



STATEMENT FOR THE RECORD

BEFORE THE GENERAL ASSEMBLY FINANCE COMMITTEE

ON HB19-1058

January 31, 2019

**Hunter Railey, Colorado Outreach Manager
Small Business Majority**

My name is Hunter Railey, and I'm the Colorado Director for Small Business Majority, a national small business advocacy organization with offices here in Denver. Thank you for allowing me to share comments with you today on the importance of family medical leave insurance programs to small business owners and their employees.

Lack of access to family and medical leave is a serious problem for small business owners. Small employers know it makes good business sense to take care of their employees to retain a productive and talented workforce. But unfortunately most simply do not have the resources to offer robust benefits, like paid family and medical leave, which often puts them at a disadvantage when it comes to attracting and keeping employees.

That's why small business owners support policies that expand access to family and medical leave. Indeed, scientific opinion polling from Small Business Majority found 56 percent of small employers favor the creation of state-administered paid family and medical leave insurance programs funded entirely by modest employee contributions. What's more, 70 percent say it is important to establish a national paid medical and family leave insurance program. In the absence of that sort of program, however, a state program here in Colorado would go a long way toward helping local small businesses.

While we applaud efforts by Colorado's legislature to address the gap in access to family and medical leave, HB19-1058 is not the right way to expand these programs for small businesses. Unlike the previously proposed FAML I Act, HB19-1058 would not do enough to make accessing paid family and medical leave affordable for most small business owners and their employees. Research shows that state-administered paid leave insurance programs work better than savings accounts or tax credits in expanding access to leave. Indeed, previous

research on employer-based tax credits have found that they are insufficient incentives for employers to offer paid leave. Instead, this tax credit will likely just benefit larger companies that can already afford to offer paid family and medical leave, leaving smaller companies at an even greater disadvantage. Additionally, the proposal laid out in HB19-1058 would not do enough to increase access for moderate- and low-income workers who already struggle to save for emergencies or retirement.

A state-administered paid leave insurance program will help to make small businesses more competitive by ensuring that Coloradans can receive paid family leave regardless of the size of the company at which they work. Importantly, publicly-administered programs make it easier for small employers to provide access to paid leave through modest payroll contributions.

Small business owners understand how important it is for their employees to be able to balance their work and family responsibilities and want them to have reasonable options for doing so, but they need options that also make sense for their bottom lines. That's why Colorado's small businesses need a more robust paid family and medical leave program that will truly expand access to affordable leave to all employees.

I urge you to consider the needs of small businesses as you consider this and other paid family leave measures.

Thank you.

Hunter Railey, Colorado Director
Small Business Majority