

February 16, 2015



Senate Workforce Committee
House Business and Labor Committee

Re: Paid Sick Leave (SB 454/HB 2005)

Dear Chairs Dembrow and Holvey & Members of the Committees,

The Bend Chamber of Commerce is in opposition of SB 454 and HB 2005 because it will negatively impact our businesses and is fraught with unintended consequences for those it is most intended to assist. Quality of life for both employers as well as employees may essentially be put at risk just by the economic impacts alone.

Provided on the page attached is a list of members opposed to this potential mandate, particularly in its current form. Also, included below are a few points of concern shared by said members.

Primarily, the burden of cost to implement this program (said to be the equivalent of a 3 percent payroll tax on small business) is placed entirely on the employer regardless of the number of employees, with no required employee investment before eligibility and, in many cases, at the expense of having to rearrange and compromise current benefits often already preferred by the employee. And, since the leave will have to be given in one hour increments, it will eviscerate employer attendance policies as well.

Member Example #1: *“As a full service Towing & Recovery Company, I can fully relate to the additional cost it will be on the families of Oregon. My company responds to over 15,000 calls a year in Central Oregon alone. My dispatch company sends another 35,000 calls to companies in Hood River, Portland and Salem.*

So the cost, my company only: sick leave alone; without the added cost of replacing an employee for the day, or the additional tax burden it will create, will be an additional 10% in payroll. Hard number, by employee, by the hour = \$67,000. Who will pay for that? My customers. The companies that deliver the fuel, food, construction supplies etc. to our region.”

Member Example #2: *“As the Human Resources Director for The Center (Orthopedic and Neurosurgical Care), I urge you to consider how a “paid sick leave” mandate might NOT be in the best interest of all employees. Many employers offer “paid sick leave” in the form of “Paid Time Off” or PTO. PTO policies combine both vacation and sick leave time into one bucket of time off giving the employee more flexibility in how they choose to use their paid time off.*



PTO is preferred to having separate vacation and sick leave policies for the following reasons:

1. A PTO plan helps employers plan ahead better to prepare for an employee's absence. If an employee who isn't really sick wants to use "sick leave" as a vacation day, they are going to call in "sick" at the last minute rather than say "I want next Friday off." With a PTO plan, the employee doesn't have to pretend to be sick to use the paid time off that has been granted to them. With a PTO plan, the employee is more likely to ask for a day off in advance which allows the employer to plan ahead for coverage.
2. A PTO plan rewards both healthy and sick employees with the same number of paid days off. An employee shouldn't get less paid time off just because he/she is healthy and/or not willing to lie about being sick in order to use sick leave as a vacation day.
3. A PTO plan relieves employers of the burden of "judging" whether or not an employee is actually sick when they use a sick day. Employers will feel the need to have policies around the proper use of sick leave. This will lead to employers having to judge whether or not sick leave is being used as intended. With a PTO policy, paid time off is granted regardless of the reason so there is no judgment involved.

In summary, if the sick leave bill passes, legislators need to carve out an exception or acceptable alternative for employers who provide sick leave in the form of a "paid time off" or PTO plan in order to maintain this important employee benefit."

Member Example #3: *"We are a small local donut shop in our fragile first year of business. Forcing us to offer paid sick leave very well might cause us to close our doors altogether. This plan hurts small mom and pop businesses and their employees the most.*

We agree the intent is right and employees should be able to take time off when they are sick. We also believe paying them is the right thing to do, but that should be our choice not mandated by law."

Sincerely,

Tim Casey
President & CEO

Bcc: Senator Tim Knopp – District 27; Senator Ted Ferrioli – District 30
Bcc: Rep. Whisnant – District 53; Rep. McLane – District 55; Rep. Buehler – District 54; Rep. Huffman – District 59



February 16, 2015

Bend Chamber of Commerce – Members Opposed to SB 454 & HB 2005

Arbor Mortgage, Rob Moore, Owner
Bend Backflow Testing, David Doerr, Owner
Bend Parks & Recreation, Don Horton, E.D.
Cascade Tel, Mike Kruska, Sales Engineer
Central Oregon Association of Realtors, Janet Burton, Govt. Affairs Dir.
Central Oregon Trophies & Engraving, LLC, Terri Defoe, Owner
Consolidated Towing, Mike Wildman, Owner
CrossPoint Capital, Michael Sipe, Owner
Eyes on Wall Street, Lorraine & Doug Winger, Owners
Gerald Smith, Certified Counselor, SCORE
Hilton Garden Inn, Doug Ableman, General Manager
Home Instead Senior Care, Todd and Lori Sensenbach, Franchise Owner
Lumbermens Insurance & Risk Solutions, Mollie Boyd, VP of Operations
Mt. Bachelor, Cary Stanfill, Director of Guest Services
Northwest Consultants, LLC, Rick LeSage
Professional Moving Services, LLC, Bradley H. Thomas
Robberson Ford Lincoln Mazda, Jeff Robberson, General Manager/President
Sparrow Clubs USA, Terri King, Business Manager
Sweetheart Donuts, Gwenn Levine, Manager
Synergy Office Systems, Bob Browning, President
Tate & Tate Catering, LLC, George & Barbara Tate, Owners
The Center - Orthopedic and Neurosurgical Care, Cindy O'Neal, Director Human Resources
The Hidden Touch, Jet Cowan
Toddles Preschool, LLC, Ally Sexton, Owner
Victor Chudowsky, Bend City Councilor