



H.461, An act relating to expanding employee access to unpaid leave  
Senate Economic Development, Housing and General Affairs Committee  
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The Vermont Chamber of Commerce represents businesses of all sizes, from every industry, across every region of Vermont. We understand what it takes to help businesses grow and thrive to build strong and vibrant communities, and businesses have trusted us to center stewardship in our mission of advancing the Vermont economy. It is because of this mission that we appreciate the opportunity to offer testimony for the Committee's consideration of H.461, An act relating to expanding employee access to unpaid leave.

### **The Broader Economic Landscape for Vermont Employers**

As committee members heard during testimony at Manufacturing Day, Tourism Economic Day, and recent hearings related to federal tariffs, Vermont businesses—across industries and geographies—are operating in a period of sustained and compounding uncertainty. Tariffs are impacting material costs, energy and health care expenses continue to rise, and many employers are struggling to fill open positions. These challenges are not theoretical, they are having real, day-to-day impacts on business operations, expansion plans, and job creation.

For employers already operating on thin margins, the cumulative effect of new state-level mandates—whether related to employment, energy, or reporting, can be death by a thousand cuts on their ability to remain competitive. Businesses are working hard to hold on to every contract and customer, often competing directly with companies in neighboring states that may not be subject to the same regulatory requirements.

It's important to underscore that while H.461 outlines unpaid leave, that does not mean it is without cost to employers. When an employee is absent, even temporarily, their responsibilities must be absorbed by other staff, deferred, or backfilled.

These operational costs can be especially challenging for small employers, where one person's absence can significantly disrupt workflow, customer service, or scheduling. Many Vermont businesses simply do not have the depth or bench strength to absorb such losses easily, especially when those losses are recurring or layered on top of other economic pressures.

### **Flexibility Is a Competitive Advantage for Small Employers**

One of the few tools that Vermont's small businesses often rely on to compete for talent is flexibility. Whether through custom schedules, individualized benefits, or case-by-case leave arrangements, smaller employers have long used their nimbleness as a selling point for recruitment and retention.

Mandating a one-size-fits-all policy can unintentionally impact this flexibility, taking away a key advantage that small businesses use to differentiate themselves.

## Multi-State Compliance and the Patchwork Problem

For Vermont-based businesses that operate in multiple states, another growing concern is the increasingly fragmented landscape of state-specific employer mandates. More states are enacting their own, and at times conflicting requirements based on “blue” or “red” politics.

This regulatory patchwork is creating real administrative challenges and creates legal uncertainty. While the intention behind this is important, we need to acknowledge the challenges that come with trying to comply with a patchwork of state laws when you have employees in Vermont as well as states like North Carolina, Tennessee, Florida, or Texas.

## Specific Areas within H.461 We’d ask for Additional Consideration

### 1. Further Reflection of “In Loco Parentis”

H.461 includes in definition of “family member” individuals *in loco parentis*—described in Section 2(9) as someone with “day-to-day responsibilities to care for and support a child,” without biological or legal ties, and where financial support is not required.

We appreciate the bill’s goal of inclusivity and H.461 is specifically adding family definitions that the federal use of *in loco parentis* seems to intend to capture. Examples of *in loco parentis* provided in federal guidance include things like grandparents and domestic partners, those are now being specifically defined in H.461, which we support as it adds specificity and clarity. However, from a compliance and HR perspective, continuing to include *in loco parentis* when those relationships are now defined lacks clarity and enforceable standards. Employers will struggle to assess these relationships fairly and consistently.

Without specific, documentable criteria, businesses could be forced to make subjective and potentially sensitive judgments about family relationships, something they are neither trained nor legally equipped to do. We request the committee consider removing or narrowing this definition to make clear what additional types of relationships are being defined here which provide clearer guidance and examples.

### 2. Bereavement Leave Duration and Scope

Section 3(a)(2) allows employees to use up to two of the twelve weeks of leave for bereavement. While we fully support giving employees time to grieve, we are concerned about the length and scope of this requirement, especially for smaller employers.

45 states, including Vermont currently do not mandate bereavement leave at all, and of the 5 that do like California, Maryland, and Washington, they generally require fewer days. Oregon and Illinois offer longer leave, but they do so for much larger employers. H.461’s threshold of 10 employees is considerably lower, yet the two-week leave mandate would be among the most generous in the country.

For a business with 10 to 15 employees, losing one staff member for two weeks even if it is unpaid can significantly disrupt operations, delay projects, or impact client relationships.

We respectfully request the committee consider reducing the proposed bereavement leave to five days. This strikes a balance between compassion and operational feasibility and would bring Vermont more in line with other states’ requirements.

### **3. Lack of Clarity on Relationship Verification**

The bill outlines documentation requirements to verify the reason for a leave such as a serious health condition, a death, or a qualifying exigency but does not address how an employer is to verify the relationship that qualifies the employee to take that leave under the expanded definition.

This seems to be a gap in the legislation. We respectfully ask the committee to include language clarifying that employers may request reasonable documentation to verify not just the reason for the leave, but the qualifying family member involved. Including examples or model templates as done for other types of documentation in the bill would provide much-needed clarity.

We share the Legislature's commitment to fostering inclusive and supportive workplaces, and we support policies that reflect the realities of modern family structures. At the same time, we urge caution and balance particularly in this economic moment when Vermont employers are doing everything they can to retain staff and operations, and weather economic uncertainty.

The Vermont Chamber stands ready to work with the committee on thoughtful amendments that uphold the bill's intent while ensuring implementation is practical, consistent, and sustainable. Thank you for your time and your commitment to Vermont's workers and businesses alike.