



Board Summary Report

File #: 22-204

Agenda Date: 4/5/2022

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To: Board of County Commissioners

Through: Patrick L. Hernandez, Human Resources Director

Prepared By:

Dusty Sash, Total Compensation Division Manager, Human Resources

Presenter: Dusty Sash, Total Compensation Division Manager, Human Resources

Subject:

2:15 PM *FAMLI Opt Out

Purpose and Request:

The purpose of this drop-in is complete the formal process of opting out of the State's FAMLI plan.

Background and Discussion:

In 2019, we discussed the proposed FAMLI bill and were strongly opposed to the concept. Commissioners Jackson and Conti went down to speak at public hearing in opposition.

Arapahoe County concerns were:

- Expands definition of family to be anyone deemed to have a close bond.
- Expands definition of serious health condition to include the threat of stalking or abuse.
- Requires all employers and employees to participate - later revised to allow public employers to opt out.
- No penalties for fraud but there are employer fines if not administering correctly.
- Taxable benefit for Fed but not State - confusing for employees
- Does not align with FMLA creating issues with administration and opportunity for extension of time off.
 - Begins after 680 hours worked and can last up to 16 weeks in a 52-week period.

Arapahoe County provides employees with the opportunity to have as much or more paid time off as FAMLI provides. Example:

	Arapahoe County Employee Cost	FAMLI Employee Cost
Vacation	\$0	\$0
Sick	\$0	\$0
Other PTO (Disability)	238.16/year	211.64/year
Elimination Period	14 days	after 680 hours
Length of benefit	Up to SS Retirement age	up to 16 weeks
Example	<p>Employee discovers she is pregnant</p> <p>Delivers baby on May 10</p> <p>Submits Short Term Disability Submits for FAMLI</p> <p>Uses 80 hours of sick for elimination period Waits for retro payment of \$1000 per week</p> <p>Is paid \$762.98 from The Standard and uses Unfortunately, as she is not being paid by the County so she must remember to pay by check her share of the benefits post tax or loose coverage.</p> <p>Is paid \$508.65 from sick for 10 weeks</p> <p>Leaving her with more than a week of sick and all her vacation while paying for her benefits pre-tax. Leaving her with her all her sick and all her vacation.</p> <p>Receives a total of \$1271.63 per week for 12 weeks Receives a total of \$1000.00 per week for 12 weeks</p>	

Requirements to Opt-Out

1. Must be a formal vote by BoCC.
2. Must formally notify the Division in writing of decision and date of vote.
3. Must be voted on every eight (8) years.
4. May subsequently elect coverage by vote in future years, but once enrolled must stay enrolled for no less than three (3) fiscal years.
5. Must notify employees in writing (posted and mailed) no later than 180 days of either opt-out or enrollment. July 1, 2022.
6. Must provide employees with information within 30 days of vote on:
 - a. Differences between Arapahoe County plans and FAMLI
 - b. Reminder on FMLA eligibility
 - c. Information on how employees may choose to elect FAMLI as individuals.
7. Will display the notice in a conspicuous and accessible place. Employee Boards and *My Benefits*. (The Division will provide the notice to the County).

Fiscal Impact:

The below are estimates based on specific scenarios only.

- a) The mandated premiums in the first year will be approximately \$680,000 with the employees paying 50% of this premium, the County paying 50% of this premium if we opt in.
- b) Overtime for the Sheriff's Office to maintain minimum required staffing will need to be considered. So, if 10 deputies took all 16 weeks the overtime for others to fill in would be around \$68,000.
- c) HR would need to hire a new headcount to administer this. Loaded this position would cost around \$68,500 per year.
- d) Human Services Case workers are Exempt so no overtime, they are also highly trained so a temp cannot back fill. The only option would be for others to take on the caseloads which will result in burn out and turnover. The turnover cost for one Caseworker is a minimum of \$180,000.

Alternatives: Arapahoe County does not have to opt out. If we do not, we should expect to have an annual payroll charge of approximately \$340,000 for 2022/2023. If that is the case, we would likely need to look at cutting LTD as an employer paid benefit and changing sick paid time off plan significantly.

Alignment with Strategic Plan:

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

Staff Recommendation: The Commissioners are asked to approve the opt out of FAMLI paid leave.

Concurrence: N/A