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## **Testimony in Opposition to Predictive Scheduling *Senate Bill 828***

Before the Senate Workforce Committee

By: Darrell W. Fuller / February 27, 2017

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Auto Appraisers of Oregon

Chair Taylor and Members of the Committee:

Thank you for allowing me to testify today in opposition to Senate Bill 828, and its underlying concept of predictive scheduling for employees.

I am here today on behalf of:

***Oregon State Association of Plumbing-Heating-Cooling Contractors***

***Professional Land Surveyors of Oregon***

***Northwest Automotive Trades Association***

***Oregon Vehicle Dealers Association***

***Oregon Power Sports Association***

***Auto Appraiser of Oregon***

In fact, every one of my clients – all primarily small- and medium-sized employers across the state of Oregon – is very concerned about the impact this or similar legislation will have on their very ability to stay in business and remain profitable.

Employers readily recognize the hardship that comes when our employees lose anticipated hours in their work week. But shifting that burden from employees to the employer is not a solution to the problem. If the employees are not working and providing a financial benefit to their employer, then, like the employee, the employer does not have that needed income to pay its bills, including payroll. A single employee losing four hours of work due to unforeseen circumstances outside of the control of the employer is certainly a hardship. Requiring an employer to pay ten employees four hours of work each while the doors of the business are closed creates a multiplied hardship for an employer. Even at a \$15 minimum wage, the employer will be required to expend nearly \$700 with no production.

My clients report paying few, if any, employees minimum wage. In fact, most of our employees are well compensated with generous benefits. When one of those small businesses closes – whether it is a natural gas explosion which happened in Portland on October 19<sup>th</sup> closing businesses for blocks in every direction, a weather event like we’ve all experienced these past few months all across our state, or political rallies which have closed businesses because damage needs to be repaired or customers are simply too afraid to be downtown in the middle of the mayhem – the negative impact on businesses is already very significant, even without the added burden of paying employees to not work.

Consider this scenario: A plumbing contractor working on a bathroom remodel needs a local government inspector to approve completed work prior to moving on to the next portion of the remodel. However, the local government inspector does not arrive as scheduled due to unexpected problems with a prior inspection, or even traffic issues. Since the work has not been inspected and approved, workers scheduled to start the next morning can’t begin their work. The crew foreman tells them there is no work the next day because the inspector didn’t arrive as scheduled. With Senate Bill 828, the plumbing contractor would be required to pay his crew for not coming to work the next day. The plumbing contractor can’t pass along that additional labor cost to the customer. The local government won’t reimburse the contractor for delaying the project. The plumbing contractor has done nothing wrong, but with SB828 she or he is required to lose hundreds, perhaps thousands, of dollars in order to pay employees to not work.

The hardship created by this scenario is very real and could literally destroy the ability of a business to stay profitable. Smaller businesses, the bedrock of Oregon’s economy, simply don’t have the resources or capital to take on this kind of unfunded mandate.

On behalf of thousands of small employers in every corner of Oregon, I urge you to not take any action on this bill.

Thank you, again, for allowing me to testify. I am happy to answer any questions.