



October 17, 2022

Lydia Waligorski
Policy Manager, Colorado FAMLII
Colorado Department of Labor and Employment
633 17th Street #201
Denver, Colorado 80202

RE: Colorado FAMLII's private plan rulemaking

Dear Ms. Waligorski:

As a leading representative of more than 690,000 small businesses in Colorado, Small Business Majority writes today to comment on the proposed private plan rules of the Paid Family Medical Leave Insurance (FAMLII) program. The FAMLII program is one of the most essential new programs to launch in Colorado, providing employees of small businesses with access to paid family leave, and helping small firms compete with larger companies.

Small Business Majority is a small business organization that empowers Colorado's diverse entrepreneurs to build a thriving and equitable economy. We engage our Colorado network of more than 4,000 small businesses and 100 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth.

As part of our commitment to support public policy solutions that promote inclusive small business growth, we would like to underscore the importance of implementing rules and regulations that increase accessibility and affordability to workforce benefits. The establishment of the state-run Family Medical Leave Insurance program comes at a critical time when small businesses are increasingly unable to afford paid-leave costs amid an ongoing economic downturn. This is why it's crucial for the Colorado Department of Labor and Employment (CDLE) to limit costs wherever appropriate and streamline application processes to efficiently operate the program.

- While we will encourage small business owners to participate in the state's FAMLII program, and expect most to do so, we recognize some small firms will opt to provide robust paid leave benefits to their workers through a private insurance plan. We are concerned about the proposed \$1,200 fee for private plan applications, as it is too expensive for the smallest businesses to afford in this current economic climate. We encourage you to implement an equitable, sliding scale for this administrative fee, one in which it takes into account the size of the businesses applying for it.
- The proposed timeline for the private plan reimbursement does not consider the implications for small businesses to wait up to 90 days to receive reimbursements. Many Colorado entrepreneurs are operating on slim profits and are simply unable to wait for nearly three months to get the premiums from CDLE that can be used to cover other business-related expenses. We encourage you to revise this proposed timeline to accelerate the reimbursement process and streamline program operations to better serve the participants of the FAMLII program.
- Additionally, small employers will need to learn the implications for their businesses and the regulations of participating in the FAMLII program or private plans. They may unknowingly make mistakes, which can further hinder their ability to sign on to the private plans. This is why we encourage you to revise the reapplication timeline for applicants who might get denied

on the basis of incomplete and/or inaccurate information. The current proposal requires applicants to resubmit an additional \$1,200 application fee if they fail to reapply after 30 days of initial submission. This timeline is too short for small businesses that lack a human resources department or benefits administrator. We urge the department to extend the timeline.

We appreciate the opportunity to comment on these proposed rules for the FAMILI's private plans and are confident that our recommendations can provide additional support for small businesses and their employees to participate in the state-run program. We urge you to make reasonable efforts to lower costs and streamline the processing of FAMILI private plan applications in order to better serve Coloradans and their small businesses, as they continue on their road to recovery. We are excited to see FAMILI launch in 2023, providing small employers and their workers with these important benefits.

Sincerely,

Lindsey Vigoda
Colorado Director, Small Business Majority

Angelique Espinoza
Policy Director, Good Business Colorado