

Testimony before the House Committee on Business and Labor and the Senate Committee on Workforce

RE: HB3031, HB3385, SB947

March 25, 2019

Chairs Representative Barker and Senator Taylor, and members of the House and Senate Committees:

My name is Anna Scharf and I am here today on behalf of Scharf Farms Inc in Perrydale, OR. I am here to urge you to think about the impacts to small employers contained in **HB3031** and **SB947**.

We are a family farming operation currently employing 23 non-family members. We grow 11 diversified crops and operate a custom seed cleaning operation serving 6 area family farms.

As a small family farm, we have struggled to absorb the cost of mandatory sick time, increased payroll tax, and mandatory minimum wage increases. In addition, we have had other business expense increases due to recent legislation such as increased fuel and fertilizer costs related to low carbon fuel standards and the same employee costs placed on me are passed through from those suppliers. My top three expenses are fuel, fertilizers and payroll.

Like many of the 118,679 private small businesses with 0-24 employees, we don't have an HR department. Our HR person is also the inventory manager, shipping and receiving clerk, safety coordinator, contract negotiator, accounts payable and receivable department, and yes, our family farm lobbyist. **HB3031** adds on just another additional HR reporting and tracking requirement for an already stretched thin FTE.

There are many concerns with **HB3031** with respect to cost, reporting and public agency management of the fund. In addition, **SB947** reaches even further by expanding the definition of family and places an additional burden on the "current employer" when an employee takes leave. Unlike mandatory paid sick time, paid family medical leave travels with the employee when they change employers. Per **SB947**, "*If an employee is rehired by a covered employer after separation of employment with the employer, the employee is immediately considered an eligible employee on the date of rehire*". Under **HB3031** every employer with 1+ employees are covered employers. So, here's what could happen on my farm. I hire an employee for harvest, provide them with a Federal WH516 form (Migrant & Seasonal Worker Protection Act) stating that I will employ them from June 1 to October 31. They work 1 week and then take qualified Paid Family Leave for 12 weeks. They had built this benefit fund up with a different employer, not me. In order to meet harvest needs I now have to hire another employee for 12 weeks, if I can even find one for that short of a period. Agriculture harvest is not like a big box store where you can just run with one or two fewer employees or borrow from another store. Crops don't wait for workers to return from leave.

During the **2017 session**, **HB3336**, Paid Family Leave, was introduced. That bill would have empowered and incentivizes my employees to plan and save to cover the cost of lost wages when they choose to or needed to take Family Leave. Most importantly, it gave them the freedom and comfort to use financial institutions that they were already familiar with rather than mandating the use of and creating a new government managed fund. This week, **HB3385** was introduced. It promotes a better path forward. It would establish an Oregon Paid Family and Medical Leave Board which would develop plans to provide family and medical leave insurance benefits to covered individuals. It would be financed by employee contributions through payroll deductions at rates determined by board.

Natural resource jobs are the heart of the Oregon economy and the one employment segment of the state that cannot be relocated. Natural resource jobs are the only jobs that generate new revenue; everything else makes revenue from natural resource products; retail, restaurants, tourism, manufacturing, etc. When decisions such as this are forced on farmers, ranchers, foresters, and fishermen they either end up earning less to keep doing what they love, or their businesses and the associated jobs are eliminated and replaced with mechanical solutions.

Please consider the devastating impact that a mandated paid family leave program will have on the natural resource economy in Oregon.

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