

February 9, 2023

Senator Benny Shendo Jr. Chairman of the Senate Tax, Business and Transportation Committee 490 Old Santa Fe Trail Santa Fe, NM 87501

RE: Support SB 11, Paid Family and Medical Leave Act

Dear Chairman Shendo and members of the Committee:

As a representative of New Mexico's small business community, Small Business Majority urges you to support SB 11, which would create a state-run paid family and medical leave program for New Mexicans.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,000 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth. A key component of our work involves outreach to small business owners on a range of small business issues, including access to capital, workforce issues, healthcare and more.

The COVID-19 pandemic has underscored the need for a modernized and robust benefits infrastructure to benefit small business owners and their employees.

Small business owners want to offer their employees competitive benefits but cannot afford to do so. Under this new legislation, the Department of Workforce Solutions would administer the Paid Family and Medical Leave (PFML) Fund, supported through small employee and employer contributions. The legislation, as written, allows employers with fewer than five employees to be exempt from paying the employer contribution while their employees contribute and have access to the program. What's more, self-employed individuals will receive leave compensation payments directly from the Fund, which is particularly critical as more and more individuals want to start their own business but are hesitant because they might not have access to critical benefits like paid family and medical leave.

Additionally, <u>our research</u> found strong support for proposals to provide partial wage replacement for paid medical leave and parental leave. Seventy-three percent of small business owners support providing access to paid medical leave and 67% support access to parental leave.

Passing SB 11 will bolster New Mexico's economy by providing small business owners with access to the benefits they need to attract a robust workforce. We urge you and the other members of the committee to vote yes on SB 11 to create a paid family and medical leave program and support the small business community.

Sincerely,

Awesta Sarkash Public Policy Director Small Business Majority