



March 15, 2019

Dear Senator:

I am writing out of grave concern over SB 19-188, the Family Medical Leave Insurance Program.

Natural Grocers was founded in Colorado by my parents in 1955. We now have 39 stores, our headquarters, and a food packaging facility in the state, which together employ over 1800 Coloradans. We pride ourselves on taking care of our employees-- in fact, this is one of our "five founding principles". To this end, we offer high starting wages, \$1.00 or store credit per hour worked, 401k and medical/dental benefits after 90 days, free short-term disability coverage and other benefits. We actively support existing federal FMLA and DOL rules. We also provide extensive training on complex computer systems, food safety, nutrition, merchandising, accounting, human resources, and other professional skills that add value to our employees' professional and personal lives. Many of these offerings are voluntary on our part. We invest in our staff to ensure they are happy and healthy contributors to the company and our communities.

The FAMLI bill now under consideration mandates the collection of insurance premiums to fund a new 200-employee state entity that will disburse payments to qualifying workers who need time off for personal or family medical reasons. It sounds reasonable at first glance. Please consider, however, that the retail food sector operates on the thinnest of profit margins (when it makes a profit at all). Natural Grocers estimates the cost of its portion of the insurance premium would be \$320,000 at current staffing levels. We will also need to hire a full-time compliance expert to manage these benefit issues, bringing the total to about \$400,000 per year. **We have no other way to pay for this but to raise food prices in our stores.**

Since our founding, Natural Grocers has sought to open stores in communities that have limited access to food that supports healthy diets. We are open in Globeville in Denver and in rural communities such as Montrose and Durango. We spend millions of dollars to build classrooms, stock scientific resource libraries, and train employees, along with staffing a full time Nutritional Health Coach in each store. All of this is free. We operate an incredibly lean business so we can afford these services while also keeping prices affordable. It's hard to communicate just how much money \$400,000 is to our company – suffice to say the imposition of the FAMLI tax may force us to restructure our approach to employee benefits and community services. We don't sell high dollar luxury goods that can carry this added cost and not be noticed. **When we are forced raise prices on milk, eggs and bread to offset the costs of FAMLI, all Coloradans will bear the increase.**

Please consider carefully the burden that FAMLI places on businesses like ours, and customers like ours. While we applaud the intent of the bill, we do not believe compulsory insurance is the right vehicle to achieve these aims.

Respectfully,

A handwritten signature in cursive script, reading "Kemper Isely", is written over a horizontal line.

Kemper Isely, Co-President, Vitamin Cottage Natural Food Markets, Inc.