



TESTIMONY

House Committee on Early Childhood & Family Supports

April 4, 2017

Oregon Farm Bureau Supports HB 3336

Chair Lively and Members of the Committee:

Thank you for the opportunity to submit testimony today in support of HB 3336. As a reference, the Oregon Farm Bureau Federation (OFB) is the state's largest general agriculture association, representing 7,000 families actively engaged in farming and ranching. Our members represent over 220 different commodities grown in Oregon and all sizes of operations.

While Oregon's farmers care deeply about their employees, they have struggled to implement recently passed workforce mandates, including Oregon Sick Time and the minimum wage increase. These laws have a cumulative impact on farm and ranch families and make it difficult to compete in the global market. These regulations also make it more difficult to attract and retain employees by taking away a benefit that employers can offer to their employees.

That is why we ask for your support of HB 3336. This bill would help employees recover wages during qualified family and medical leave and would assist family businesses in providing an added benefit to their employees.

Savings accounts are employee-funded and flexible

HB 3336 gives Oregon families a tool for saving for family and medical leave and provides a tax benefit for doing so. The bill allows an individual or couple to open a Family Leave Savings Account, which can be used to cover wages when the employee takes qualified leave. Employees can choose to contribute money, pre-tax, to help ease their financial burden. And for those employees who participate but do not take qualified family leave, there is an option to shift unused funds into a retirement account or college savings plan.

HB 3336 is also flexible to meet the financial needs of family farmers and ranchers. As small business owners, many farmers lack the financial resources to provide paid family leave. However, HB 3336 provides a mechanism for employers to provide a benefit through their employees' savings accounts. Other individuals also can contribute to the account. This is a win-win for farmers and employees.

Savings accounts align with existing laws to streamline implementation

Family Leave Savings Accounts are available to employees who qualify for and take leave in accordance with the Oregon Family Leave Act (OFLA) and federal Family and Medical Leave Act (FMLA). This is positive for small and family run businesses.

Oregon's farmers and ranchers have struggled to comply with recently passed employment laws that have compliance thresholds that are lower than OFLA or FMLA. They often do not have the resources to hire professional Human Resources managers and may rely on a member of the family to sort through incongruent regulations. HB 3336 alleviates that burden for the purposes of family and medical leave. The bill aligns with already existing OFLA and FMLA employee thresholds and assists family businesses with implementation.

Tax credit provides a carrot to small businesses

While beneficial for employees, family leave policies can place a significant burden on smaller businesses. Agriculture is particularly vulnerable—margins are increasingly slim, and the commodity market is volatile. Many farm families lack the ability to recoup costs associated with a paid family leave mandate.

HB 3336 helps these smaller businesses contribute to an employee's Family Leave Savings Account through a tax credit. This incentive gives family farmers (who may lack the financial resources) the opportunity to provide an added benefit to employees and their families.

Family farmers cannot afford a new workforce mandate, but HB 3336 would provide a mechanism to help workers replace their wages during leave periods without placing a burden on small businesses.

OFB respectfully asks that you vote 'YES' on HB 3336.