2024 NASPEs AWARD

Eugene H. Rooney, Jr. Award Nomination
Innovative State Human Resource Management Program

Nominations from dues-paying states are considered for eligibility. Nominated leaders and programs should have a positive effect on the administration of state human resource programs. A state's central human resource department or line agency human resource operations may administer nominated programs.

Programs and projects must have been operational for at least six months and must be transferable to other states. Selection criteria are based on the questions asked on the award application. Included in this packet are the specific criteria for each award and their categories. Nominations are encouraged in all areas of human resource management administration.

PROGRAM INFORMATION

Program Title: Vermont Voluntary Paid Family Leave Program State: VT

Contact Person: Clarke Collins

Contact's Title: Deputy Director of Benefits and Wellness

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NOMINATOR INFORMATION

Nominator: Beth Fastiggi Title: Commissioner – Human Resources

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ALL SUBMISSIONS MUST:
• Meet all eligibility requirements • Meet deadline requirements
• Include a complete nomination packet • Conform to all copyright laws

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DETAILS

Please attach a one-page summary of the program. Provide a narrative answer for each of the questions. You are limited to four pages (based on regular 8 1/2 x 11-inch paper double-spaced in 12-point font). The four-page limit does not include the one-page summary.

1. Please provide a brief description of this program.

This is an initiative to create and make available a voluntary paid family and medical leave (FMLI) program for all employer/employees in the State of Vermont. Initiated by Vermont Governor Phil Scott, the goal is to create a voluntary statewide FMLI program provided by a private insurer. Vermont employers will be better able to compete for talent on a national, regional, and local scale by voluntarily offering this benefit to employees. This solution provides the benefit without increasing employer taxes and without having to invest a massive amount of public funds to build the infrastructure and run the program that is typically required for a mandatory paid family leave program.

2. How long has this program been operational (month and year)?

9 months – since July 2023.
This program is to be implemented in 3 phases:
7/1/23 – State Employees received the benefit
7/1/24 – Employers able to offer the benefit to their employees – individual employer quotes now available in advance of phase 2 launch.
7/1/25 – Individuals able to purchase the benefit if not offered by employer

3. Why was this program created? (What problem[s] or issues does it address?)

Click or tap here to enter text.

This program addresses the fact that no insurers previously offered Paid Family and Medical Leave Insurance in Vermont, and there is not a mandatory FMLI program in Vermont. Many employers see this benefit as necessary to compete with national, regional or local competitors to attract and retain talent in a time where the unemployment rate in Vermont is very low. 90+ percent of employers in Vermont have fewer than 50 employees, with the average employer size of 3 employees, and are too small to fund their own program. Employees are seeking to work for employers that offer this type of benefit.

4. Why is this program a new and creative method?

Several states have already implemented or passed laws to create mandatory paid family and medical leave programs which take considerable time to implement, plus extensive up front state government investment to create the program infrastructure (IT, tax and personnel). Typically, this requires payroll taxes to fund and operate the program moving forward. Through a competitive bidding process, the State contracted with a private insurance company, the Hartford, to develop, launch and operate the program using the cost of providing the benefit to state employees to fund the program start-up costs. The costs to the State were the use of existing employee and benefit consultant resources who worked on the project RFP, benefit program design, program start-up and marketing. Using the State workforce as an actuarial base to launch a program for private employers and then individuals is unique and a model that other states have expressed interest in. This program is geared towards all employer sizes and is extremely useful for very small employers who would otherwise not be able to offer or afford to offer this benefit to employees.

The Department of Human Resources (DHR) is leading this effort and is the contract "owner" with the vendor, The Hartford. For DHR, multiple divisions (legal, labor, benefits, reporting, HRIS, payroll, commissioner's office, field staff) all worked diligently together in a short time period to successfully launch the State employee program. Along with the Department of Finance and Regulation for product approval and other departments in state government for contract approval, this project highlighted successful collaboration and coordination within DHR to ensure this high-profile program launched to state employees smoothly.

5. What was the program's startup costs? (Provide detailed information about specific purchases for this program, staffing needs and other expenditures, as well as existing materials, technology, and staff already in place.)

State employee/leadership time to contract for the service (multiple staff in Human Resources and the Department of Financial Regulation) to work with the Insurer to design the benefit and review and launch the program. The State also is providing employee resources to market the program. The DHR benefits division added one employee (approx. $100,000/year) over the past year to help, in part to account for an increased workload to administer this and other programs, and to free up time for supervisor and director of this division to focus on program design and launch of the state employee program. The State used its benefits consultant to assist with bidding and program launch.

6. What are the program's operational costs?

Though premium is based on salary, the aggregate p per employee per month cost is currently running at $22.66 per employee.

7. How is this program funded?

Insurance premiums

8. Did this program originate in your state? ☒ ☐

9. Are you aware of similar programs in other states? ☐ ☒

If yes, how does this program differ?

Click or tap here to enter text.

New Hampshire has a voluntary program but is more of a hybrid approach and will not reach the individual market.

10. How do you measure the success of this program?

Phase I – State employees - current sample measurements:

State of Vermont employee benefits received from 07/01/23 through 03/31/24.

• 217 cases were approved
• The average duration of the FMLI benefit was 20 workdays, with 35% of claimants using the full 6 weeks.
• The gross benefit dollars distributed to date equal $579,728.

State government program website: https://www.thehartford.com/vermont-family-medical-leave-insurance

Phase 2: Employers, effective 7/1/24
# of employers offering benefit, # of employees receiving benefit, utilization

Currently:
Approximately 60 Employers have already requested quotes:

Other information:
FMLI vs. FMLA video https://fmli.thehartford.com/
Employer and broker webpages including webinars: https://fmli.thehartford.com/broker

11. How has the program grown and/or changed since its inception?

This is a three-phase program with Phase 1 - state employees operational for 9 months; Phase 2 Employer Market - has launched, product is approved from a regulatory perspective, infrastructure is developed, marketing/advertising is underway (including wraps on city buses!), and businesses are getting quotes and preparing to purchase for 7/1/24 and beyond. Phase 3 – Individual Market is in the planning stages and will launch 7/1/25.