



Vermont Chamber Member Comments
Re: H.208

The A. Johnson Co., LLC, Bristol: We provide between 1 and 3 weeks paid vacation, depending on years of employment. While not explicitly stated in our employee manual, employees may use their vacation time in the increments of their choosing to accommodate a need for sick leave or time to care for a family member. This is true whether they qualify for 1, 2 or 3 weeks of vacation. Our belief is that flexible vacation time is the best approach to dealing with the need for leave. This is more predictable for the employer and in our case is already in place. We believe that many employers are already making some sort of accommodation for their employees to help them deal with the unplanned incidents than can occur in their lives. Once leave becomes mandated, we believe the tendency will be for employers to become less flexible in their approach to employee needs for leave, since the state is already mandating what they must do. A mandated policy is also more likely to be abused, which unfortunately is something an employer will often encounter.

The employer obviously has additional costs to cover the days of sick leave. While the feel good analysis by the legislature proposes that the program pays for itself, we remain skeptical as we are the ones being forced to pay for it. This is particularly true for small employers, many of whom have little financial cushion and every additional expense is keenly felt.

The health care system changes are already changing and sometimes increasing employer costs. Recent proposals by Sen. Peter Galbraith have suggested that taxes paid by employers to fund the single payer health plan proposed for 2017 will go up dramatically. The legislature regularly increases employer costs with well-meaning but poorly thought through bills. What will be the straw that breaks the camel's back?

We have a flexible vacation plan so that people just take the time when they need it. It is not described that way in our employee handbook, however that is how it works out in real life. We consider this to be equivalent to what the legislature is proposing for our employees with 3 years or more of employment here, when they start earning two week vacation. Is this contrary to the intent of the legislature? The bill makes no mention of flexible vacation time. Is the legislature's intent that flexible vacation time not be used as sick time? From my perspective, our system puts pressure on the employee to be responsible about managing vacation time and means that decisions about vacation time have consequences, sometimes unforeseen. That can lead to tough choices on occasion.

Having to budget for an additional week or more of paid time off beyond vacation time will suppress wages as we work the sick leave expense into overhead costs and overall wage calculations.

Aldrich + Elliott, PC, Essex Junction: We offer PTO (Paid time off) which includes sick, personal and vacation leave. We do not differentiate between uses and find it much easier to administer. We don't get into a debate over whether sick leave should be used when an employee stays home with a sick child (for instance). Employees can use their PTO as they see fit and we don't need to track and monitor whether they are using it "properly" (sick, personal, vacation, etc.). This benefit should be at the employer's discretion. Vermont should stay out of the issue and not mandate it across the board as

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it will harm certain employers who do not offer it now for legitimate reasons.

ExactBuilt, Underhill: Like most government mandates, there aren't sufficient safeguards against abuse of the system designed to help those in need and offers additional opportunity for litigation with disgruntled employees. These mandates are typically taken for granted by employees as a baseline that they deserve more than a benefit. It removes some of the relationship between on-the-job performance and compensation they receive as a result. It's another barrier for a small business looking to add its first or additional employee.

Brattleboro Mobil, Brattleboro: It has been my past experience that employees abuse the sick leave policy when they have paid sick days. This is a retail establishment and when an employee is out sick, it usually falls on the manager or owner to cover the. I took away paid sick leave after abuse, I now don't allow this and have not had any abuse in that area. If an employee is out sick, I usually work something out with them, on a case to case basis. Unfortunately we live in the age of entitlement and if you make someone entitled to something then they just take advantage of it. That has been my experience over the past four to five years straight. How does the State Government plan on compensating the retailer for lost production and/or money for employees who want to take advantage of the system? This is my biggest fear. We pay them for not working, then we continue to pay them for not working up to 56hrs/year which is more than the vacation time I can offer them, so that will have to go away. This won't retain employees but put the smaller employers out of business, in my humble opinion. I would have to plant to decrease other employee leave benefits and decrease jobs or hours worked per employee.

Perry's Oil Service, Inc, Bradford: We treat our paid sick leave almost like personal days. In other words we do not challenge if the employee is actually sick or not. The accounting of accrued sick leave and accrual would be a problem. The fact the State is trying to "unionize" all employees in VT is bothersome. Some employers will be financially hurt which in turn hurts other employers and the economy. With healthcare in VT being taking away from business we need benefits like sick leave to differentiate us from other employers. If it's mandated then we have lost another hiring advantage. We anticipate the following: decreased employee compensation, decreased other employee leave benefits, decreased jobs or hours worked per employee, and increased prices charged for goods or services.

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Eastman Benz, LLC, Winooski: How will the state enforce this bill? As a small employer it is hard enough to meet the needs of our customers along with the burden the State already puts on us. I am not big enough to employ an administrative person so these responsibilities fall on me. For every regulation burden I have to manage and worry about the liability means there is one less customer that can't focus on.

Leaps and Bounds Childcare Centers: As a childcare company this bill would be extremely detrimental if passed. We run on state mandated staff-to-child ratios. When an employee is out, we must pay a substitute (we

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cannot simply go without a register open, or someone else do the job of two for a day). If two out, which is often during peak sick seasons, that could mean paying out even more in one pay cycle. Our cash flows are based on enrollment which is based on state licensing. We cannot simply market and bring in more business to up cash flow. Our license dictates our capacity allowed within our space. We cannot just add children over our state mandated capacity to cover increased costs or up profits.

We currently offer 3 non accrued days per year, per employee (do not carry over from year to year). This allows us to manage the amount of times we have to pay "double pay roll" for a personal day plus substitute. By having non-accrued, no carry over, we don't get into a situation where someone builds up several weeks where we have to find and pay a substitute to cover it.

This law would not allow us the ability to manage paid time off for staff in a way that we can still sustain payroll levels that we can afford.

Mountain View Animal Hospital, Essex Junction: As a small business owner, just providing more insurance with "Obamacare" and the state categorizing full time employees as 30 hours or more a week will be a financial burden as a business owner. Also, my employees which no longer can be covered by a spouse, are having to pay more out of pocket costs by getting a different policy from the family policy. I may have to cut back on staff if I find I can't fund all the health insurance coverage and now more paid leave in addition. I don't mind providing paid sick leave as mandatory, but 56 hours is extreme especially for part time workers. Employers may end up cutting back on some other benefit if they can't afford it, let some employees go or hire more part timers. Overall, it would cause more harm than good to the overall work force, small business owner and economy if this becomes mandatory.

Spectrum Youth & Family Services, Burlington: We currently offer paid time off for all regular employees who work at least 20 hours per week. Employees who work less do not earn time off. We allow our employees to carry over paid sick leave every year to accrue up to 65 days (or 450 hours). Our policy manual includes acknowledging the potential need for using accrued time off for medical and or legal services with regard to domestic abuse. Assuming that the proposal includes every employee, regardless of how many (or few) hours per week they work, would be entitled to paid medical leave accrual: Our part-time employees who do not currently accrue time-off would appreciate this. From the small, nonprofit employer perspective: the proposal would cost additional money in wages for our programs that rely heavily on part-time employees in various locations throughout the State (where there is not full-time work available). And as always, there is the cost for our administrative staff to communicate and implement a new policy, and the cost of working with our payroll company to make the necessary adjustments for our electronic staff records, etc. Though these costs may not seem extraordinary to some employers, they have a very big impact on the budget and staffing of a small employer. If this proposal were enacted, there would need to be very clear definitions of "employee" (seasonal? on-call/substitute?) and of "medical and domestic abuse leave"; for example: would we now pay an employee who works 6 hours per week to be absent in order to take care of themselves? Does it include taking care of family members who are sick or struggling with domestic violence? Would the employee need to show proof of sickness or of their domestic abuse struggles?

Vermont Industrial Products (VIP Sealing), Essex: Any company that pays above minimum wage, offers vacation time, benefits, break periods, bonuses...etc. will absolutely offset any mandatory sick time/health care that is imposed. The only people this will help are those that are making so little that it cannot be offset, which means the employer if at all possible will just eliminate the jobs of people that the legislature "thinks" they are trying to help. If eliminating jobs is not possible then prices will

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have to increase; either making Vermonters less competitive in the market place or the consumers paying more for goods than necessary. Supply and demand is the only thing that will encourage employers to offer pay and benefits allowing them to obtain and or retain skilled employees necessary to make a profit.

East Coast Printers, Essex Jct.: The legislature seems to be doing everything possible to put the small business owner out-of-business. Vermont is already one of the most expensive states to operate in. Continuing to add burdens on businesses only furthers the hurt. Instead of penalizing the business, make social programs accountable for the funds they use. Mandate that public assistance goes to people that can and will work and not to those who are in for the free ride.

Every time an employee of a small business uses a sick day it creates a burden on the business. That burden is generally a financial one that can't be made up. It's a straight loss for the business owner. Frequently employees treat sick days as additional personal days that don't count against vacation time.

I, as well as most business owners, work many, many more hours than most people. My business, my home and my future is at risk every single day of the week. I am not interested in giving any more money to people that do not have the equivalent risk or financial burden. My employees are treated well and are paid above national averages for this industry. However, when I give them additional or increased benefits I have not seen any increase in production or efficiency in their performance. Instead of a benefit or reward it becomes an entitlement; part of their expected pay package. The formula should be that increased profits result in an increase in benefits. Experience shows that the reverse does not work. Quite the opposite. Decreased profits equal decrease in number of employees.

As a business owner, I don't qualify for workers comp, sick leave, maternity leave or paid vacation (what is vacation?). If my business is mandated to increase the amount of sick time offered then I will have to cut the amount of vacation time my employees are allowed. That will surely anger them, and may cause some to leave. There's no other way.

Vermont is made up of many small businesses. We cannot be expected to have the same financial reserves to draw on as a large, multi-national corporation. We don't have stockholders, boards or legal departments. We are entrepreneurial people that operate and grow our businesses through hard work and difficult choices. Quite often, during bad times, we consider a no-loss year to be a success. Business owners work for years to build something that can be handed down to our children or maybe have a market value when the years force us to retire.

A business is not some abstract thing that can be mandated without consequence. It is made up of people. It is a person that had a vision and the willingness to risk everything to bring that vision to life. A business is NOT an entitlement program for the masses.

Plageman, Gagnon & Daughters, Williston: At the time of this response, we are not positive we would have to reduce other leave benefits but it may be a possibility. We would not alter employee compensation to cover this benefit. I put down that we are undecided on this issue but this is a thinly veiled attempt to increase compensation and benefits with no way to pay for it other than to raise our prices because of the overhead hit. If each of our employees excluding the principals took the full 56 hours per calendar year, the cost would be \$11,396 in gross payroll (before taxes). In addition, we offer a non-elective Safe Harbor 401K payment to all employees which equals 4% of their gross pay per week. That would amount to an additional \$455.84 per year. And this does not include any

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additional funding costs associated with the proposed single payer payroll tax. To be perfectly honest, I feel far more supportive of this proposal for abuse victims, bereavement leave and those who are responsible for the care of a sick family member. Is the care of a sick family member or bereavement leave eligible for this benefit?

Proctor Gas Inc., Proctor: My fixed costs do not change. Losing 672 billing hours for a small company such as mine will have to be made up somewhere. I already have a hard time competing against the larger companies - this just puts me one step closer to giving up the fight and moving towards closing a 48 year old local family business. I take very good care of my employees and if I didn't they are big kids and could go find a Job that would better suit their needs. I can't stress enough what a burden it is to do business in this state already. This has been my home for 55 years I have lived and worked here all my life. I'm one of those rare Native Vermonters that has stayed the course but I have to say I'm truly getting tired of having to fight so hard to work for a living!

Housewright Construction, Inc., Newbury: We offer all employees earned time off, which can be used for vacation, sick time, or other personal uses. After one year of continuous employment, all full-time and part-time employees are eligible for this benefit. Time off will be accrued on a biweekly basis according to years of continuous employment as detailed below. Part-time employees accrue time off on a pro-rated basis. If an employee is laid off, that employee will not continue to accrue earned time off during the lay off period. All accrued time remaining in an individual's bank will be paid out annually on or before June 30th. I do not believe Vermont employers can afford any further taxation or mandated benefits. It is already cost prohibitive to operate a business in VT. Small employers are buckling under the current tax burdens of UI of this State and this is yet another burden that is unsustainable. I think the legislators need to know that many small employers can't be sick themselves on a daily basis so why should they be mandated to pay sick leave for their employees when they themselves don't get sick leave. The small employers of VT are going to be in the bread line pretty soon if the legislators don't wake up!

Springfield Orthodontics, Springfield: We call them "Personal/Sick Days"; if an employee works each day we see patients, typically four days a week, they are entitled to four Personal/Sick days per year. I am our only full time employee and I get five Personal/Sick days per year. We tried several other ways to handle 'sick' days over the years and this has been the most successful, and our employees feel the same way! Since that is significantly more time than we currently offer, it would hurt our office terribly - financially (which would have to be felt in decreased pay raises as this has the potential to be a financial burden). It could also cause us to have to hire an additional employee to cover the additional time we would be without clinical assistants on patient days - and we cannot afford to hire anyone else. With the new health insurance laws falling squarely on the backs of small businesses, this would really tip the balance and create a serious financial burden. I could foresee this discouraging small business from setting up in Vermont, and even worse, putting existing small businesses out of business.

Dicks Mobil, Pittsford: This subject must be left to the private sector, and not to more government regulation. The marketplace has and will continue to give the best service and value based on competition. Government has no incentive to compete. If you go to a government agency and the person is out sick, you have no choice but to reschedule your visit. In the private sector many choices are available due to competition and well run businesses. How many times would you visit a retail establishment that was understaffed, closed early, opened late due to employees using up sick time when they are not sick. Competition, accountability, dependability, efficiency, and convenience are a must to be profitable to survive.

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The Inn at Weathersfield: As a small employer with 3 full time employees and 12 part-time the mandatory bill for sick leave would have tremendous negative financial impact on our small business. With 11,777 hours worked by our staff (in 2013) we would be liable for 49 paid sick leave days. The financial impact would be approximately \$6,667. We do not support this bill at all.

North Hartland Tools: We already provide 10 holidays, 3 sick days, and up to 20 vacation days for our employees. We do not sell a product, we sell our employees' time and skill. How are we supposed to grow as a business, or turn a profit, if we are supposed add increasing amounts of time off? There are reasons why France is not a desirable place to open a business, or to add additional workers – time off is one of them. Check the Wall Street Journal this past week for examples of why France is not competitive. WE already have a high cost place of doing business, let's not make it an anticompetitive place to do business.

D'Amico Ventures, LLC., Northfield: We are a small business owner of Northfield Auto Supply and NAPA of Barre. At current we do give our full time employees 5 sick days a year, which we consider generous in light of economy. We have been in business for almost 12 years and take good care of our employee's needs. We have had some employees who take quite advantage of their sick days only because they are allowed them, which hurts with the quality of customer service. We feel that the state mandating 56 hours would be harmful to our business. As an owner we have always taken care of our good employees if they need more than the allowed 5 days in individualized cases. I don't feel we should have demands put upon us that would cause a great burden to us. With up to 10 employees being given 56 hours, that equals 560 hours, and that would be devastating to our business, customers, coverage for the hours we are open, and our checkbook. I plead with you not to pass this mandate.

Lucas Enterprises Ltd., Wilmington: For any small business I am sure you are aware that payroll is the largest single cost that we face. A policy like this would add significantly to payroll cost, forcing us to make up for this cost elsewhere by cutting hours/benefits in other areas. Additionally it would reduce productivity by encouraging employees to call out sick even though they weren't because they were getting paid for it

Proctor Gas, Proctor: My fixed costs do not change. loosing 672 billing hours for a small company such as mine will have to be made up somewhere. i already have a hard time competing against the larger companies - this just puts me one step closer to giving up the fight and moving towards closing a 48 year old local family business. I take very good care of my employees and if i didn't they are big kids and could go find a Job that would better suit their needs. I can't stress enough what a burden it is to do business in this state already. This has been my home for 55 years i have lived and worked here all my life. I'm one of those rare Native Vermonters that has stayed the course but i have to say I'm truly getting tired of having to fight so hard to work for a living.

- Benefits we give our employees:
- They receive a competitive wage
- 401k
- Long term /short term disability
- Paid holidays

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- 5 personal days (we call them personal days b/c we don't want to encourage people calling in sick when they are not) to use as they want or need.
- Vacation time depending on their years
- Christmas bonus
- Better insurance before the state got involved but we still carry insurance. We are spending about the same amount of money, it's just the coverage is not as good. I don't even want to talk about the money we have spent on talking about and researching and then changing our health insurance because of the State.

TJ Mold & Tool Company, St. Johnsbury: I understand the reasoning behind paid sick leave, however; as a small employer, we already try to be flexible with our staff by offering a 4 day/10 hour work week/vacation time etc. This would put more of a financial burden on employers. If an employee wishes to receive more benefits from their workplace, they usually seek out another job. Some employees value the small business atmosphere and placing yet another financial burden on small employers is not the way to grow Vermont. In summary, I disagree with the bill.

Censor Facility Services, Rutland: In my business I am contracted to have a person on duty at properties spread all over the state. When an employee calls in sick I need to have another employee come cover the shift at that very point in time. That other employee would be at overtime as all my employees are based on a 40 hour work week. So not only am I paying the employee to be out I will now have to pay an employee at overtime to cover the shift.

Not all businesses are alike. If someone that works in an office calls in sick then they can do without that person for the day, same with plumbers and most other trades. My occupation as a Facility Services provider does not give me that same freedom. I have contracts to have people on site otherwise I could be legally responsible if something should happen to the client's property, assets and personnel.

At the current time we do have flex time where an employee calls out for whatever reason (sick, family issue, etc.) and we will try to switch with other employees days off to make it work. From the little I know of the current proposal this would cost my company undue financial hardship in an already tough business climate. We currently give our employee 1 -3 weeks of vacation I dare to say that if this bill passes we may very well have to look at changes in that benefit to make up the added cost.

This state had better start looking out more for business at this time. The increased UI charges, the unknown cost of what Health care will cost my business and now this. How much do they think we can absorb?

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