



Oregon Concrete & Aggregate Producers Association

April 3, 2013

House Business and Labor Committee

Re: HB 3390 Mandated Paid Sick Leave

MEASURE: HB 3390
EXHIBIT: 20
H BUSINESS & LABOR
DATE: 4-3-2013 PAGES: 1
SUBMITTED BY: Jan Melkoms

According to the Small Business Administration's latest statistics, small business employers in Oregon make up 97.6% of all employers and employ 55.5% of the private-sector job force. About 77,000 Oregon small business employers have less than 20 employees and combined employ 310,000 workers. It is evident that Oregon is a small business state and our economy is dependent upon our small business sector.

For years Oregon has remained above the national unemployment rate. Although our minimum wage is the second highest in the nation, our income per capita is lower than the national average and lower than our neighboring states of Washington and Idaho. Our personal and corporate tax rates are high compared to most states and our small businesses do not enjoy the tax certainty that select big businesses do.

HB 3390 is a small business issue. The adverse impact this bill would have on Oregon's small business community cannot be overstated.

Some key points on this issue:

- We remain in the midst of a challenging and lengthy recession recovery with many small businesses still financially struggling to maintain their work force and keep their doors open.
- Many small businesses cannot absorb this additional mandate without making significant adjustments such as not hiring or making capital improvements or worse yet terminating employees or closing their doors.
- A study done on the potential impact of Paid Sick Leave legislation in Colorado estimated a job loss of 14,000 between 2012 and 2016. Oregon cannot afford additional job losses.
- Small businesses currently pay about 18% more in health insurance costs than big business.
- Most provisions of the Affordable Health Care Act commence in 2014 creating an estimated 38% or more increase in health insurance costs on small businesses along with administrative burdens and regulatory and other cost uncertainties. These same provisions do not affect big businesses that self insure.
- Most employers that can afford paid sick leave provide it. This is another example of the "one size fits all" approach that is punitive to small businesses.

Small businesses cannot afford mandated paid sick leave. Oregon's economic future cannot afford mandated paid sick leave.

As a coalition representing thousands of small businesses throughout Oregon we oppose HB 3390 and ask that you do not move it forward.