Monday, May 2, 2016

To: Members of the Vermont House of Representatives
From: Vermont Businesses for Social Responsibility and the Women Business Owners Network

Re: H.867, classification of employers and independent contractors

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Business Groups Urge Legislature to take No Action on Independent Contractor Bill This Year

How Vermont defines the relationship between employers and workers is one the most fundamental regulatory issues for our state’s economy. Employers deserve clear and consistent rules to follow and workers deserve both flexibility and access to the workplace safety net, such as unemployment and worker’s compensation benefits.

We appreciate the attempt to make our economy work more effectively for new and existing types of industries and jobs. But the original House Commerce Committee bill is concerning to our members because of the potential to increase costs for Vermont’s many solo contractors and to upend workplace protections that the socially responsible business community has fought hard for, which includes a strong minimum wage, access to earned paid leave, and equal pay for women.

House lawmakers have made numerous attempts this year to compromise, including proposing an amendment that strikes a better balance than the original bill. We are encouraged by these attempts to find a solution that addresses the concerns of all affected parties.

Still, transitioning to new definitions of employee and independent contractor would be a major change in state employment law. VBSR and WBON believe the Legislature should not rush into a decision with just a handful of days left in the 2016 session. Any proposal needs the proper time to be considered and lawmakers should table this issue until the next biennium when they have a full two years to consider a bill.
The media and some politicians have framed this debate as one of business interests in support of the bill and labor interests opposed to the change. This characterization is inaccurate and does a disservice to the variety of viewpoints and concerns that the Vermont business community brings to this debate.

For these reasons, we urge the Vermont Legislature to take no action this session on any proposal to change the definitions of employee and independent contractor. The status quo, while not ideal, will serve Vermont until a comprehensive proposal can be fully vetted by the Legislature, the business community, and labor. VBSR and WBON look forward to working with the Vermont Legislature, a new Vermont Governor, and other interested parties in 2017 to find that compromise.

Founded in 1990, VBSR is a statewide, non-profit business association with a mission to advance business ethics that value multiple bottom lines: economic, social, and environmental. Through education, public influence, and workplace quality, VBSR strives to help 760+ members set a high standard for protecting the natural, human, and economic environments of the state's residents, while remaining profitable. Learn more or join the cause at www.vbsr.org.

WBON encourages and supports women who own and operate businesses, including fostering the economic stability of women-owned businesses, encouraging ownership of businesses by women, and improving the climate for entrepreneurship and small business at the local, state, national and international levels through participation in the public policy-making process. www.wbon.org

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