

January 23, 2025

Representative Jeion A. Ward, Chairwoman of the House Labor and Commerce Committee 201 North 9th Street Richmond, VA 23219

RE: Small business support for HB2531, paid family and medical leave insurance program; notice requirements, civil action.

Dear Chairwoman Ward and members of the Committee:

As a representative of Virginia's small business community, Small Business Majority writes today to urge you to pass HB 2531, paid family and medical leave insurance program; notice requirements, civil action, legislation that would create a state-run paid family and medical leave program. We urge you to swiftly pass this legislation to support Virginia's small businesses.

Small Business Majority is a small business organization that empowers diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

In <u>Virginia</u>, it is estimated that 78% of working people – about 3.4 million workers – have no guarantee that they won't miss a critical paycheck when they need to take time away from work to care for themselves or their family. We need to ensure that everyone in Virginia has access to paid family and medical leave so that they can be there when their families need them most.

Virginia is the only state in the DMV that has not passed a state paid leave program. These bills are modeled on tested, established policies in nine states and the District of Columbia that are serving workers and businesses in their states now, and four more in the process of implementation that are slated for 2026. This is why it's critical to pass a state-run policy, which would further modernize and create a robust benefits infrastructure that can benefit small business owners and their employees. The proposed legislation would establish a paid family and medical leave insurance program in the Commonwealth, ensuring eligible employees can take at least 12 weeks of paid time away from work when they need it. It would help level the playing field for Virginia's small employers that can't afford to provide paid family and medical leave on their own.

This bill is good for business – strong majorities of employers in states with paid family and medical leave do not report negative effects and many report positive impacts, such as cost savings or improved ease in handling employee absences.

We urge you to pass HB 2531 so that Virginia's small businesses can compete fairly with larger businesses to attract and retain a workforce.

Sincerely,

Awesta Sarkash Public Policy Director Small Business Majority