

HB 1761-FN - AS INTRODUCED

2026 SESSION

26-3138

06/08

HOUSE BILL ***1761-FN***

AN ACT expanding the New Hampshire paid family and medical leave program.

SPONSORS: Rep. Beauchemin, Hills. 3; Rep. Jacobs, Ches. 15; Rep. Mandelbaum, Rock. 21;
Rep. Weinstein, Rock. 10; Rep. Colby, Merr. 9; Rep. Lucas, Graf. 7; Rep. H.
Howard, Straf. 4

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill expands on the existing granite state paid family leave plan with a new publicly administered family and medical leave insurance (FMLI) program.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT expanding the New Hampshire paid family and medical leave program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Short Title. This act shall be known and may be cited as the "New Hampshire Family and
2 Medical Leave Insurance Act."

3 2 New Subdivision; New Hampshire Family and Medical Leave Insurance. Amend RSA 21-I by
4 inserting after section 111 the following new subdivision:

5 New Hampshire Family and Medical Leave Insurance

6 21-I:111-a Definitions. In this subdivision:

7 I. "Alternative base period" means the last 4 completed calendar quarters immediately
8 preceding the first day of the individual's application year and any weeks in which wages were paid
9 to the individual in the incomplete calendar quarter in which the individual filed a claim for
10 benefits.

11 II. "Application year" means the 12-month period beginning on the first day of the calendar
12 week in which a covered individual files an application for family and medical leave insurance
13 benefits.

14 III. "Average weekly wage" means 1/13 of the wages paid during the quarter of the covered
15 individual's base period or alternative base period in which the total wages were highest.

16 IV. "Base period" means the first 4 of the last 5 completed calendar quarters immediately
17 preceding the first day of an individual's application year; provided that if the first quarter of the
18 last 5 completed calendar quarters was included in the base period applicable to any individual's
19 previous application year, the individual's base period shall be the last 4 completed calendar
20 quarters.

21 V. "Child" means, regardless of age, a biological, adopted or foster child, stepchild or legal
22 ward, a child of a domestic partner, a child to whom the covered individual stands in loco parentis, or
23 a person to whom the covered individual stood in loco parentis when the person was a minor.

24 VI. "Committed relationship" means a relationship in which the covered individual and the
25 domestic partner of the covered individual share responsibility for a significant measure of each
26 other's common welfare, including relationships granted legal recognition by a state, political
27 subdivision, or the District of Columbia as a marriage or analogous relationship.

28 VII. "Covered individual" means any person who is a former employee who has been
29 separated from employment for not more than 26 weeks at the start of the individual's paid family
30 and medical leave and who satisfies the requirements of this paragraph. A "covered individual" also
31 means any person who:

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1 (a) Earned the minimum earnings amount required by rule from work in the state
2 during the person's base period or alternative base period prior to submitting an application; or

3 (b) Is self-employed and has elected coverage in accordance with RSA 21-I:111; and

4 (c) Meets the administrative requirements set forth in this subdivision; and

5 (d) Submits an application.

6 VIII. "Department" means the department of insurance.

7 IX. "Director" means the director of the department of insurance.

8 X. "Domestic partner" means an adult in a committed relationship with another adult.

9 XI. "Employee" shall have the same meaning as provided in RSA 275:42.

10 XII. "Employer" shall have the same meaning as provided in RSA 275:42.

11 XIII. "Family and medical leave insurance benefits" means the wage replacement
12 entitlements provided under this subdivision.

13 XIV. "Family member" means:

14 (a) A child;

15 (b) A biological, adoptive or foster parent, stepparent or legal guardian of a covered
16 individual or a covered individual's spouse or domestic partner, or a person who stood in loco
17 parentis when the covered individual or the covered individual's spouse or domestic partner was a
18 minor child;

19 (c) A person to whom the covered individual is legally married under the laws of any
20 state, or a domestic partner of a covered individual;

21 (d) A grandparent, grandchild or sibling of the covered individual or the covered
22 individual's spouse or domestic partner; or

23 (e) Any other individual related by blood or whose close association with the covered
24 individual is the equivalent of a family relationship.

25 XV. "FMLI" means family and medical leave insurance.

26 XVI. "Health care provider" means any person licensed under federal law, state law, or the
27 laws of another country to provide medical or emergency services, including but not limited to
28 physicians, nurses, clinical social workers, licensed professional counselors, certified/licensed nurse
29 midwives, and New Hampshire certified midwives.

30 XVII. "Interference" means any action that may have the effect of preventing or
31 discouraging an employee from exercising any right guaranteed under this subdivision, including
32 actions described in RSA 21-I:108 and RSA 21-I:115.

33 XVIII. "Paid family and medical leave" means leave taken from employment, self-
34 employment, or availability for employment in connection with family and medical leave insurance
35 benefits under this subdivision.

1 XIX. "Qualifying exigency leave" means leave based on a need arising from a covered
2 individual's family member's active duty service or notice of impending call or order to active duty in
3 the armed forces, as further described by rule.

4 XX. "Retaliatory personnel action" means denial of or interference with any right
5 guaranteed under this subdivision, including any threat, discharge, suspension, demotion, reduction
6 of hours or pay, adverse action, or reporting or threatening to report an individual's citizenship or
7 immigration status to a governmental agency, and includes interference with participation in
8 investigations, hearings, or proceedings under this subdivision.

9 XXI. "Serious health condition" means an illness, injury, impairment, pregnancy, recovery
10 from childbirth, or physical or mental condition that involves inpatient care in a hospital, hospice, or
11 residential medical care facility, or continuing treatment by a health care provider.

12 XXII. "Statewide average weekly wage" has the meaning as defined in RSA 281-A:15.

13 21-I:111-b Eligibility for benefits. Beginning January 1, 2027, a covered individual is entitled to
14 take paid family and medical leave and to receive family and medical leave insurance benefits if the
15 individual meets the definition of covered individual under RSA 21-I:111-a and the leave is for one of
16 the following qualifying reasons:

17 I. Birth of a child, adoption, or placement through foster care, including prenatal absence
18 when necessary for placement to proceed, and care of a child within 12 months of the birth, adoption,
19 or placement;

20 II. Care of a family member with a serious health condition;

21 III. The individual's own serious health condition, including pregnancy-related conditions or
22 pregnancy loss;

23 IV. A qualifying exigency related to a family member's active duty status;

24 V. Any other reason for leave as set forth in the federal Family and Medical Leave Act or
25 NH FMLA as applicable.

26 21-I:111-c Duration of benefits.

27 I. The maximum number of weeks for which family leave described in RSA 21-I:100, I and
28 for the individual's own serious health condition described in RSA 21-I:100, III are payable in an
29 application year is 26 weeks.

30 II. The maximum number of weeks for which family and other qualifying leaves described in
31 RSA 21-I:100, II, IV, and V are payable in an application year is 12 weeks.

32 III. The aggregate maximum number of weeks available under subparagraphs I and II in an
33 application year is 26 weeks.

34 IV. Benefits shall be payable as of the commencement of covered leave. The first payment
35 must be made within 4 weeks after the claim is filed or within 4 weeks of the first day of the
36 approved claim, whichever is later, and subsequent payments shall be made at intervals established
37 by rule.

1 21-I:111-d Amount of benefits.

2 I. Weekly benefit calculation.

3 (a) The portion of the covered individual's average weekly wage that is equal to or less
4 than 30 percent of the statewide average weekly wage shall be replaced at a rate of 90 percent.

5 (b) The portion of the covered individual's average weekly wage that is more than 30
6 percent of the statewide average weekly wage shall be replaced at a rate of 60 percent.

7 II. The maximum weekly benefit shall not exceed the statewide average weekly wage.

8 III. Benefits are payable only after a covered individual has accumulated at least 4 hours of
9 family and medical leave.

10 IV. For covered individuals taking leave from one or more jobs, the benefit amount shall be
11 prorated according to the proportion of the covered individual's typical workweek represented by the
12 job or jobs from which leave is taken, up to the maximum total benefit.

13 V. Family and medical leave insurance benefits under this subdivision shall be reduced by
14 amounts received under RSA 281-A:28. During any period of leave for the covered individual's own
15 serious health condition, benefits shall be reduced by amounts received under workers' compensation
16 or other temporary or permanent disability benefits, except as otherwise provided for partial
17 disability; the director shall adopt regulations to coordinate benefits accordingly.

18 21-I:111-e Contributions; Fund Management.

19 I. Payroll contributions shall be authorized and used exclusively to finance benefits and
20 administration of the family and medical leave insurance program.

21 II. Beginning January 1, 2027, each employer shall remit contributions to the family and
22 medical leave insurance fund in the form and manner determined by the department.

23 III. The contribution rate for the initial period and for subsequent years shall be set as
24 follows:

25 (a) The initial contribution amount for the period January 1 through December 31 shall
26 be a percentage of wages per employee as determined by the New Hampshire state board of
27 investment or other designee by rule.

28 (b) Not later than June 30 of each year beginning in 2027, the New Hampshire state
29 board of investment shall set the contribution rate for the coming calendar year at the percentage
30 necessary to obtain total contributions equal to 135 percent of benefits paid during the previous
31 fiscal year plus an amount equal to 100 percent of administration costs for the previous fiscal year,
32 less net assets remaining in the fund as of the applicable date.

33 IV. Self-employed persons who elect coverage shall pay the percentage of the contribution
34 required of employees as specified by rule and shall remit contributions directly to the department in
35 the form and manner required.

36 V. Employers may deduct from employees' wages the employee portion of the contribution
37 up to the percentage allowed by rule. Employers shall remit contributions as required by rule.

1 VI. Employers who fail or refuse to remit contributions shall be assessed penalties and
2 interest as prescribed by rule; collections shall be deposited into the family and medical leave
3 insurance fund.

4 VII. An employer's failure to remit contributions shall not affect an individual's eligibility
5 for benefits.

6 21-I:111-f Intermittent and Reduced Schedule Leave.

7 I. A covered individual may elect to take paid family and medical leave intermittently or on
8 a reduced schedule; benefits shall be prorated accordingly.

9 II. A covered individual shall make a reasonable effort to schedule foreseeable intermittent
10 leave so as not to unduly disrupt employer operations and shall provide prior notice to the extent
11 practicable.

12 III. Intermittent or reduced schedule leave does not entitle a covered individual to more
13 total leave than provided under RSA 21-I:111-c.

14 21-I:111-g Job Restoration and Benefits Continuation.

15 I. Upon expiration of paid family and medical leave, a covered individual is entitled to be
16 restored to the position held when leave commenced or to an equivalent position with equivalent
17 seniority, status, benefits, pay, and other terms and conditions of employment.

18 II. A covered individual who takes leave but does not receive benefits under this subdivision
19 remains entitled to restoration under this section.

20 III. During leave, the employer shall maintain health benefits as if the covered individual
21 continued working; the employee shall continue to pay the employee share and the employer shall
22 continue to pay the employer share as required prior to the leave.

23 IV. Enforcement of this section shall be as provided in RSA 21-I:111-t.

24 21-I:111-h Retaliation and Interference Prohibited.

25 I. It shall be prohibited for any person to interfere with, restrain, or deny the exercise of any
26 right under this subdivision.

27 II. Employers, temporary help companies, employment agencies, employee organizations,
28 and other persons shall not take retaliatory personnel action or otherwise discriminate against a
29 person for exercising rights under this subdivision.

30 III. An employer's absence control policy shall not count paid family and medical leave
31 under this subdivision as an absence that may lead to discipline, discharge, demotion, suspension, or
32 other adverse action.

33 IV. Protections apply to any person who mistakenly but in good faith alleges violations of
34 this subdivision.

35 V. Enforcement shall be as provided in RSA 21-I:111-t.

36 21-I:111-i Coordination of Benefits and Rights.

1 I. Leave covered under this subdivision that also qualifies under the federal or state FMLA
2 shall run concurrently.

3 II. An employer may require coordination of payments from this subdivision with payments
4 under a short-term disability policy or a bank of time designated for family and medical leave if
5 employees receive written notice of that requirement.

6 III. No employee shall be required to use accrued vacation, sick leave, or other paid time off
7 prior to or while receiving benefits under this subdivision; an employee may elect to use accrued paid
8 leave while receiving benefits provided aggregate payments do not exceed the covered individual's
9 average weekly earnings.

10 IV. This subdivision does not diminish rights under collective bargaining agreements,
11 employer policies, employment contracts, or applicable laws that provide more generous leave or
12 benefits. Any waiver of rights under this subdivision is void.

13 21-I:111-j Employer Notice Obligations.

14 I. Each employer shall provide written notice to each employee upon hiring and annually
15 thereafter describing rights and procedures under this subdivision, the amount of available benefits,
16 claim filing procedures, job restoration and continuation of benefits, prohibitions against
17 discrimination and retaliation, and the right to file a complaint.

18 II. Each employer shall display a poster in a conspicuous location and shall provide notices
19 electronically for workplaces without a physical site; the department shall prescribe the form and
20 content of notices and poster by rule.

21 III. Notices shall be provided in English, the language typically used for communication
22 with the employee, and any other language required by rule where a specified threshold of
23 employees speaks that language.

24 IV. Employers who fail to provide required notices shall be assessed penalties as prescribed
25 by rule; collections shall be deposited into the Family and Medical Leave Insurance Fund.

26 V. Employees shall provide notice to employers as soon as practicable of intent to take leave;
27 where the need is foreseeable, employees shall not be required to provide more than the notice period
28 established by rule.

29 21-I:111-k Appeals.

30 I. The director shall establish an administrative appeal system for determinations of claims;
31 appeals shall be filed within 90 days of notice of determination.

32 II. The director may utilize procedures established under RSA 282-A, provided that
33 employers shall not be parties to appeals under this section.

34 III. Following the department's final determination on appeal, an aggrieved individual may
35 seek judicial review in a court of competent jurisdiction.

36 IV. The department shall implement procedures to ensure confidentiality of claim and
37 appeal information to the maximum extent permitted by law.

1 21-I:111-l Erroneous Payments; Disqualification.

2 I. A covered individual may be disqualified from benefits for up to one year if determined by
3 the director to have willfully and knowingly misrepresented a material fact to obtain benefits; such
4 determinations are subject to appeal.

5 II. If benefits were paid erroneously or as a result of misrepresentation, the department may
6 seek repayment; the director may waive repayment in whole or part where recovery would be
7 against equity and good conscience.

8 21-I:111-m Elective Coverage for Self-employed Persons.

9 I. A self-employed person may elect coverage for a minimum initial period set by rule and,
10 upon election and compliance with eligibility requirements, becomes eligible for benefits in
11 accordance with RSA 21-I:111-a.

12 II. Elections and withdrawals shall be filed in the manner required by rule; the department
13 shall establish income reporting and record requirements for electing self-employed persons.

14 21-I:111-n Administration; Confidentiality.

15 I. The department shall establish and administer the family and medical leave insurance
16 program, collect contributions, determine claims, and administer appeals.

17 II. The department shall notify the employer within 5 business days of a claim being filed;
18 the department need not receive employer acknowledgment before processing a claim.

19 III. The department may use information-sharing technology consistent with state and
20 federal privacy laws and shall safeguard confidential information; records shall be confidential
21 except as necessary for administration or as otherwise required by law.

22 IV. The director shall adopt rules necessary to implement this subdivision.

23 21-I:111-o Certification.

24 I. The department shall establish reasonable forms and procedures for claims and
25 certification that are not unduly burdensome; forms shall be available in English, Spanish, and other
26 languages as required by rule.

27 II. An application may be filed no more than 60 days before the anticipated start date and
28 no more than 90 days after the start date; the department may waive the filing deadline for good
29 cause.

30 III. Certification requirements by leave type shall be prescribed by rule and may include
31 birth certificates, provider statements, adoption or placement documentation, military orders, police
32 reports, court documents, professional or victim advocate statements, or the individual's attestation
33 where appropriate.

34 IV. The department shall accept alternative certification demonstrating need for leave.

35 V. All medical and personal information submitted shall be confidential and disclosure
36 limited in accordance with law.

1 VI. A health care provider shall, upon receipt of a request and authorization from the
2 patient, provide required certification within 7 calendar days unless the provider lacks necessary
3 information; providers and facilities shall not charge a separate fee for completing required
4 certifications, except that charges for office visits remain permissible.

5 21-I:111-p Income Tax.

6 I. If the Internal Revenue Service determines that benefits under this subdivision are
7 subject to federal income tax, the department shall inform claimants at filing of the federal tax
8 status and any estimated tax payment requirements.

9 II. Benefits under this subdivision shall be treated for state income tax purposes as provided
10 by statute and rule.

11 21-I:111-q Family and Medical Leave Insurance Fund; Establishment and Administration.

12 I. The department shall create and administer a family and medical leave insurance fund for
13 the deposit of insurance payments and any other moneys received pursuant to this chapter or as
14 otherwise authorized by law. The fund shall be nonlapsing and continually appropriated to the
15 department for the purpose of implementing and administering the family and medical leave
16 insurance program. No moneys in the fund shall be co-mingled with unemployment insurance fund
17 moneys. The department is authorized to withdraw or expend moneys from the fund for qualifying
18 benefit payments and for any amounts reasonably necessary to implement and administer the
19 provisions of this chapter. Expenditures shall be made only upon the authorization of the director or
20 the director's designee.

21 II. Whenever, in the judgment of the state comptroller, the amount in the family and
22 medical leave insurance fund exceeds that deemed necessary to meet current expenditures properly
23 payable therefrom, the comptroller shall have full authority to invest, reinvest, manage, contract,
24 sell, or exchange investments acquired with such excess funds in accordance with RSA 6:7 or any
25 other applicable law. Any revenue derived from such transactions shall be deposited in the family
26 and medical leave insurance fund.

27 21-I:111-r Reporting.

28 I. Beginning January 1, 2028, and annually thereafter by March 1, the department shall
29 report to the legislature and make publicly available information including program participation by
30 leave purpose; applicant and approved claimant demographics and employment characteristics as
31 collected at application; average weekly benefit; average leave duration by purpose; contribution
32 rates; fund balances and projections; processing times; reasons for denials; appeals and outcomes;
33 average time from application to benefit receipt; outreach efforts; and, for caregiver leaves, the
34 category of family member cared for.

35 II. The department shall prepare reports consistent with privacy protections and in formats
36 prescribed by rule.

37 21-I:111-s Public Education and Outreach.

1 I. By January 1, 2027, and ongoing thereafter, the department shall conduct a public
2 education campaign to inform workers and employers about the program, including certification
3 requirements.

4 II. The department may use up to 5 percent of annual fund collections for outreach and
5 education in the form and manner prescribed by rule; outreach materials shall be available in
6 English, Spanish, and other languages as required by rule.

7 21-I:111-t Enforcement.

8 I. An individual who believes their rights under this subdivision have been violated may,
9 within 24 months after the violation or the date the individual reasonably should have known of the
10 violation, file a complaint with the department or bring a civil action in a court of competent
11 jurisdiction.

12 II. The department shall process complaints under procedures consistent with state law. If
13 the department finds a violation of RSA 21-I:105 or RSA 21-I:106, the department may order
14 remedial action including:

- 15 (a) Provision of requested leave;
- 16 (b) Reinstatement;
- 17 (c) Up to 2 years of back pay;
- 18 (d) Interest on back pay at the prevailing rate;
- 19 (e) Liquidated damages equal to back pay plus interest;
- 20 (f) Payment of reasonable attorney fees to the complainant; and
- 21 (g) Any other relief the department deems appropriate.

22 III. The department may assess civil penalties as prescribed by rule; penalty proceeds shall
23 be deposited into the Family and Medical Leave Insurance Fund.

24 IV. An individual may bring a civil action for violations of RSA 21-I:105 or RSA 21-I:106
25 without first filing a departmental complaint; civil actions shall be brought within 24 months after
26 completion of any administrative proceeding.

27 21-I:111-u Interagency Coordination.

28 I. The department is encouraged to coordinate program data, technology, outreach, and
29 services with other state programs and to integrate the program with existing state policies and
30 practices to promote effectiveness and utilization.

31 II. The state shall report on coordination efforts annually beginning January 1, 2028.

32 21-I:111-v Severability. If any provision of this subdivision is held invalid, the remainder shall
33 not be affected.

34 21-I:111-w Rulemaking.

35 I. The director shall adopt rules, pursuant to RSA 541-A, as necessary to implement and
36 administer the provisions of RSA 21-I:99 through RSA 21-I:111-v.

1 II. The director may adopt interim rules under RSA 541-A:19, in addition to any permanent
2 rules pursuant to RSA 541-A, to ensure timely implementation of the family and medical leave
3 insurance program, including but not limited to rules governing:

4 (a) Application and certification procedures;

5 (b) Contribution rates and remittance procedures;

6 (c) Benefit calculations and payment schedules;

7 (d) Coordination with other benefit programs;

8 (e) Notice and posting requirements;

9 (f) Appeals and enforcement procedures; and

10 (g) Any other matters necessary to effectuate the purposes of this subdivision.

11 3 Effective Date. This act shall take effect January 1, 2027.

HB 1761-FN- FISCAL NOTE
AS INTRODUCED

AN ACT expanding the New Hampshire paid family and medical leave program.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

| Estimated State Impact | | | | |
|-------------------------------|--|---|---|---|
| | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Revenue | \$0 | \$0 | \$0 | \$0 |
| <i>Revenue Fund(s)</i> | Paid Family and Medical Leave Insurance (PFMLI) Fund | | | |
| Expenditures* | \$0 | Indeterminable Increase up to \$2,500,000 (PFMIL Fund) | Indeterminable Increase \$2,500,000 (PFMIL Fund) | Indeterminable Increase \$2,500,000 (PFMIL Fund) |
| | | Indeterminable \$700,000 to \$3,300,000 (GF) | Indeterminable \$700,000 to \$3,300,000 (GF) | Indeterminable \$700,000 to \$3,300,000 (GF) |
| | | Indeterminable \$1,100,000 to \$2,400,000 (Contributions) | Indeterminable \$1,100,000 to \$2,400,000 (Contributions) | Indeterminable \$1,100,000 to \$2,400,000 (Contributions) |
| <i>Funding Source(s)</i> | Paid Family and Medical Leave Insurance (PFMLI) Fund, General Fund (GF), and Employer/Employee Contributions | | | |
| Appropriations* | \$0 | \$0 | \$0 | \$0 |
| <i>Funding Source(s)</i> | None | | | |

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

| Estimated Political Subdivision Impact | | | | |
|---|----------------|----------------|----------------|----------------|
| | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| County Revenue | \$0 | \$0 | \$0 | \$0 |
| County Expenditures | \$0 | Indeterminable | Indeterminable | Indeterminable |
| Local Revenue | \$0 | \$0 | \$0 | \$0 |
| Local Expenditures | \$0 | Indeterminable | Indeterminable | Indeterminable |

METHODOLOGY:

This bill expands on the existing granite state paid family leave plan with a new publicly administered family and medical leave insurance (FMLI) program. All approved PFML claims costs and administrative expenses would be funded by employee payroll contributions. The bill directs the State Board of Investment to set contribution rates sufficient to cover 135% of benefits paid and 100% of administrative costs. The maximum duration of benefits would be 26

weeks for an employee's own illness and 12 weeks for the illness of a family member. The Insurance Department is designated as the primary administrative authority for the Family and Medical Leave Insurance (FMLI) program. The Department is responsible for establishing and managing the program, including collecting payroll contributions, determining eligibility and benefit claims, administering appeals, and ensuring confidentiality of personal and medical information. It must also oversee public education efforts funded by 5% of annual collections from the FMLI fund. The Department shall adopt rules necessary for implementation, to manage the FMLI fund, and report annually on program performance and utilization.

The Insurance Department states this bill would result in an indeterminable impact to state revenues and state expenditures. The bill establishes a state administered paid family and medical leave insurance program funded through employer payroll contributions, with the Insurance Department responsible for program administration, compliance monitoring, and enforcement. The Department states revenues generated from employer contributions would be deposited into a dedicated Paid Family and Medical Leave Insurance Fund and may be used to offset some administrative costs; however, the contribution rate has not yet been established and revenues cannot be estimated.

The Department further states implementation of the program would require significant start-up and ongoing expenditures, including rulemaking, payroll reporting, claims processing, data privacy and cybersecurity, information technology systems, appeals administration, public education and outreach, and ongoing compliance and enforcement activities. The bill does not provide funding for these initial implementation costs, and a feasibility study or similar assessment would be required to determine the technology, infrastructure, and staffing needed to administer the program. Because the scope, timing, and cost of implementing the program cannot be determined at this time, the Department estimates the fiscal impact would be indeterminable but likely more than \$2.5 million.

The Department of Administrative Services indicates that the bill does not provide startup funding and assumes that a third-party carrier would be procured to administer claims, with premiums covering the cost of administration. The bill also does not repeal the current PFML program, which requires the state to pay premiums to provide benefits to eligible employees. DAS estimates the total cost of the new program at \$1.8 million, with \$662,637 coming from General Funds. If the proposed mandatory PFML replaces the current voluntary plan, the cost of coverage could double to \$3.7 million, including \$1.3 million in General Funds, due to the expansion of coverage from 6 weeks to 12 weeks.

When implementing the voluntary PFML plan in fiscal year 2023, DAS budgeted \$2 million in General Funds to support hiring one full-time staff member, a consultant for actuarial services, a

marketing firm, and a website development firm. Given that the proposed program would be mandatory, ongoing education costs are expected to continue beyond initial implementation. In total, the estimated annual cost for providing 12 weeks of PFML coverage to state employees is \$3.7 million. When combined with the \$2 million in implementation costs, the total projected annual expense rises to \$5.7 million.

Counties and municipalities may experience increased expenditures related to employer payroll contributions, but participation costs are uncertain and dependent on future contribution rates and employee use of the program. The fiscal impact to county and local governments is indeterminable.

AGENCIES CONTACTED:

Insurance Department and Department of Administrative Services