

Testimony Against SB 1543

Senate Committee on Health Care and Human Services

Feb. 10, 2014 3:00 PM, HR A

Members:

Sen. Laurie Monnes Anderson, Chair
Sen. Jeff Kruse, Vice-Chair
Senator Tim Knopp
Senator Chip Shields
Senator Elizabeth Steiner Hayward

I strongly oppose the passage of SB 1543.

This bill attempts to stop manipulation of employee work hours to avoid paying for employee's health coverage. It makes it a penalty offense if an employer is found guilty of violating this law. Health insurance premiums are one of the largest payroll costs, and must be factored into overall business decisions.

As a business owner, our health insurance coverage has not changed from 2008 through 2013. For seven years, we've had the same lousy insurance plan, because it is all we can afford, with a small business that was started just before the economy crashed! In 2008, the premium for an employee with no dependents was \$187.00 per month. There were slow increases until 2010, following the passage of the ACA. The premium then went to approx. \$350 per month, and in December of 2013, it increased to \$451 a month. Since the premiums haven't settled out since January of this year, I don't even KNOW what our final premiums will be with the Oregon insurance plans. As a business owner, this makes for an extremely unstable environment. When forecasting is generally your friend, health insurance premiums are your enemy. The premium cost has been, by far, the largest increase in monthly costs, with a rise of 140% in 6 years. The monthly premium is equivalent to the wage cost of 50 hours at minimum wage. Should I be required by law to pay this for my employee, or should I make the right business decision for me, and allow the MARKET to control my hiring ability? Free market concepts say that I will pay what the job is worth on the MARKET – and if I need to pay more, or offer better benefits to get better employees, that is MY decision. Not the government.

How do you propose that the enforcer of this bill determine why I make my decisions? As a business owner, I understand that I am responsible for putting food on my employees table, gas in their tank, and heat in their home. I accept this responsibility, and understand how important it is. Do you really believe that YOU and your enforcers know more about my motives and my budget and my company than I do? Or are you trying to make all small businesses in Oregon like Sweet Cakes by Melissa – subject for “retraining” from BOLI? One of the biggest problems with this bill is that it puts the burden of proof on the employer, which flies in the face of the American justice system – INNOCENT until PROVEN GUILTY!

Does this bill mean that if I hire someone for an average of 20 hours per week, and then they work a couple of weeks at 40 hours or more, when I cut them back to 20 hours, I can be accused of cutting their hours because of the ACA?

If I have a disgruntled employee, can they claim I “cut their hours only because of the ACA”? After all, the bill states the burden of proof is on me, the employer. As a small business, being accused of this “heinous crime” could cost me \$50,000. If that hit MY business, my doors would close. Immediately.

Does this bill mean that if I let someone go, because I can't afford their wage AND their health insurance premiums (maybe after paying the fine from the disgruntled employee I just mentioned), I'm guilty of cutting hours in the eyes of this bill? Hmmm...

As long as the legislature continues to pass bills that treat businesses like ATMs, we will likely not grow our business. Of course, this means no new tax revenue, either!

Understand, please, that if people don't have jobs, you, the legislature, don't have money to spend.

I urge a NO vote on Senate Bill 1543.

Respectfully submitted,
Sandy Raddue
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