated communications team.
- Lean and Agile values and principles.
 - Ability to adapt and change based on challenges.
- Purposeful design.
 - Designed and built the system for the long term and avoided short cuts.
 - Continuous system and customer service improvements.

Implementation

- Washington State created an entire bureau in order to administer their Paid Family Medical Leave program.
 - Currently they have 243 staff members, and they requested hiring an additional 143 staff members.
- Team is made of agency staff, vendor staff, and consultants.
- Initial loan was provided in legislation of \$82 million.
 - The loan covered implementation and early operations costs for late 2017 through June 2019. This includes technology, rent, staffing and other associated costs.
- Funded by workers and employers by a premium withheld on wages.

Implementation Cont.

- Initial technology costs were around \$57 million. Comparable to estimates made by MDOL if a similar system were to be developed in Maine. MDOL estimates technology costs would be closer to \$67 million.
- Washington state estimates that at full capacity, their PFML team is 60%-70% the staffing of their UI team. Estimates from MDOL show that a similar program would likely need 115 positions. Sample positions would include:
 - Eligibility Agents
 - Adjudicators
 - Tax Section Managers
- Staffing would be separate from Unemployment Insurance as Unemployment Administrative Funds cannot be used on anything else due to federal law.

*Numbers are estimates developed in 2019 and are subject to revision. Source:<u>https://www.nascio.org/wp-content/uploads/2020/09/Bill-to-Benefits-in-30-months_PMFL_State-CIO.pdf</u>

Additional Resources

- <u>https://www.nascio.org/wp-content/uploads/2020/09/Bill-to-</u> <u>Benefits-in-30-months_PMFL_State-CIO.pdf</u>
- Post Implementation Review
- <u>Project Close Out</u>
- <u>https://esdorchardstorage.blob.core.windows.net/esdwa/Default/E</u> <u>SDWAGOV/newsroom/Legislative-resources/2020Paid-Leave-</u> <u>Program-Report.pdf</u>
- <u>https://media.esd.wa.gov/esdwa/Default/ESDWAGOV/newsroom/Legislative-resources/ESD%20PFML%20September%201%202021%20Report.pdf</u>

