Ethan Allen Institute

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Commentary: The Obama/Shumlin Job Shrinkage Plan

by John McClaughry

Returning from a meeting with President Obama in Connecticut a week ago, Gov. Peter Shumlin made a not-so-startling announcement: "I feel very strongly that it's imperative to raise the minimum wage in Vermont to what the President has recommended." He went on to suggest that a higher government-mandated wage would "give a boost to the state's economy."

The President's proposal that won Shumlin's enthusiastic support would raise the Federal minimum wage from the present $7.25 per hour to $10.10 in 2017. Two bills in the legislature (S.301 and H.550) propose to increase the Vermont minimum wage (now $8.73) in stages to $13.20 in 2017, when, if Obama is successful, the Federal minimum wage will have risen to $10.10. Thus, the Vermont minimum wage would go from 120% of the Federal wage to 131%.

In an interview before the state Chamber of Commerce on February 7, Shumlin also argued that an increase would boost income for minimum wage workers and thus "reduce dependence on government programs."

At the heart of the argument for increasing the minimum wage is the proposition that low-wage employers are paying their workers so little that the taxpayers are required to augment their incomes with TANF, SNAP, LIHEAP, EITC, Sec. 8 Housing, Medicaid and other means-tested welfare programs. This, the advocates believe, is an unjustifiable subsidy to cheapskate employers.

The minimum wage law is the economic equivalent of imposing a targeted new payroll tax on these employers, so they'll cost the employer as much as the legislature thinks the workers ought to be paid. This hidden tax – let it be noted – has nothing to do with the business's profit.

What will inevitably happen is that employers with lots of low-skill low-wage workers will avoid most or all of that new tax by simply laying off the workers, or relocating the business to a more business-friendly state, or outsourcing as much as possible to Asia or Mexico, or investing in labor-replacing equipment.

Alternatively, the business can accept the politically-mandated wage boost, increase the price of its products, and hope consumers don't notice. This result is not likely to continue for long. If Subway has to add a dollar to the price of a luncheon sub, somebody will notice that for the same price they can get a more upscale lunch at Applebees, where wage-free dining room automation is soon scheduled to appear. Minimum wage advocates continually assume a moral tone – forcing employers to pay more is "the right thing to do". The inescapable flaw in that argument is that the workers earning the new $13.20 minimum wage will not be the same workers who are now earning $8.73. Sure, an economically insupportable $4 an hour wage increase will make the survivors richer and happier – but at the same time many of their onetime fellow workers won't have those jobs any more – and are almost certainly likely to increase, not decrease, dependence on government programs.

Who are these workers priced out of the labor market? They are the least skilled, least productive, least experienced, least English- speaking, and least white. That's the point tirelessly made by two economic professors who grew up black and poor, Thomas Sowell (Stanford) and Walter Williams (George Mason).

Sowell has called the minimum wage "economic insanity and social callousness masquerading as compassion." Williams has documented how the Federal minimum wage was designed by Big Labor in the 1930s to tilt the scales against black workers competing for "white jobs".

Prof. David Neumark (Michigan State) has conducted exhaustive econometric research on the effects of the minimum wage increases. He reported that contrary to his expectations, the answer to "the question of whether minimum wage increases help poor and low-income families is a fairly resounding No. Minimum wages instead appear to increase the proportion of families that are poor or near-poor."

So why are Obama and Shumlin beating the drum for a senseless job-shrinking anti-business economic policy? Because the militant Left demands it, the labor unions support it (as a bargaining tool to negotiate larger wage increases for their members), and their political friends can revile the opponents as heartless, greedy reactionaries in the approaching election season.

If they really believe that raising the minimum wage will "give a boost to the economy" and "reduce dependence on government programs", they are living in a dream world – or more likely, they could cynically care less about the working poor who will pay the price.

- John McClaughry is vice president of the Ethan Allen Institute

Commentary: Robbing the Poor to Give to the Powerful

By Rob Roper

As the legislature wrapped up business before heading home for the Town Meeting Day break, the Vermont senate voted 22-8 in favor of An Act Related to Childcare Providers. What this bill would do is effectively pick the pockets of Vermont's smallest businesses, mostly run by women who don't make a lot of money. The windfall from this action will be benefit some of the most powerful special interest organizations in Montpelier, and represents a very ugly side of crony politics.

The bill (S.316) allows early childcare providers to form a union in order to collectively bargain for increased government subsidies. What's wrong with that, you might ask? We all have a right to freedom of association and if people want to form a union they have every right to do so. Yes. Absolutely. However, this bill has to be taken in the context of another bill passed into law during the 2013 legislative session, Act 37. Act 37, An Act Relating to Payment of Agency Fees And Collective Bargaining Fees, forces people who do not choose to join a union -- and want nothing to do with a union -- to pay fees equal to 85% of full union membership dues to the union that is ostensibly bargaining on their behalf. In other words, it allows unions to use the power of government to confiscate money from people who are not its members.

For example, in the aftermath of passage of Act 37, the Vermont NEA (National Education Association) was able to (and will be able to do so annually) collect several hundred thousand dollars in “fees” from roughly 2,600 mostly low-wage support staff who can least afford to hand over a chunk of their paychecks. If the childcare unionization bill passes, the American Federation of Teachers and the AFL-CIO, who are supporting the bill, can expect a similar windfall. This is why Vermonters for the Independence of Child Care Professionals, a coalition of over 250 registered home providers across the state, is frantically opposed to the bill.

So, why would a legislature with a supermajority of small-p progressives, always out for “the people over the powerful,” be overwhelmingly signing off on this heavy handed, reverse Robin Hood legislation? The answer is crony politics in which the powerful look out for each other at the expense of anyone else.

On the heels of collecting its newfound revenue, the NEA put over $100,000 support for the majority party's Single Payer Healthcare initiative. They spent $35,000 on a poll that revealed popular support for single payer has dropped by half to just 24% in the past twelve months, and then poured $80,000 into Vermont Leads, a Single Payer advocacy organization.

After the senate approved the childcare unionization bill, the America Federation of Teachers announced that it will be donating another $100,000 to start Vermont's Coalition for Universal Reform, a 501(c)4 that “plans to unleash a lobbying, organizing and advertising campaign in support of Gov. Peter Shumlin's plan to provide universal health insurance in 2017.” (Seven Days, 3/20/17)

And who will lead this new organization? The House Majority Whip, Tess Taylor (D-Barre), who resigned her office to take the lobbying job.

The history of this bill is just as unseemly. In 2012, when an earlier version of the childcare unionization bill failed in the senate, Ben Johnson, president of the AFL-CIO, reportedly threatened the Senate President Pro Tem John Campbell (D-Windsor) “by sliding a piece of paper across his desk that showed how much money the union had spent on political action committees that supported Campbell and [the Democratic] party and asking him to support the bill.” (Vermont Digger, 2/7/12)

Campbell was at the time justifiably outraged, saying, “The reason why I believe this bill does not have the right to go forward is the tactics used to intimidate myself and this body are so against what good clean government is about, I think it would be rewarding bad behavior.” It still does.

Senator Kevin Mullin (R-Rutland) opposed the childcare unionization bill this year on the floor of the senate. He pointed out that the legislature has the power to increase reimbursement rates to childcare providers without the necessity of a union telling them to do so. If the legislature sees a problem, why not just address it directly?

Perhaps because doing so would not put money into the pockets of powerful special interests that would in turn use that money to prop up the majority party’s failing signature policy initiative? If hundreds of low income childcare providers have to "pay their fair share" in order to make this happen, so be it.

- Rob Roper is president of the Ethan Allen Institute

Commentary: The Latest Attack on Independent Schools

by Shayne Spence

The legislature in the last biennium has been consistently attacking school choice in Vermont after North Bennington's decision to close its public school and reopen an independent school in its place. This move gives every child in that town, and 92 other tuitioning towns in Vermont, school choice. That debate has come to the forefront again with a Town Meeting Day ballot initiative in Westford to look into closing their public school and setting up and independent school. With great examples to follow like St. Johnsbury Academy, Lyndon Institute, Burr and Burton, the Compass School, and others, it is obvious why parents would want their children to have access to the opportunities choice and independence bring. These schools have a long history of providing quality education to children of all segments of society, and in many cases for far below the cost of the public schools.

Senate Bill 91 would impose a two-year moratorium on a town's ability to close their public school and reopen it as an independent school and study the constitutionality of local communities doing this. "There seems to be a more focused discussion on trying to prevent more North Benningtons," said Senate Education vice-chair Sen. Don Collins (D-Franklin).

Sen. Dick Sears (D-Bennington), who chairs the Senate Judiciary Committee and has North Bennington in the heart of his district, sees the issue much differently. Sen. Sears asked, "Is it constitutional for us to say to a local school district, whether it be North Bennington, Westford, or Putney, 'You can't become an independent school.'" The moratorium would stop local communities from closing their public school and leasing the building to an independent school that serves essentially the same population. While this does not expressly forbid the practice of setting up an independent school or voting to close a public school, it puts a massive capital burden in the way of doing so. For example, if Westford decides to set up an independent school before the moratorium is up, they will have to build an entirely new school building, and leave the old public school building vacant or repurpose it. By passing this bill, the Senate would achieve Sen. Collins' goal of "trying to prevent more North Bennington's."

But should the legislature even be trying to take away this form of local control? Nationwide studies have shown that allowing school choice through the use of a tuition voucher leads to better or equal results, for anywhere from -----29-87% of the cost, with higher parental satisfaction. For example, Westminster's Compass School, founded in 1999 by local parents and educators, has a nearly 100% graduation rate and a 90% college acceptance rate, with a 2013 tuition rate set at the average tuition rate of $13,078. The statewide public school per pupil average is $18,751.

Opponents of school choice argue that it leads to a lack of access to special education services if independent schools are not required to offer them. However, the evidence doesn't support the argument. At the Compass School, for example, 30% of students were on an individualized education plan (IEP) in the public schools, and receive special education services at Compass. And parent, Kirby school board member and special educator Bill Storz attributes his district's low special education rates to the prevalence of choice in the area. Storz says, "I honestly think that the choice system allows people to feel empowered about their situation, and I think it logistically allows them to find matches. Last year we crunched some numbers on special education…and we found that we have very low numbers in special education. And I, anecdotally, attribute that to people being better able to match."

Another argument opponents make is one of equity, particularly in light of the Brigham decision. Joel Cook of the Vermont NEA claimed that choice is "inherently discriminatory", leading to segregation between rich and poor students. Bill Mathis of the Vermont Board of Education argues that "choice only exists if you can get there", asserting that parents who could not afford to transport their children would not have access to independent school education even with a voucher. However, the history of tuitioning towns shows this is untrue. In the Northeast Kingdom, a rural area with the highest poverty levels in the state, the two best-known schools are independent schools which accept tuitioning students from all over. And since each student who comes to those schools brings with them a $13,000-16,000 voucher, those schools have a very strong interest in ensuring students can get there. St. Johnsbury Academy and Lyndon Institute, which serve the most rural part of Vermont in the Northeast Kingdom, help parents arrange carpools and provide busing in some cases so that all students have access to quality education, no matter the distance or price of gasoline.

School choice through publicly funded vouchers is the best way to ensure that every student in Vermont has access to a high quality education, regardless of race, socioeconomic class, or geographic location. Parents in Kirby have access to whatever quality education they wish, be it St. Johnsbury Academy, Lyndon Institute, or any of the many other public or approved independent schools in the area. However, if you cross over the border into Concord, parents and students only have access to the local public school, unless they are capable of paying their tuition rates in addition to their existing property tax bill. If we want to talk about inequality, this is a perfect example of it, created and enforced by the State of Vermont. With a $13,078 tuition voucher, every parent has access to a costly private education, while the state upholds its constitutional objective of providing for public education.

The large number of school budget rejections on Town Meeting Day is a clear indication that the education finance system under Act 60/68 is broken, and voters are demanding a change. The threat of consolidation was a serious factor in North Bennington's decision to go independent. If the legislature really wants to "prevent more North Benningtons" as they say, they need to allow that choice for ALL towns, whether they have a public school or not. The battle here is not one of public vs. private, or even more spending vs. less. The question is whether we can educate students better through a one-size-fits-all approach, or by opening up options that will work for everyone.

- Shayne Spence is the Outreach and Development Coordinator for the Ethan Allen Institute.

Events

April 11. This April marks the 21st annual Jefferson Day event sponsored by the Ethan Allen Institute. On Friday April 11, 9:30-11:00, EAI founder John McClaughry will address students of Lyndon Institute on "Thomas Jefferson's Legacy to America's Youth of Today." EAI members and friends can attend – please contact Kathy Smith at LI for the room and parking information. (kathy.smith@lyndoninstitute.org).

April 11. Jacob Hornberger and Sheldon Richman will discuss "Freedom vs. the State: The Libertarian Angle" at the University of Vermont, Old Mil Annex - A207 from 7:00 pm to 9:00 pm. This program is sponsored by the UVM chapter of Young Americans for Liberty.

Roll Call Reports

- House passes $1.44 billion budget, 5.5% spending increase (H.885), 91-46.
- House Votes to Keep Single Payer Financing Plan from Public (H.884), 39-102.
- House Passes $1.2 million in miscellaneous taxes (H.884), 104-4.
- House Denies Dual Enrollment Opportunities to Independent, Private, and Religious School Students (H.876), 65-76.
- House Passes Strict Permitting Requirements (H.823), 92-44.
- Senate Rejects Local Control Over Siting of Solar Generation Plants (S.191), 8-21.
- Senate Calls for Constitutional Convention to Rewrite the First Amendment (JSR.27), 25-2.
- Senate puts moratorium on public schools going independent (S.91), 10-18.

News & Views

Vermont Business Climate Ranked 45th (that's bad) by Tax Foundation. Once again, the Tax Foundation annual publication "Facts & Figures" rates Vermont's http://taxfoundation.org/sites/taxfoundation.org/files/docs/F%26F14%20web.pdf business climate as dismal. We rank 45th out of 50 (50 being the worst and 1 being the best.) The overall ranking is comprised of scores in five separate categories: Corporate tax (VT, 42th), Income Tax (VT, 45th), Sales Tax (VT,13th), Unemployment Insurance Tax (VT, 22nd), and Property Tax (VT, 48th).

Toughest Capital Gains Taxing States: The Tax Foundation released (2/16) its rankings of capital gains tax rates faced by entrepreneurs in the 50 states. This is important to growing new business ventures whose shares have appreciated.Vermont is fifth highest (33.0%), tied with New Jersey. (CA is 1, NY 2, OR 3, MN 4… and NH 42.)

State Economist says minimum wage hike will kill jobs, leave low income Vermonters worse off. State economist Tom Kavet testified on Wednesday that a $10 minimum wage cost 250 Vermonters their jobs, and a $12.50 minimum wage would cost 3200 Vermonters their jobs. He also demonstrated how either level of increase would leave low income people worse off financially because as their salaries climb their benefits fall faster than the rise in income. It would also cause the state to lose tens of millions of dollars in federal funding for poverty programs. This is a lose/lose proposition for the most vulnerable people in our economy, yet our politicians move forward…. Here's a quick video recap of Kavet's testimony: http://youtu.be/pM3zR_V6ci8

Kennametal to Close Lyndonville Plant. The Pennsylvania based company, which produces tools for metalwork, mining and construction, announced on March 26 that it will close its Vermont plant at a cost of 80 jobs.

Why School Property Taxes are Rising: "Monitor Needed to Assure Students Eat Balanced Breakfasts. Superintendent Nancy Thomas told the Twinfield Union School Board someone at the cash register needs to be hired to monitor that each and every student takes an item from each of the food groups, in order to pass muster on the federal money received for the breakfast meal." - Hardwick Gazette headline and story (2/17/14)

Ways & Means Committee Member Says Shumlin Care Has "Flatlined"…. Rep. Jim Condon (D-Colchester) said in an interview with Vermont Watchdog, "The deadlines for proposing financing [for Green Mountain Care] have been missed two years in a row now, so to me that's very disappointing. It's becoming clearer and clearer that there is no financing plan."

More Democratic Concern Over Single Payer. "Single payer may not "be politically viable in this legislative body, due to the costs involved." -Senate President John Campbell (D-Windsor) (VPR, 3/25/14)

Lollipops & Bubble Gum. The State's impending takeover of one sixth of Vermont's economy via the implementation of government-run, single payer healthcare plan is a serious event. So, it does not inspire confidence when the governor responds to a question about how we're going to pay for his signature policy with a snarky quip about "bubble gum and lollipops."

Smarter than the Feds? Or not? In a recent radio interview, Governor Peter Shumlin blamed the poor role out of Vermont Health Connect on deadlines from the Feds that were too soon. This is also his excuse for not releasing financing plan for Green Mountain Care, despite missing two deadlines already. But it was just two years ago that Shumlin was saying, "I want to see [Green Mountain Care] implemented by 2016. If it's sooner that's better for all of us…. There's got to be a Vermont way to find a way around those obstacles. We can outsmart the feds." Or just blame them.

NASA Apollo Team Refutes Global Warming Conclusions: Hal Doiron, leader of a group of retired NASA Apollo scientists and engineers - the men who put Neil Armstrong on the moon – says about their report refuting climate change policies, "I believe in computer models. My whole career was about using computer models to make life or death decisions. In 1963 I had to use them to calculate whether, when the lunar module landed on a 12 degree slope it would fall over or not - and design the landing gear accordingly. But if you can't validate the models - and the IPCC can't - then don't use them to make critical decisions about the economy and the planet's future." http://therightclimatestuff.com/ExecutiveSummaryBoundingGHGClimateSensitivityForUseInRegulatoryDecisions140228.pdf

Vermont's Great Climatologist Speaks! "Climate change is real, climate change is man-made, and climate change is already causing severe damage in terms of drought, forest fires, floods, rising sea levels and extreme weather disturbances,' said Bernie Sanders, I-Vermont." (WCAX 3/10/14)

NOAA Speaks! Atlantic Hurricane Activity hits 39 year low .Atlantic hurricane activity is at its lowest level in more than 30 years, the National Oceanic and Atmospheric Administration reports. "There were no major hurricanes in the North Atlantic Basin for the first time since 1994. And the number of hurricanes this year was the lowest since 1982," NOAA observed. On a related note, the United States is currently experiencing its longest period in recorded history without a Category 3 or higher hurricane strike.: National Oceanic and Atmospheric Administration

Another 50¢ cigarette tax on the horizon? One of the leading candidates for the tax hike is the tobacco tax. Currently the state tax on cigarettes is two dollars and 62 cents a pack. House Speaker Shap Smith would like to increase it by 50 cents.

Avoiding Poverty: "Avoiding long-term poverty is not rocket science. First, graduate from high school. Second, get married before you have children, and stay married. Third, work at any kind of job, even one that starts out paying the minimum wage. And finally, avoid engaging in criminal behavior." – Dr. Walter Williams (who grew up black and poor in Philadelphia) (Human Events, 2/12/14)

And Another One: "Big government inevitably drives an upward distribution of wealth to those whose wealth, confidence and sophistication enable them to manipulate government… government becomes drained of dignity, and becomes corrosive of social cohesion, as it becomes a bigger dispenser of inequality through benefits to those sufficiently clever and connected to work its levers." – George Will (Washington Post 12/13/13)

Jefferson on Government and Happiness. "If we can but prevent the government from wasting the labours of the people, under the pretence of taking care of them, they must become happy." - Thomas Jefferson to Thomas Cooper, November 29, 1802

Book of the Month

To Keep and Bear Arms
By Joyce Lee Malcolm
Harvard University Press, 1994, pp. 177

This concise but fact-filled book by Bentley College historian Joyce Malcolm first appeared in 1994, as Congress was passing gun control legislation, notably the so-called Feinstein "assault weapon" ban. Since Congress is once again in the gun control mode, it's well worth reviewing Prof. Malcolm's assiduous research into what she describes as the "the origins of an Anglo-American right".

The 1994 debate preceded by over a decade the two seminal U.S. Supreme Court cases declaring the right to keep and bear arms an individual right protected by the 2nd Amendment (DC v. Heller in 2008 and McDonald v. Chicago in 2010). At the time of the 1994 debate, gun control advocates were enthusiastically arguing that the Second Amendment involved only the composition of the militia, not any supposed right of a citizen to keep and bear arms.

In its Heller decision, the Supreme Court, citing Malcolm's research, observed that "Under the auspices of the 1671 Game Act, for example, the Catholic James II had ordered general disarmaments of regions home to his Protestant enemies. These experiences caused Englishmen to be extremely wary of concentrated military forces run by the state and to be jealous of their arms. They accordingly obtained an assurance from William and Mary, in the Declaration of Right, that Protestants would never be disarmed: 'That the subjects which are Protestants may have arms for their defense suitable to their conditions and as allowed by law.'"

The great merit of Malcolm's work is that it incontrovertibly shows that the right to keep and bear arms began in England as an enforceable duty, and at the time of the accession of William and Mary in 1689 a convention of the land persuaded the new sovereigns to accept it as an individual right against king and government. She goes on to examine the history of the law of firearms ownership in England, and in each of the American colonies.

Malcolm doesn't look at Vermont's first constitution of 1777, but holds up the Pennsylvania constitution of 1776, from which Vermont's founders adopted the present right of every Vermonter to "keep and bear arms for the defence of themselves and the state."

The right affirmed in the Second Amendment was not won easily. There were many backsliding steps taken along the way, and four members of the present U.S. Supreme Court firmly reject the majority opinion that "to keep and bear arms" is an individual right. But Malcolm's deep research shows clearly that our Founders believed that a citizenry in arms would ever be the ultimate defense of liberty against a tyrannical government and its standing army.

It's not about hunting or target shooting. It's about liberty. Those who stand for liberty would do well to read Malcolm's book, and appreciate how our forefathers understood the ultimate means for liberty's preservation.

– Review by John McClaughry, vice president of the Ethan Allen Institute

Final Thought

A Small Business Owner Explains the Reality of Minimum Wage Laws

I am writing in response to the e-mail I received Friday from the Vermont Chamber of Commerce asking for thoughts and concerns. I have written a similar letter to my local legislators.

I am writing as a concerned Vermont citizen and a small business owner about the reforms being put before the Vermont House and Senate and ask that legislators oppose the legislation of Mandatory Sick Leave and Minimum Wage. As a business owner it is difficult to break away from my daily responsibilities to attend public meetings on the subjects of minimum wage and mandatory sick leave. However, I would like to share my thoughts and views.

Clearly, both of these bills will be to the detriment of the Vermont people. The law of supply and demand is more powerful than the minimum wage and mandating paid time off laws that are proposed; when the price of anything, including labor, goes up, the quantity demanded goes down, other things constant. No one has ever disproven this economic law.

With respect to the minimum wage bill, the only sure way to increase jobs and wages for lower-skilled workers, and increase their standard of living, is to increase economic growth. The minimum wage is neither necessary nor sufficient for economic growth.

The idea that raising the minimum wage will increase income confuses the price of labor (the wage rate) with labor income (wage rate x hours worked). If a worker loses her job or can't find a job at the higher minimum wage, his or her income is zero. As stated in the Chamber newsletter "Economist Tom Kavet who outlined the potential impacts of passing an immediate wage hike of $12.50. These include the loss of 3,200 jobs (1% of total employment) and a reduction of Federal transfer payments that could total $35 million."

A higher minimum wage without a corresponding increase in the demand for labor caused by an increase in labor productivity (due to more capital per worker, better technology, or more education) will mean fewer jobs, slower job growth, and higher unemployment for lower-skilled workers. Higher-skilled workers and union workers will benefit, but only at the expense of lower-skilled workers, especially the young and minorities.

Small business owners will see their profits cut, which will either drive them out of business or slow their expansion. If prices are increased to offset the higher minimum wage, something that is difficult in competitive markets, consumers will have less money to spend on other things. Thus, there will be no net increase in employment. Moreover, an increase in the minimum wage cannot lead to an increase in aggregate demand unless the Federal Reserve accommodates the higher minimum by pumping up the money supply, which would lead to inflation and a loss of purchasing power.

Letting free markets determine wage rates is consistent with a free society and also with economic logic. It is the surest path toward greater income mobility as younger, low-skilled workers get experience and move up the income ladder. Cutting that ladder off by mandating a higher minimum wage is a recipe for poverty not progress.

With respect to the mandatory sick leave, guaranteeing workers paid time off is a broad-based tax on employers. Paid leave legislation will have a negative impact on all responsible small business owners and their workers. Vermont`s businesses cannot afford to lose jobs. This will have a significant impact on my total payroll costs and hiring decisions.

Once again the inescapable law of supply and demand will play a part in the Vermont economy as a higher labor cost without a corresponding increase in the demand for labor caused by an increase in labor productivity (due to more capital per worker, better technology, or more education) will mean fewer jobs, slower job growth, and higher unemployment for lower-skilled workers.

By requiring that all full and part-time (seasonal) employees begin accruing paid time off on their first day of work means my small business will incur unnecessary costs to hire and train new employees that might not work out. Both the employee and the employer should be allowed to be sure the employment situation is a good fit for both parties.

Some of the costs of guaranteed paid time off will be passed on to my workers, who will have to cover the work load for absent employees. The "one size fits all" mandate reduces the flexibility and the financial resources available to offer voluntary benefits that workers want, such as retirement, vacation and potentially healthcare.

The tourism, hospitality, and retail industries and other seasonal businesses that rely on part-time employment will be impacted the hardest. This bill does not provide for an arrangement that will accommodate their needs despite the legislators attempt to include a provision that allows that these employees will not be allowed to use their accrued paid leave until the second year of employment.

Paid leave and minimum wage legislation will have a negative impact on all responsible small business owners and their workers. The Vermont Chamber of Commerce, many Vermont business owners, and many of your constituents oppose this legislation. Vermont`s businesses cannot afford to lose jobs.

Respectfully submitted,

William G. Daley
Owner, Vermont Country Deli