



**LAKE CHAMPLAIN REGIONAL
CHAMBER OF COMMERCE**

April 3, 2018

Senator Michael Sirotkin, Chair
Committee on Economic Development, Housing & General Affairs

Dear Senator Sirotkin and Members of the Committee,

Thank you for inviting our comments on H. 196, an Act Relating to Paid Family Leave. We offer the following comments on H.196 as passed by the House and would ask for the opportunity to testify or submit additional comments should the Committee desire to make changes that would affect the funding, benefits or solvency of the program.

As you know, the House passed H.196 in 2017 and included the following provisions:

- Six weeks of paid leave at 80% compensation for parental and family leave.
- Funded by 0.141% payroll deduction from the first \$150,000 of each employee's wages.

We have discussed the House-passed proposal with our Board of Directors and sought input from members at large. Many of our members presently offer family leave, short-term, or long-term disability benefits. Our members value family leave for their employees but have also consistently raised the following concerns:

- The bill would allow employees to access their benefits for up to six weeks each year for a comprehensive list of uses. Employers expressed concern that employees may choose the access the benefit annually making it difficult for them to plan (and pay) for appropriate staffing levels.
- Employers raised concerns that estimates of use may be low leading to solvency problems for the program.
- Employers also raised concerns that the program would be a new expense for employees who do not wish to participate in the program. Concerns about the affordability of Vermont for employees were noted.
- Multi-state employers with existing leave programs were concerned that their Vermont employees would be required to participate in a duplicative state program.
- Members also suggested the state look at encouraging voluntary participation by employers in order to provide greater access to this type of benefit.

We do not support or oppose H.196 as passed by the House in 2017 but ask that you consider the concerns expressed by our members as you deliberate on the bill. Again, we would have additional comment if changes that affect the funding, benefits or solvency of the program are considered.

Sincerely,

Catherine Z. Davis

Executive Vice President, LCRCC

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