

NFIB

The Voice of Small Business®

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March 19, 2019

The Honorable Janet Ancel, Chairwoman
House Ways & Means Committee
State House
Montpelier, VT 05605

RE: H.107, Mandated Paid Leave Creates Hardship for Small Business

Dear Chair Ancel:

On behalf of the Vermont members of NFIB, I'd like to express our concern about H.107, legislation that will impose a new payroll tax and mandated 12-weeks of paid leave for employers of 10 or more employees.

The following examples below help to illuminate the burden this legislation will have on our small business sector in Vermont. Both are members of NFIB and are representative of our membership across the state.

A mom and pop auto shop in Northeast Vermont, the owner says their ten employees are a prized asset and they do all they can now to accommodate requests for family leave. But that flexibility would vanish under a government mandate allowing up to three months of leave, especially if a specialty mechanic were off, or two workers took leave simultaneously.

The owner says the business would be forced to accept fewer work orders. But as earnings drop, bills for utilities, insurance, taxes, and state assessments, would remain the same. There would be no choice but to cut the hours of other employees. Seeking a temporary replacement worker is out of the question since it's been nearly impossible to find skilled mechanics, even for a permanent full-time job, in that rural part of the state.

This proposal is also creating concerns at a small advanced manufacturing facility in Southwestern Vermont. With about two dozen employees working on the shop floor, production would drop significantly if two of their employees needed leave at the same time. If orders couldn't be filled promptly, customers disappear, crushing their hopes of competing with larger companies.

This second-generation, family-owned business says it is very flexible when employees need leave. One worker recently had to drive a family member to medical treatments so the employer juggled schedules to accommodate that need.

This legislation will create significant challenges the company's production goals. This legislation will hurt the employees if these companies and others as they will be forced to scale back operations or shut down because they don't have enough staff to accommodate the workload.

H.107 threatens the existence of smaller companies that contribute so much to the state economy, and [employ 59 percent of the state's workforce](#). Thank you for taking into consideration the concerns of NFIB members and the impacts H.107 will have on our small business sector.

Sincerely,



Shawn Shouldice

cc: Members of the House Ways & Means Committee