

September 2, 2021

Lydia Waligorski
Policy Manager
Family Medical Leave Insurance Program
lydia.waligorski@state.co.us
Denver, Colorado

RE: Recommendations concerning Colorado's Family Medical Leave Insurance Program

Dear Lydia:

As a leading representative of America's 30 million small businesses, including more than 653,000 businesses in Colorado, Small Business Majority writes today to provide procedural recommendations concerning the establishment and administration of premium collections for the Family Medical Leave Insurance (FAMLI) program. We are pleased to provide recommendations to the Colorado Department of Labor and Employment, as establishing this program will level the playing field for small businesses as they recover from the ongoing COVID-19 pandemic.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. As part of our commitment in supporting public policy solutions, we want to highlight the importance of building the Paid Family and Medical Leave Insurance program as an integrated and user-friendly program that will benefit businesses in Colorado, which will lower employee turnover, boost productivity and enhance employee morale.

Colorado's entrepreneurs and small business owners come from all walks of life, with different educational backgrounds and technology literacy. As such, we encourage the Department of Labor and Employment to implement the following recommendations for the FAMLI program:

- Establish the FAMLI platform and its premium collections at a third-grade reading level to ensure all entrepreneurs can comprehend the program's provisions and learn about changes to its premium collections.
- Small employers should have the option to automatically receive a refund on any existing credits, as small business owners work on thin margins and can benefit from accessing immediate funds instead of waiting until the next quarterly cycle.
- Small business owners have struggled to keep their businesses running throughout the pandemic, with many of them experiencing cash flow issues caused by unforeseen expenses. We suggest a monthly collection of premiums, instead of a quarterly collection of payments.
 - However, it's important to note that collecting premiums based on incentive pay structures like bonuses, commissions, sick time, and other qualifying wages may lead to overpaying what employers and employees can afford.
- Ensure that the process for filing taxes for FAMLI is as simple as possible for small businesses. This is important because most small businesses do not have a human resources department or office manager to oversee benefits and administrative tasks.

We also encourage the Department of Labor and Employment to provide incentives for entrepreneurs in the beginning stages of the program to increase participation and engagement with FAMLI.

Employers and employees will need leeway to understand how the program works and what regulations they are expected to follow.

Additionally, Small Business Majority would like to emphasize the significance of allowing self-employed individuals to access FAML I benefits beginning the next quarter after electing FAML I coverage. Any waiting period beyond what is in the FAML I statutory rules would be directly contrary to its definition of “covered individual,” in conflict with Colorado Proposition 118 and would hinder self-employed individuals from accessing benefits when covered individuals have a qualifying need.

Our job creators have endured enough strains to their bottom line during the pandemic, and the FAML I program will provide substantial relief to employers and their employees as they balance work and family responsibilities. Making the FAML I program simple and accessible will better serve our small businesses and their communities.

Sincerely,

Lindsey Vigoda
Colorado Director, Small Business Majority