



Maggie Lenz

Testimony on Labor Bills

On behalf of the Vermont Retail & Grocers Association (VTRGA)

Senate Economic Development, Housing and General Affairs Committee

March 13, 2025

Chair Clarkson and members of the committee,

For the record, my name is Maggie Lenz, and I am here today on behalf of the Vermont Retail & Grocers Association.

VTRGA represents more than 300 members across Vermont. Our members include retailers, grocers, and associate businesses in communities throughout all 14 counties of the state. The retail industry in Vermont supports over 108,000 jobs and contributes \$9.2 billion in total impact to Vermont's GDP.

Today I am offering testimony on several draft labor bills under consideration by this committee. Our members are committed to providing good jobs and supporting their communities, but they are also facing significant challenges in a tight labor market.

I know you hear constantly about the challenges businesses in Vermont are facing. From workforce shortages to supply chain issues to rising costs. Sometimes these things are repeated so frequently that they can begin to lose their meaning. Especially when we are talking about businesses, which can seem abstract and faceless.

My hope is that as I am discussing our member's concerns in my testimony today, that abstract idea of a business is replaced with a picture of who it is that we are really talking about. Your neighbors, your friends, your family members, your constituents. Vermonters. Running a business in a small, rural state like Vermont is not for the faint of heart. And it is one of the deepest commitments someone can make to this state.

We are extremely appreciative of the work this committee is doing. But we are also concerned that some of these proposals will have serious unintended consequences such as increasing legal risks and operating costs, which will in turn make it harder to hire, retain, and then harder to support Vermont workers, who you are aiming to help with these proposals.

Good Cause Termination Requirement

Draft Bill: Good Cause Termination, Noncompete Bans, and Workplace Seating (dr req 25-0653)

VTRGA opposes the proposal to eliminate at-will employment in Vermont and require employers to demonstrate good cause in termination decisions.

Vermont already has incredibly strong worker protections through the Fair Employment Practices Act, whistleblower protections, and common law wrongful discharge claims. Adding a statutory good cause requirement is simply unnecessary and would create legal risk and complexity for employers, particularly small businesses without in-house human resources or legal counsel.

Even when a termination is justified, the cost of defending that decision can be prohibitively expensive. Increased risk of litigation will make employers more hesitant to take chances on new hires, particularly individuals with non-traditional backgrounds or resumes. It could also discourage businesses from expanding their workforce at a time when Vermont's labor force participation rate remains below pre-pandemic levels.

We encourage the committee to maintain Vermont's current balanced approach.

Noncompete Agreements

Draft Bill: Good Cause Termination, Noncompete Bans, and Workplace Seating (dr req 25-0653)

Noncompete agreements are not a top concern for most VTRGA members. However, in certain situations, they are a useful tool to protect proprietary information, customer relationships, and business investments.

Under Vermont's existing common law, noncompete agreements are already required to be reasonable in scope, geography, and duration. If an agreement is overly broad or unreasonable, it is unlikely to be enforced. That said, even under the current standard, disputes over noncompete agreements can lead to costly and time-consuming legal proceedings for businesses. Whether a business is ultimately found to be right or wrong in those disputes, the legal costs involved can be significant. Small businesses, in particular, are often least equipped to handle those expenses.

The potential for more litigation, uncertainty, and administrative burden under this proposal could make businesses more hesitant to enter into agreements they have traditionally relied on to protect sensitive information. The proposal could also create unintended consequences for businesses that are trying to comply in good faith but face legal challenges nonetheless.

We encourage the committee to consider codifying Vermont's existing legal standards rather than adopting an outright ban. Adding an income threshold could also help ensure that noncompete agreements are used appropriately and narrowly, while providing needed clarity for both employers and employees.

Right to Sit Requirement

Draft Bill: Good Cause Termination, Noncompete Bans, and Workplace Seating (dr req 25-0653)

VTRGA appreciates the intent behind this proposal but has not heard from members that this is an issue in their workplaces. Employers are already required under federal and state law to make reasonable accommodations, including providing seating when necessary.

This proposal appears unnecessary and risks creating confusion where employers are already acting in good faith.

Wage and Compensation Changes

Draft Bill: Wage and Compensation Changes, Unemployment, and State Construction Projects (dr req 25-0652)

VTRGA strongly opposes the proposal to include the market value of health insurance in the definition of wages for workers' compensation purposes.

An employee's health insurance benefits often continue when they are out on a workers' compensation claim. Including the value of that insurance in the calculation of wage replacement effectively double counts the benefit. It inflates wage calculations and increases workers' compensation premiums without reflecting an actual wage loss.

We have heard from several members who are concerned that this change would make it harder to continue offering health insurance benefits at the level they do today. For small businesses already managing tight budgets, changes like this can tip the balance when deciding what benefits they can afford to provide.

We urge the committee to reconsider this proposal and avoid adding new costs that would discourage small businesses from offering health benefits in the first place.

Vacation Leave Payout Requirement

Draft Bill: Wage and Compensation Changes, Unemployment, and State Construction Projects (dr req 25-0652)

VTRGA has concerns about the proposal to require employers to pay out all accrued but unused vacation leave when an employee separates from employment.

We would appreciate clarification on how this requirement would apply to businesses that offer unlimited or flexible time-off policies, where time is not formally accrued. Would these businesses be expected to track and assign a monetary value to time off that was never capped or accrued in a traditional sense?

We also flag potential issues for small businesses that do not currently formalize vacation policies. Would this requirement force them to implement accrual systems and more rigid policies in order to comply?

Finally, we ask whether this proposal is aimed at addressing a widespread problem. Are there data or examples showing that unpaid vacation time at separation is a common or unresolved issue in Vermont?

Collective Bargaining

Draft Bill: Collective Bargaining Rights and Labor Relations Board Funding (dr req 25-0654)

VTRGA opposes the proposal to increase the threshold for decertification petitions from 30 percent to a majority of all employees, defined as 50 percent plus one.

Under current law, 30 percent of employees in a bargaining unit can petition to either certify or decertify a union. In both cases, the decision is made by a majority of those who vote in the election. This proposal would change that standard for decertification only, requiring a majority of all employees just to start the process. That creates an uneven standard and makes it much harder for employees to reconsider their representation if workplace circumstances change.

We encourage the committee to maintain consistent standards for both certification and decertification, ensuring employees have a fair and balanced process whether they are forming or leaving a union. Workers should not face additional barriers when deciding what representation best fits their needs.

There are multiple examples across the country where employees have sought to decertify unions because they felt the union was no longer responsive or effective. Under this proposal, Vermont employees in similar situations could find it far more difficult to make a change.

Conclusion

Vermont businesses are committed to providing good jobs and contributing to their communities, but they need policies that support flexibility and balance. We urge the committee to carefully consider the impact these proposals will have on our businesses at a time when they are already struggling.

Supporting Vermont businesses supports the people who own, manage, work at, and enjoy these businesses.

Thank you for the opportunity to testify.

Sincerely,
Maggie

--

Maggie Lenz

Owner & Lobbyist | **[Atlas Government Affairs](#)**

p. 802-279-4262

e. maggie@atlasgovaffairs.com

a. 4 State St. #4 Montpelier VT 05602