



MEASURE: HB 3390
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SUBMITTED BY: Bill Perry

Date: April 3, 2013
To: Members of the House Business and Labor Committee
From: Bill Perry, Vice President of Government Affairs
Oregon Restaurant & Lodging Association
Re: Testimony in Opposition of House Bill 3390

To the House Business and Labor Committee,

I am asking you today to not view this issue as a “glass half empty” debate. Supporters of paid sick leave state that 60% of employees already get paid sick leave benefits, which means a strong majority of employees already have coverage without this mandate.

Secondly, the majority of the 40% of Portland employees without paid sick leave likely have a compatible alternative. Therefore, we cannot assume the 40% of employees without this specific benefit are unhappy with their current benefit packages.

During a recession is not the time to propose additional requirements to businesses attempting to hire new employees, and paid sick leave is not the right benefit to offer. When asked, paid sick leave is NOT one of the top benefit choices requested by employees. Instead, employees prefer wage increases, health care, and paid vacation. Therefore, employers that have the ability to provide increased benefits consider these alternatives instead of paid sick leave. Unfortunately, many business owners are struggling to provide these benefits in this difficult economy.

In addition to these benefits, the biggest change to employee benefits will occur at the end of the year with the implementation of the Affordable Health Care Act. As you know, this Act requires employers to offer health care, and if they do not or if employees choose not to accept the benefit, employers will face fines. No one can say for sure what the true impact of this important change will be on Oregon businesses, many of which are already struggling to stay afloat.

Hospitality and foodservice operators have always tried to find ways, on an individual case-by-case basis, to provide employees with the benefits they prefer. Employee retention has been, and will continue to be, paramount in the hospitality industry. In fact, the practice of “shift trading” is one of the most vital policies in the industry. Shift trading allows employees to take days off – for illness or personal reasons – and still earn the tips they highly rely on.

Shift trading is so vital because current law does not allow sick employees to work in restaurants. If ill, employees stay home and make arrangements to trade shifts or pick up additional shifts when they are healthy again. This longstanding practice allows workers to retain their income and is very popular with most employees and also prevents sick employees from coming to work.

Here are a few key points that should be considered and discussed:

1. In Seattle, the rule requires 180 days of employment before the first sick day is used.
2. Shift trading needs to be an option for any sales or service positions that earn commissions or tips.
3. The Portland ordinance exempts employees that do not work 240 hours in a calendar year.
4. How do you see the law dealing with Personal Time Off (PTO) benefits and flex-shifts; shifts that have a specific start time but a non-defined end time?
5. Any bill that moves forward should include a local preemption. Local governments should not be in the business of mandating benefit packages for private sector companies.

ORLA requests that you let employers find solutions that work for their employees. Oregon has a very diverse business culture, and this proposal affects so many of them in different ways. With health care mandates, automatic wage increases at the first of the year, and now paid sick leave, the mixture will certainly create job losses. The question is how many jobs will be lost?

Respectfully submitted,



Bill Perry
Oregon Restaurant & Lodging Association