



Vermont Businesses
for Social Responsibility

In Support of H.66, FY25 Vermont State Budget Process

February 15, 2024

Our Mission: To leverage the power of business for positive social and environmental impact

Our Vision: A just, thriving, and transformative economy for all people and the planet

From: Kristin Warner, Public Policy Manager, Vermont Businesses for Social Responsibility (VBSR)
To: House and Senate Appropriations Committees
Re: FY25 State Budget Process & Paid Family and Medical Leave Act, H.66

Vermont Businesses for Social Responsibility (VBSR) is a statewide business association representing over 700 businesses across 46 industries, who believe that business can contribute to a more just and sustainable world. We write to express our support for passing and implementing a universal paid family and medical leave insurance program for Vermont's workforce. Providing this benefit improves the health and well-being of working Vermonters and, therefore, our state's communities and businesses.

We request that the FY2025 budget include \$37 million in one-time funds to start-up a universal, state-run paid family and medical leave program. VBSR has long called for a universal program with standardized benefits and more public oversight than offered by a private insurance carrier.

Small business owners and employees need time off to care for themselves or a loved one in response to a major life event like cancer or addiction, welcoming a new child, caring for an ailing parent, or experiencing domestic violence.

In the absence of paid leave, many families face the possibility of life-changing debt, bankruptcy, drawing down on retirement savings, or the need for public assistance programs when facing a personal or family health crisis. No one should have to choose between their paycheck and the care they need.

Many of Vermont's businesses lack the capital needed to provide paid leave to employees or are too small to access private short-term disability insurance plans. When emergencies inevitably happen, it leaves businesses and employees holding the bill. Inclusive, universal paid leave insurance would be a great equalizer for employees at small businesses, and between the small businesses and the larger corporations we compete with for employees.

Employee turnover is a significant cost to the detriment of any business. A universal paid leave program reduces turnover and can lead to higher employee morale, directly increasing productivity. When employees exit the workforce to address a health or family crisis, the cost is staggering for any business to replace and train qualified staff. We need this legislation to pass to help secure our labor pool.

We support a paid leave program for all companies, like House-passed H.66, as a step toward creating a more stable workforce and community. These are essential components of a sustainable economic system.

We ask that Vermont lawmakers pass this vital legislation this legislative session and raise the standard of living for all Vermonters. Please include \$37 million in one-time funds in the FY2025 budget to start-up a universal, state-run paid family and medical leave program. Thank you.