



The Voice of Small Business®

PO Box 721, Montpelier, VT 05601 - Telephone: 802-498-0049 – Shawn.Shouldice@NFIB.org
NFIB.org

February 24, 2021

The Honorable Ann Pugh, Chair
House Human Services Committee
State House
Montpelier, VT 05633

RE: H.171, Financing of Child Care in Vermont

Dear Representative Pugh:

On behalf of NFIB members in Vermont, I'd like to express our concern over H.171, legislation relating to the governance and financing of Vermont's child care system as introduced.

This pandemic has put a fine point on the challenges Vermont businesses face in supporting their employees so they can get to work, and are empathetic to the financial burdens that Vermont families face in accessing and paying for quality child care. However, as I've listened to the testimony and committee discussion, NFIB is concerned about the committee's contemplation of a new program that would cost hundreds of millions of dollars year in and year out.

Before the pandemic, small businesses provided 157,322 jobs in Vermont, more than 60% of the state's workforce, [according to the U.S. Small Business Administration](#). Companies with fewer than 20 employees created the largest percentage of new jobs. They may be small, but side by side they are an economic powerhouse. We look forward to seeing how these numbers are impacted once the pandemic period is tabulated. Section 13 (a) sets a commitment that (1) "a family does not spend more than 10 percent of its gross annual income on child care and (2) child care providers receive compensation on par with their peers in other fields." I would ask that the committee remove (a) (1) and (a) (2) so that the financing committee is not committed because of the inclusion of this criteria.

H.171 would establish a study that could cost between \$200,000 and \$700,000 dollars, for a program that is estimated to cost more than \$300 million dollars presumably funded with a payroll tax – all of this based on the testimony presented to the committee. This legislation sends the wrong message to those working so hard to continue to employ Vermont workers and to own and operate their businesses here in Vermont. Therefore, I'd also ask that you consider pushing the timeframe further out into the future.

Your focus, now, on fulfilling critical needs to help Vermont employers and their employees get through and emerge from the COVID-19 pandemic is critical. Discussion about putting in place a program of this magnitude only serves to further discourage small business in Vermont.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Shouldice", is written over a horizontal line.

Shawn Shouldice

cc: Members of the House Human Services Committee