

3/19/2019

Dear Chairperson Ancel, Vice Chairperson Canfield, and members of the House Committee on Ways and Means:

Please enter these brief written comments into the public record, and share with the committee members.

As a longtime labor movement member and elected leader, I appreciate your support for a paid family and medical leave insurance program. However, I am concerned to hear that the Committee seems to be committed to third-party administration for this important public benefit. I understand that developing a publicly administered program will have a substantial cost, but all Vermonters will benefit from the investment.

Private third-party administration of the family and medical leave program would be a bad decision for a number of reasons. Since our goal is to provide family and medical leave for every working Vermonter who needs it, our public assets should not be managed by a profit-seeking business that has an interest in reducing the use of this essential service in order to maximize profits. We know that privatization of this program would create a perverse private-sector incentive to deny the public of those goods. I know from my relationship with members and leaders of the Vermont State Employees' Association that state employees have had a bad experience with private third-party administration of their workers' compensation insurance.

Further, third-party administrators are currently unregulated and unaccountable to the public in Vermont. Our public assets should be managed by those who are transparently accountable to the public.

Besides, given our administration's interest in our state's economic development, wouldn't it a misdirection of Vermonter's financial assets to have them managed by a private entity that will likely administer (and profit from) this program outside of Vermont? We would be missing an opportunity to create new, unionized, family wage jobs for Vermonters, who would spend their earnings in our own communities.

I also ask you to recognize the synergy that by investing in implementing a state administered program we would provide some of the resources that are badly needed to modernize systems at our Department of Labor. Currently VDOL does not have the technological capacity needed to enforce workers' rights in Vermont, and this program offers an opportunity to address the technological deficits at the Department.

Thank you for taking the time to read your constituent's concerns as you approach making a final decision on the content of H.107.

Sincerely,

Traven Leyshon, Executive Committee member of Vermont AFL-CIO
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