



Legislative
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**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 12, 2019)

Drafting Number:	LLS 19-0511	Date:	April 26, 2019
Prime Sponsors:	Sen. Winter; Williams A. Rep. Gray; Duran	Bill Status:	House Finance
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Bill Topic: FAMLI FAMILY MEDICAL LEAVE INSURANCE PROGRAM

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill requires the Department of Labor and Employment (CDLE) to perform or contract for analyses concerning the implementation of a paid family and medical leave program for all employees in the state. It also creates a task force to make recommendations on program implementation. The bill will increase state expenditures in FY 2019-20.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$182,481 to multiple agencies.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 19-188**

		FY 2019-20	FY 2020-21
Revenue			
Expenditures	General Fund	\$182,491	-
	Centrally Appropriated	\$11,517	-
	Total	\$194,008	-
	Total FTE	0.6 FTE	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill requires the Department of Labor and Employment (CDLE) to perform or contract for analyses concerning the implementation of a paid family and medical leave program for all employees in the state. It also creates a task force to make recommendations on program implementation. All analyses are required to presume a paid family and medical leave program that is established by July 1, 2020; begins education and outreach on January 1, 2022; establishes a funding stream on January 1, 2023; and starts paying benefits on January 1, 2024.

Task force. The bill creates a 15-member Family and Medical Leave Implementation Task Force. Membership and appointing authorities are delineated in the bill. Task force members serve without compensation, but are entitled to receive reimbursement for expenses.

Third-party administrator feasibility. The CDLE is required to analyze the feasibility of contracting with a third party to administer parts of a paid family and medical leave program. This analysis will include issuing a request for information (RFI) from third parties that may be willing to administer the program and considering public comments.

Program development analysis. The CDLE will contract with at least three local and national experts in the field of paid family and medical leave selected by the task force to develop recommendations on parameters to ensure that a program is equitable, affordable, accessible, and adequate. The bill outlines the elements that the analyses must consider.

Actuarial study. The CDLE will contract for an actuarial study of the initial recommendation made by the task force for a paid family and medical leave program.

Timeline. The bill requires that specific actions happen by the following dates:

- **July 1, 2019** – the task force must be appointed.
- **October 1, 2019** – the CDLE will provide the results of the third-party feasibility analysis, the expert recommendations, and a report from CDPHE detailing the health benefits related to paid family and medical leave to the task force. The task force will accept public comments regarding the administration and establishment of a paid family and medical leave program.
- **November 1, 2019** – the task force will make an initial recommendation on a family and medical leave program and provide the recommendation to the actuary contracted by the CDLE.
- **December 1, 2019** – the CDLE will provide the results of the actuarial analysis to the task force for consideration.
- **January 8, 2020** – the task force will report its final recommendation on a paid family and medical leave program to the General Assembly and the Governor.

Background and Data

Federal Family and Medical Leave Act. The federal FMLA entitles eligible employees of covered employers to take up to 12 weeks per year of unpaid, job-protected leave for specified family and medical reasons, with continuation of group health insurance coverage under the same terms and

conditions as if the employee had not taken leave. Employees may use sick time, vacation time, or other accrued leave time along with FMLA leave in order to continue being paid. All public employers are subject to FMLA requirements. Private employers must have at least 50 employees within 75 miles of a worksite to be subject to FMLA requirements.

Paid family leave in other states. California, Massachusetts, New Jersey, New York, Rhode Island, and Washington currently have paid family leave programs: California's began in 2002; Massachusetts' in 2018; New Jersey's in 2008; Rhode Island's in 2013; New York's in 2016; and Washington's in 2017. Some family leave programs operate in conjunction with the state's temporary disability insurance program. Premiums are paid by employees only in some states, and by both employees and employers in other states.

State Expenditures

The bill will increase General Fund expenditures by \$194,008 and 0.6 FTE. This includes \$173,913 and 0.5 FTE for the CDLE and \$20,095 and 0.1 FTE for the CDPHE. These costs are shown in Table 2 and described below.

**Table 2
 Expenditures Under SB 19-188**

Cost Components	FY 2019-20	FY 2020-21
Department of Labor and Employment		
Personal Services	\$43,809	-
Operating Expenses and Capital Outlay Costs	\$5,178	-
Family and Medical Leave Consultants	\$60,000	-
Actuarial Contract Services	\$50,000	-
Task Force Expenses	\$6,500	-
Centrally Appropriated Costs*	\$8,426	-
FTE – Personal Services	0.5 FTE	-
CDLE (Subtotal)	\$173,913	-
Department of Public Health and Environment		
Personal Services	\$7,004	-
Data Collection	\$5,000	-
Publication	\$5,000	-
Centrally Appropriated Costs*	\$3,091	-
FTE – Personal Services	0.1 FTE	-
CDPHE (Subtotal)	\$20,095	-
Total	\$194,008	-
Total FTE	0.6 FTE	-

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. In FY 2019-20, the CDLE requires 0.5 FTE of a Labor and Employment Specialist V to support the task force; issue an RFI to determine interest in a third party administering a family and medical leave program and compile the RFI responses; contract with family and medical leave experts; and contract for an actuarial study. The fiscal note includes staffing costs, \$60,000 for contracts with experts, \$50,000 for an actuarial study, and \$6,500 for task force expenses assuming five meetings.

Department of Public Health and Environment. In FY 2019-20, the CDPHE requires 0.1 FTE of a Public Health Community Outreach IV to supervise the research, conduct a literature review, summarize interviews with community partners, and create the report on paid family and medical leave required under the bill. CDPHE will contract for two graduate level students to collect data in communities at a cost of \$2,500 each. The fiscal note also includes \$5,000 for publication and distribution of the final report.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$11,517 in FY 2019-20 only.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of:

- \$165,487 and 0.5 FTE to the Department of Labor and Employment; and
- \$17,004 and 0.1 FTE to the Department of Public Health and Environment.

State and Local Government Contacts

Governor's Office
Information Technology
Public Health and Environment

Labor and Employment
Personnel and Administration