

City Council Work Session Agenda Summary

October 25, 2022

Noel Mink, Human Resources Director
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Ned Chapin, Assistant City Attorney

Title:

City of Greeley Participation in State of Colorado Family and Medical Leave Insurance Program (FAMLI)

Background:

During the November 2020 election, Colorado voters approved Proposition 118 establishing a state-run paid Family and Medical Leave Insurance (FAMLI) program. The FAMLI program is intended to ensure access to paid leave to take care of themselves or their family during life's circumstances by Colorado's workforce.

Employee paid leave benefits will become available through FAMLI beginning January 1, 2024. Employee premium contributions would begin on January 1, 2023. Eligible employees would receive up to twelve weeks of leave – with four additional weeks available for employees who experience pregnancy or childbirth complications. Under FAMLI, paid leave would be provided at between 37% and 90% of their wages – with a benefits cap of \$1,100 per week.

Employers – such as the City of Greeley (City) – can opt out of FAMLI participation and must do so by December 31, 2022.

Opting-In

Participating employers can choose to withhold 50% of the total premium cost from an employee or pay it on the employee's behalf. The employer is minimally responsible for 50% of the total premium cost. Employers who opt-in now will have a three-year waiting period to opt out if it so chooses.

Opting-out

Employees who want to participate in FAMLI can do so directly with the State of Colorado through payroll deductions for employers who opt-out. Employees would be responsible for 0.45% of the premium, while employers who opt-out would have no financial responsibility. Municipalities who opt-out it can opt in for any future year.

Comparison of City and FAMLI Benefits

Currently, city employees are eligible for FMLA and Short-Term disability leave programs which are more beneficial than those currently offered through FAMLI. Through the current City leave programs, employees are eligible for leave related to:

- A serious health condition that makes them unable to perform their job
- Serious health conditions affecting their spouse, child, or parents for which they are needed to provide care
- Military leave
- Birth of a child or the placement of a child with the employee for adoption or foster care

Based on the following financial calculation of the value of paid leave benefits currently available through the City and FAMLI, the value to employees through the City's program is greater than that offered through FAMLI. In addition, the average employee would receive only 87% of their average monthly wage while top earners would receive only 23% of their weekly wage.

	VALUE
FAMLI Program	\$1,100 per week/ \$13,200 annually
City	\$1,216.65 weekly/ \$14,599.75 annually Avg hourly wage (30.42) x 2 weeks x 40 hours per week

If the City were to opt in, employees would be charged for 0.45% of the premium while the City would be responsible for 0.45% of the premium at an estimated cost of \$394,872.

Recommendation

Based on the analysis of the specific application of FAMLI to the City, it is the recommendation of the Human Resources Department to opt out of the FAMLI program.

The FAMLI program – along with the recommendation – will be presented for Council discussion with the process to opt-in or out to follow in accordance with guidance from the City Attorney's Office for compliance purposes. The matter is tentatively scheduled to return to Council on November 1 via a resolution following a comment period for employees and the public to provide comment prior to Council action.

Strategic Work Program Item or Applicable Council Priority and Goal:

High Performing Government

Attachments:

PowerPoint Presentation