

TO: Senate Workforce Committee- SB454/HB2005

**PAID SICK LEAVE TESTIMONY
2/16/2015**

Good evening Chair Holvey and Chair Dembrow and Committee Members. As stated, my name is Steve Ferree, and I am the owner of Mr. Rooter Plumbing of Portland and also represent Oregon NFIB as its Leadership Council Chair.

I want to share an employer's perspective on **HB 2005** -- Paid Sick Leave, and key points of impact to small business that should be considered moving forward.

First, the bill would require all businesses in Oregon to provide paid sick leave, regardless of its size. According to the 2008 US Census, 61% of businesses in the state have 4 or fewer employees, and 79% have 9 or fewer employees. Mandatory Paid Sick Leave is simply not affordable for these small businesses, and there should be an exemption for employers based on the size of the company. The last thing we want to do is force small business to sacrifice jobs or other employee benefits in order to cover the additional costs of mandatory Paid Sick Leave. As in previous testimony, one size does not fit all, what works for one business may not work for another.

This bill has NO preemption provision. This allows different jurisdictions to enact their own paid sick leave policies, adding another layer of regulations that our small business owners are already buried in. If, this statewide paid sick leave bill moves forward, it must be consistent for all Oregon employers by pre-empting any current or future city or county regulations. As an example, we are currently required to abide by the Portland Paid Sick Leave Ordinance. We spent \$6000 to re-work our employee handbook and policy's, now it would need to change it again.

The last issue is the minimum of 56 hours of paid sick leave per year. In my business, we currently provide 40 hours of paid sick leave during an employee's first year with the company. This employer paid benefit increases to 120 hours of flexible PTO per year, based on an employee's tenure. Our employees also enjoy up to seven paid holidays per year. Why would the state mandate 56-hours of Paid Sick Time per year, when a standard work week for a full-time employee is 40-hours a week? If Oregon Paid Sick leave is implemented at a 56-hour requirement, it would cost my business an additional \$13,248/year to provide that 56 hours vs. our current 40 hours per year. Also, as a service business, having an additional 16 hours of employee time off would create a loss in productivity of 2 days per employee out in the field. This would equate to over \$80,000. Oregon's Paid Sick Leave requirements should be capped at 40-hours per year, to match a typical 40-hour work week.

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In closing, business owners TRULY WANT to take care of their employees and be an “Employer of Choice” to grow their businesses. Most small businesses that don't provide any kind of a paid sick leave or PTO, don't offer it, because they simply cannot afford it. They also are too busy in their business's to take the time out of those busy schedules and testify.

There are numerous factors impacting the financial health of small businesses in Oregon today, and every employer is facing different challenges. Employers need the flexibility to balance employee benefits, such as Paid Sick Leave, with all the costs of doing business. With an increase in minimum wage, Low Carbon Fuel Standards, and Paid Sick Leave looming, there are too many regulations putting a financial burden on small business. As business owners we need to make financial decisions that maintain a profitable business so we can continue to employ our fellow Oregonians.

HB 2005 needs to be stopped, it is too overreaching and we cannot have a bill that is a “One Size Fits All”. We need to stop these costly regulations to small business in order to create the very jobs, growth opportunities and increased wages that Oregonians need.

Thank You for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Ferree", with a long horizontal flourish extending to the right.

Steve Ferree – Mr. Rooter Plumbing