

**STATEMENT FOR THE RECORD BEFORE THE COLORADO
DEPARTMENT OF LABOR & EMPLOYMENT, FAMLI DIVISION**

August 1, 2023

Lindsey Vigoda
Small Business Majority

Thank you FAMLI Division Team:

My name is Lindsey Vigoda and I'm the Colorado Director for Small Business Majority, a small business organization with offices nationwide, including here in Colorado. Our mission is to empower America's diverse entrepreneurs to build a thriving and equitable economy. I am here to provide comments on the Colorado Family and Medical Leave Insurance Program (FAMLI) rulemaking process, in particular the rules around self-employed enrollment.

As we approach the 2024 FAMLI benefit rollout, it's more important than ever to ensure the rules governing this critical program are inclusive, equitable and fair for Coloradans, especially for small business owners, their employees and the self-employed. First, we would like to express our gratitude for matching the Colorado Secure Savings Program definition to this FAMLI definition as it is inclusive for today's self-employed individuals, including contractors and gig workers.

Second, we would like to highlight the real implications of recent proposed rules on the program. The new proposed rule would rely solely on previously filed tax returns to verify income, which is a clear reversal of the current rule that allows self-employed individuals to submit pay stubs, tax returns, invoices and other documentation for FAMLI premium and benefit calculations. What's more troubling is the proposal to change how the self-employed file income statements to do such calculations, which forces them to file gross earnings rather than giving them the flexibility of using gross or net wages.

Both proposals, if passed, would negatively impact entrepreneurs and their ability to take paid family leave, creating lagging systems and providing inaccurate premium and benefit estimates. This is harmful to our business owners who are legally allowed to expense business-related fees, such as the cost of travel, computers, equipment, etc. Filing gross wages does not accurately depict their actual income, which is why we urge the Colorado FAMLI Division to remain flexible in their rulemaking to ensure more business owners can take advantage of critical programs like FAMLI.

Our last concern for these self-employed rules is the penalty that individuals would face if they do not remit premiums in the established timeline. The FAMLI program is going into effect at a time when entrepreneurs are already scrambling to be in compliance with other, new state laws and programs. Furthermore, these community members are continuing to deal with the impact of the COVID-19 on their businesses and families. Small business owners, and especially the self-employed, do not have the support of human resources or accounting firms and struggle with limited capacity to run their businesses. During this time, I urge the FAMLI Division to find other, more effective solutions to balance the concerns of program misuse and the real circumstances our entrepreneurs are facing.

Nearly 80% of all small businesses in Colorado are self-employed individuals; considering that almost all businesses in Colorado are small businesses, this means a majority of prospective participants are at risk of not utilizing the FAMLI program due to confusion and overruling.

The FAMLI Program has the opportunity to promote entrepreneurship in our communities, but these proposals could serve as added barriers that will dissuade individuals from opting into this program. We urge you to consider the intended audience of this program, and how small business owners are constrained in time, money and benefits. Now is the time to ensure this program is easy to implement and participate in at all levels.

Sincerely,

Lindsey Vigoda
Colorado Director
Small Business Majority