



To Whom it May Concern,

We are writing this letter to strongly oppose to HB 3031.

Our company Indepak, Inc. has been in business for over 51 years. We are a family owned business with 67 employees who live and work in Portland and surrounding communities.

While the thought of providing paid leave to qualifying employees sounds like a good benefit, there are many concerns for local businesses.

1. We already have mandated and voluntary programs that provide paid time off. A majority of Oregon's workforce would currently qualify under FMLA or OFLA when needing to be on leave for a qualifying reason. While there are some who would not qualify due to having a new job or other non-qualifying factors, employees are using current programs and taking time off work to care for themselves, their families and their new born babies.
2. Whenever a program pays employees to be off work, that program will have problems with abusers and fraud. The reality is, some people who have the ability to work find ways to stay off work. Look at the cost of fraud to Oregon's unemployment program. Oregon currently has hundreds of millions of dollars paid out to people who do not meet eligibility or have falsely filed claims. The fraud units are overloaded with work and they will not recover a majority of those fraud dollars.
3. There is risk of the program not being fully funded if too many people utilize the program. What happens when there is no money to hand out? Does the program go into debt? Who will bail the program out of debt? The cost to employers will be raised.
4. Employees who are missing work can affect a company's ability to provide goods or services. Many companies will pay the additional cost of a temporary staffing agency for staff replacement during leaves or run the risk of missing deadlines and possibly losing valued customers. The other option is to put the work burden on other co-workers which can affect their mental and physical wellbeing.
5. Oregon companies like Indepak, Inc. have been hit hard financially with recent changes to provide paid sick time, higher medical and dental premiums, the minimum wage increase as well as increases in unemployment and workers compensation premiums and taxes. The more costs for employers, the less ability they have to provide competitive wages and benefit structure to compete in the market place for recruitment of employee candidates. Increasing costs to employers also causes us to be less competitive in the marketplace, which in turn can have a negative effect on employees and job availability.

We ask that you consider how HB 3031 will negatively affect the businesses of Oregon and ultimately have an adverse impact on Oregon employers and their employees.

Thank you for your consideration.



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