

# **Maryland Department of Legislative Services**

## **Invitation to Submit Proposal for Study of Family and Medical Leave Insurance Program**

### **Overview**

The Maryland Department of Legislative Services (DLS) is a nonpartisan agency of the Legislative Branch of State government. DLS is the sole staff agency that supports the work of the Maryland General Assembly.

[Chapter 48 of 2022](#) establishes the Family and Medical Leave Insurance (FAMLI) Program, to be administered by the Maryland Department of Labor (MDL), to provide benefits to a covered individual taking leave from employment due to specified personal and family circumstances.

Chapter 48 requires DLS to contract with a consultant to study and make recommendations regarding the capability and capacity of MDL to implement and administer the FAMLI program, including recommendations regarding additional resources needed by MDL to meet future demands of the program. DLS is seeking proposals for a consultant to conduct the study and make related recommendations.

The legislation required DLS to report the consultant's findings and recommendations to the Governor and the General Assembly by October 1, 2022; however, DLS anticipates two to three additional months being required for the completion of the study.

### **Background and Scope of Services**

The FAMLI program as established by Chapter 48 generally provides up to 12 weeks of benefits to a covered individual who is taking leave from employment due to caring for certain family members, the individual's own serious health condition, or a qualifying exigency arising out of a family member's military deployment. The weekly benefit is based on an individual's average weekly wage and is indexed to inflation. Required contributions to the program, which are shared between employers and employees, are also based on employee wages. Generally, all employers who employ at least 1 employee must participate in the program, but only employers with 15 or more employees must contribute.

FAMLI will be implemented and administered by MDL, which must create a new program using general funds until monies from required contributions become available. There is \$10 million in general funding that has been provided for this purpose in the fiscal 2023 budget. Contributions to the program are required to begin October 1, 2023, and benefit payments are required to begin January 1, 2025. Based on the size of Maryland's workforce, DLS has previously estimated benefit payments of \$333.1 million in fiscal 2025 and at least \$685.1 million annually thereafter.

Based on the requirements in Chapter 48, DLS seeks a consultant to conduct a study that, at a minimum, will include the following:

- ***Assessment of the Capability and Capacity of MDL to Implement and Administer the FAML I Program:*** MDL must develop a tax structure, payment structure, complaint and investigative structure, and require the imposition of an employee and employer contribution. FAML I covers more employees and employers than unemployment insurance, and the maximum weekly benefit is significantly higher, although DLS believes there will likely be fewer claims. The consultant will:
  - Examine the staffing, contract, and technology needs of MDL related to different program elements (*e.g.*, claims administration, data management, appeals, approval of private employer plans, etc.), including the time to hire/train staff with the appropriate experience and ability.
  - Examine likely participation rates for private-employer plans, including an estimated number of private-employer plans and estimated employees covered under those plans.
- ***Analysis of Implementation in Other State Programs:*** The experiences of other states in implementing and administering similar programs, both directly and by contracting for administration, are of particular relevance at this stage of program implementation. The consultant will:
  - Provide an overview of obstacles faced by other states when implementing their family and medical leave programs and recommendations on how best to avoid those obstacles.
  - Provide an analysis of the cost to the state of Washington to implement its Paid Family and Medical Leave Program, including staffing requirements and other expenses associated with program implementation and administration by year.
  - Provide an analysis of the cost to the state of Connecticut to begin implementing its Paid Family and Medical Leave Act, with a focus on the state's effort to contract out administration of the program, contract requirements, and oversight of the contract.
- ***Recommendations for Additional Resources Needed by MDL:*** Based on the above assessments, the report should include recommendations regarding what additional resources are needed by MDL, when are they needed, and at what estimated costs. The consultant will include recommendations for:
  - The timing and amount of staffing, contract, and technology needs and associated costs for MDL to (1) directly administer the FAML I Program or (2) contract for the administration of the FAML I Program.

## Proposal Submission

Proposals submitted in response to this solicitation should follow the format below:

- A. A one-page letter of introduction which includes the following:
  - 1. date of proposal submission;
  - 2. offeror's full legal name;
  - 3. contact person and phone number(s);
  - 4. offeror's full business address;
  - 5. Social Security or Federal Tax Identification number; and
  - 6. date on which the offeror is prepared to begin work and indication of availability to continue through December 31, 2022.
- B. A summary of the experience of the primary contact for the contract and the other employees who will be assigned to the project, including the ability of identified staff to provide the Scope of Services as required by DLS.
- C. A detailed description of how the scope of work as stated in the Scope of Services will be accomplished and a current résumé describing relevant education and experience.
- D. A proposed weekly schedule identifying any milestones for any draft and final deliverables, along with an estimate of the number of hours or days anticipated to complete each milestone.
- E. A proposal should include either the proposed total contract estimated costs or proposed hourly rates and justification for rates and estimated hours needed to complete the contract. The proposal should also include a listing of references and points of contact that indicate the offeror's provision of comparable services or work on recent similar projects.

Proposals should be submitted electronically, with files attached in PDF format, to Stephen Ross, Principal Policy Analyst with DLS, at [Steve.Ross@mlis.state.md.us](mailto:Steve.Ross@mlis.state.md.us). Questions or inquiries may also be emailed to Mr. Ross.

The successful proposal will be selected by DLS based on the materials submitted. Offerors may be invited to appear in person or virtually to present their proposals to DLS staff and to respond to questions regarding their proposals and qualifications. Offerors may also be required to refine aspects of their proposals subsequent to presentation.

## Solicitation Schedule

Issue Date: July 6, 2022

Proposals Due: August 4, 2022, no later than 5:00 p.m.

Anticipated Contract Commencement (approximate): August 25, 2022

Anticipated Contract Completion: December 31, 2022