

Three Models for Vermont (March 19, 2019), IWPR Modeling Results converted to 2019 Dollars

	Model 1	Model 2	Model 3
	12 weeks for maternity/bonding 8 weeks for family care, own medical Wage repl 90% up to VLW and 50% above VLW up to 2.5 times VLW No self-employed	12 weeks for maternity/bonding 9 weeks for family care, own medical Wage repl 90% up to VLW and 60% above VLW up to 2 times VLW No self-employed	12 weeks for maternity/bonding 6 weeks for family care, own medical Wage repl 80% up to VLW and 60% above VLW up to 2 times VLW No self-employed
Number of Leaves Taken and Receiving FMLI Benefits			
Own Serious Health Condition (Self Care)	9,103	9,217	9,280
Parental/Bonding	4,217	4,217	4,272
Family Care	1,754	1,826	1,880
Total	15,074	15,260	15,432
Weeks Receiving Program Benefits			
Own Serious Health Condition (Self Care)	6.6	7.1	5.3
Parental/Bonding	8.3	8.4	8.2
Family Care	4.2	4.3	3.6
Overall	7.3	7.8	6.4
Average Weekly Benefit	\$674	\$689	\$634
Benefit Cost (\$millions, 2019)			
Own Serious Health Condition (Self Care)	\$39.8	\$45.4	\$30.8
Parental/Bonding	\$24.2	\$24.2	\$22.4
Family Care	\$4.6	\$5.2	\$4.1
Total Benefit Cost	\$68.9	\$74.7	\$57.4
Administrative (5 percent, \$millions)	\$3.4	\$3.7	\$2.9
Total Cost (\$millions, 2019)	\$72.4	\$78.4	\$60.3
VT-LIFO Taxable Earnings (\$millions, 2019)	\$14,125.1	\$14,125.1	\$14,125.1
Cost as a Percent of Total Earnings	0.50%	0.55%	0.42%

Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2012-2016 American Community Survey (ACS) and 2012 FMLA Employees survey (10 replications run 18-19 March 2019).

Cash Flow for Model 1 Family and Medical Leave using ADS/VDOL costs for IT and Administration of Program, Tax Dept. estimate							
PRELIMINARY -- Steady Economy, 12/8 wks, 90/50 repl, max ben 2.5 VLW							
Assumptions/Parameters	Tax Dept IT Development Cost	ADS IT Development Cost	Pyrl Tax Rate, Yr 2-5	Int rate on Treas funds, Yrs 2-4	Int rate on Treas funds, Yrs 5+	Pyrl Tax Rate, Yr 6+	
Tax IT: Collect contributions	\$1,000,000	\$11,350,000	0.530%	2.50%	2.50%	0.550%	
VDOL IT: All else							
	Start System 7/1/19	Start Taxes 7/1/20	Start Benefits 10/1/21				
	One year start-up	No ben's in FY2020	Fully operating in Oct.	Fully operating	Fully operating	Fully operating	Fully operating
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
PROGRAM REVENUE	\$0	\$76,556,075	\$77,704,416	\$78,869,982	\$80,053,032	\$84,320,010	\$85,584,810
Contributions from payroll tax	\$0	\$76,556,075	\$77,704,416	\$78,869,982	\$80,053,032	\$84,320,010	\$85,584,810
TOTAL COSTS (ben, IT, admin, addn to reserves)	\$5,532,200	\$76,613,685	\$62,962,277	\$66,929,455	\$71,090,395	\$75,453,076	\$76,905,019
Benefits paid			\$53,605,015	\$72,545,453	\$73,633,635	\$74,738,140	\$75,859,212
IT product development & personnel (ADS)	\$4,865,200	\$6,484,400	\$1,216,962	\$1,222,691	\$1,228,592	\$1,234,669	\$1,240,929
Admin costs from VDOL for Yr3+ (\$6 to \$10mil)			\$8,000,000	\$8,184,000	\$8,372,232	\$8,564,793	\$8,761,784
IT/Personnel costs from Tax Dept	\$667,000	\$977,490	\$659,313	\$674,477	\$689,990	\$705,860	\$722,095
Needed additions to reserves		\$69,151,795	-\$519,013	-\$15,697,167	-\$12,834,054	-\$9,790,387	-\$9,679,001
Reserves required: 9 mos bens & admin at t+1		\$63,481,290	\$64,490,258	\$65,516,041	\$66,558,928	\$67,619,217	\$68,719,304
Reserve balance carried forward		-\$5,532,200	-\$57,610	\$14,742,139	\$11,940,527	\$8,962,637	\$8,866,934
Interest earned on reserves	\$0	-\$138,305	\$1,585,592	\$1,980,810	\$1,936,414	\$1,888,039	\$1,912,154
Excess fund balance as of start of year	\$0	-\$5,670,505	\$1,527,982	\$16,722,949	\$13,876,942	\$10,850,676	\$10,779,088
EXCESS FUND BALANCE	-\$5,532,200	-\$57,610	\$14,742,139	\$11,940,527	\$8,962,637	\$8,866,934	\$8,679,791

For Reference:	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Wages subject to PFL tax (update 1mar2019)	\$14,231,076,279	\$14,444,542,423	\$14,661,210,560	\$14,881,128,718	\$15,104,345,649	\$15,330,910,834	\$15,560,874,496
% Change in Wage Base (use historical)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total benefits, IWPR estimate grow at 1.5%	\$69,376,450	\$70,417,097	\$71,473,353	\$72,545,453	\$73,633,635	\$74,738,140	\$75,859,212
Admin as Share of Benefits			18.4%	13.9%	14.0%	14.1%	14.1%