

To: Chair Sirotkin and the Committee on Economic Development, Housing and General Affairs
From: Randy George, Co-Owner of Red Hen Baking Company in Middlesex

My wife and I have owned and operated Red Hen Baking Company going on 19 years. We employ 42 FTE. We often say that our employees are our greatest asset.

From the time we started our business, our goal has been to create a workplace that supports our employees not only with a positive work environment, but also with pay and benefits that will allow for our people to stay with us as they mature and settle down and, if they choose, start a family.

Most of our employees earn a livable wage, and all of them have disability insurance and access to paid time off; they have the opportunity to invest in a company-matched retirement account, and with a small contribution on their part, they enjoy the peace of mind of full health care coverage. Missing from this list is a key benefit -- one that nearly every working person is going to need at least once in their working life: paid family leave.

Although many larger companies can afford to offer this benefit to their employees, it would be far too expensive for most small businesses to afford to pay people while they are not working for a number of weeks. Yet, aside from health insurance, paid family leave is probably of more importance and value than any of the benefits that we currently offer at our business.

At some point in our careers, most of us will be faced with an event that compels, or forces, us to take time away from work. At Red Hen, we see workers face these kind of dilemmas regularly. In just the last five years, six of our employees have had babies. Each time, these new parents have dealt not only with the strain of having a new baby in the house, but they have also been faced with the dilemma of how to maintain their income. Although we would love to offer them a solution as their employer, our cash flow could not support such an expense. Fortunately, a solution to this problem has been proposed - H.196.

With the insurance that this bill would provide, employees in Vermont would be able to take time away from work when their family needs them most without a concern for how they will pay their bills and put food on the table. If ever there was a good example of strength in numbers, this is it. For so many businesses, pooling all of our resources is really the only way we can ever get our employees the coverage that they need and deserve.

I would also like to add that we supported H.196 as it was originally proposed in the House. We would like to see some of what we see as the essential elements of the original bill restored: First on that list is that employees need to be able to take a leave to recover from their own non work-related illness or injury. We also think that it is important for the leave time be at least 8 weeks, if not the originally proposed 12. We recognize that making these changes will have a small impact on the cost of the program, but the increase will be small in return for these significant improvements. As currently written, with the .141% payroll deduction the cost for an employee making \$24,000 a year (or about \$12/hr) would be just \$33.84. Restoring the above

mentioned benefits will of course increase this, but the fact remains that even at the original .93% figure, such a program would be an incredible bargain!

I want to add that we continue to support a model that shares the cost between the employer and employee. If that portion of the bill is not restored, I predict that many employers would see the value in contributing to this cost and join us in doing so, thereby reducing the burden on employees even further. In either case, we feel that the value of this insurance cannot be overstated. Such a plan is really the only way we can make sure that all Vermonters, regardless of income level and place of employment, can be assured that they will be able to care for themselves and their families when the need arises.