

February 1, 2023

To: House Commerce and Economic Development Committee
Subject: H. 55

Gretchen Owens, Executive Director, EDD Adaptive Sports

My name is Gretchen Owens and I am contacting you on behalf of EDD Adaptive Sports, a 501(c)3 organization based in Williston, VT. Our organization provides sports and recreation programs to children and adults with disabilities.

I would like to speak to the proposed elimination of the Small Nonprofit UI Exemption. We agree that it is important to provide unemployment protection for employees in Vermont. However, we are concerned about the short timeline for this proposed change.

Effective Date

We ask for a delayed effective date as we have already completed our 2023 budget. Our fiscal year begins Jan. 1 and our annual budgeting process is completed in the Fall. Without time to plan for this additional expense, it places an undue burden on our organization. During a time when many nonprofit organizations are struggling due to the impact of COVID, unplanned expenses are very disruptive. We ask for an effective date that is no earlier than January 1, 2024.

Data Collection and Transparency

We also ask for additional resources to help small nonprofit organizations to understand the impact of this change. At EDD Adaptive Sports, I am the sole staff member and have many demands on my time. We focus our capacity on developing and providing high-quality programs, fundraising to support our mission and building connections in the community. We do not have the capacity to research the potential impact of this legislation to our budget.

We look to the state and to groups like Common Good Vermont to do the research and provide transparent data to help small nonprofit organizations to understand the scope of the impact. We believe that the state should look specifically at nonprofit organizations and the impact such legislation will have. To my knowledge, there is no state-level data about the number of employees at organizations. Without sector-specific data, it is difficult to make an informed decision about this legislation.

In closing, we would like to see the timeline extended for the proposed changes to the Small Nonprofit UI Exemption to give organizations an opportunity to budget for new expenses. We also ask the state to collect and share data about the impact of this legislation specifically on small nonprofit organizations.

Thank you for your time and consideration on these matters.