



**Colorado Family and Medical
Leave Insurance (FAMLI)
November 01, 2022**

Agenda

- What is FAMLI?
- Options for Participating in FAMLI
- Leave Benefits Comparison
- Impacts of Participating in FAMLI
- Staff Recommendation
- Process for Opting Out
- Timeline

What is FAMLI?

FAMLI, also known as the Paid Family and Medical Leave Insurance Act, is a new family and medical leave insurance program approved by Colorado Voters in 2020 that applies to Colorado employers. Local governments, including school districts, have the option to opt out of the program. If a local government does not opt out by December 31, 2022, it is automatically enrolled into FAMLI starting January 1, 2023.

This law creates a state run, paid family and medical leave insurance program that allows employees to take up to 12 weeks of paid leave depending on need and up to 16 weeks for those who experience pregnancy or childbirth complications.

Employees and employers would be required to pay into a new Family and Medical Leave Insurance Fund; the state would utilize these monies to pay wage benefits to employees during their leave.

Benefits would commence on January 1, 2024 and contributions would begin January 1, 2023.

- The FAMLI program would cost .9% of DCSD payroll shared equally between the employer and employee. (Approximately \$3.5M). The .9% premium may rise but is statutorily capped at 1.2%.
- Local governments, including school districts are given the option to opt out of the program.

Options to Participate in FAMLI?

(Option 1)

Participate in FAMLI

Cost .9% of employers payroll equally shared between employees and employer

The District pays the employer share of the premium: .45% of wages

All employees will be required to pay the premium equivalent to .45% of their wages

Must participate for three years

(Option 2)

Decline all participation in FAMLI

-Employers must vote to decline participation

-Employers must notify the FAMLI Division of their decision by December 31, 2022

-Employers must revisit the decision to opt out at least every 8 years, but may choose to opt in at anytime

-Individual employees still have the right to participate in the FAMLI program even if the employer declines to participate. also note that employees who voluntarily choose to participate will need to report their own wages and remit their own premium payments.

-An individual employee's share remains at .45%.

(Option 3)

Decline employer participation in FAMLI

-If employers vote to decline participation, they still have the option to assist its employees who want to individually participate in FAMLI

-The employer would facilitate and administer voluntary payroll deductions and remit the employee share of the premium.

Leave Benefits Comparison

FAMLI Program

- Benefit Leave begins on 1/1/2024
- Components of FAMLI leave are still in development
- Leave is provided up to 12 weeks depending on need and up to 16 weeks for those who experience pregnancy or childbirth complications
- Employees become eligible to take paid leave after earning at least \$2,500 in wages within Colorado within the last four calendar quarters and is capped at \$1100/week.

District Leave Plans

- Offers a variety of paid leave options that are clearly defined
- Most benefit eligible employees earn between 5 and 30 days of paid leave time annually
- Sick leave accumulates without limit.
- Personal leave balance in excess of four days converts to sick leave if unused at the end of the year
- FMLA runs concurrently with income protection benefits like Short-Term Disability (STD), Long-Term Disability (LTD), Vacation, Sick, Personal, which are all Employer funded programs and have **no cost to the employee**
- Covered employees are eligible for STD and LTD on the first of the month following 60-days of employment
- Accrued sick, vacation and personal time pays at 100%
- Short-term disability program pays at 70% for up to 90 days. Please note: STD covers 6-8 weeks for maternity leave unless there is an underlying medical condition
- Long-term disability pays at 60%



Impact of Participating in FAMLI

Douglas County School District

- There is a significant cost to participate in the FAMLI program
- \$1.75M additional impact to district budget
- This is an unbudgeted expense for the district, which may divert financial resources from other areas
- Participation in FAMLI will require additional administrative burden for multiple departments and would require additional staffing
- Employers participating in the FAMLI program are committed for three years

Employees

- FAMLI benefits pays 37-90% of wages and are capped at \$1100 per week for employees, which results in a reduction in pay
- \$1.75M additional impact to all employee wages
- This could be viewed as a reduction in wages for employees
- All employees would be committed for three years

Staff Recommendation

Decline all participation in FAML I (Option 2)

- DCSD offers similar or better leave options for our employees
- DCSD and our employees will not be required to pay premiums related to FAML I
- Individual employees still have the right to choose to participate in FAML I even if the Board votes to opt-out
- Individual employees who elect to participate in FAML I can pay directly into the program
- Avoid impact to administrative costs and additional budgetary commitments
- *Note: No local school district has opted in at this time*

Process for Opting Out

Should the Board of Education choose to decline participation in FAMLI, a vote is required.

The vote must follow the board's policy or procedures for other formal votes. Public notice of the vote must be given in the same manner as any other business before the board. DCSD is required to notify district employees in writing before the board votes and provide employees both with information regarding the Board voting process and opportunity to submit comments through a public process to the Board. The Board of Education must take public comment or hear testimony before voting to decline participation in FAMLI.

DCSD Must:

Provide employees with a written individual notice of the board's decision to decline participation and provide information regarding employees' right to self-elect coverage and voluntarily participate in FAMLI within 30 days following the vote. Provide notice containing information regarding employees' right to self-elect coverage and voluntarily participate in FAMLI. Register with the FAMLI system and notify the FAMLI Division of the decision to decline participation in FAMLI by December 31, 2022. Revisit this decision every 8 years.

Timeline

November 1, 2022 - Board of Education Study Session

November 4, 2022 (on or before)- Notification of FAMLI sent to all employees via district newsletters

November 15, 2022 - Board of Education Meeting, public input and vote

Prior to December 15, 2022 - DCSD must notify FAMLI of opting out and post notifications and processes to opt in individually

Prior to December 31, 2022 - If the Board of Education decides to opt out, DCSD must notify their decision to the Division and communicate to employees regarding how to individually participate in FAMLI.





QUESTIONS

