

## TESTIMONY

Chair – Representative Jeff Barker  
Members of the House Business and Labor

As an Oregon small business owner and NFIB member, I am very concerned about the potential impacts of legislation being considered this year by the state legislature - particularly the creation of a new state mandated, paid family & medical leave benefit program.

Before you vote on legislation this year, I would ask you to fully consider the effects of these proposals on small business owners in your district, like me.

I'm concerned about the prospect of a paid family and medical leave program because, in recent years, Oregon has already enacted increases to the minimum wage, with future automatic increases still scheduled for the next couple of years, and paid sick leave, which continues to cost my businesses more each year as wages rise.

However, the bigger issue is the unjust treatment to small business, to pay for something that was no doing of the business.

We have workman's compensation insurance for those employee's that are injured "On the Job" and the employer, should be, helping with that. We have unemployment insurance for those employee's that lose their job, because of no fault of theirs, to allow them to be paid, while seeking other employment. Both examples, the employee was adversely impacted by the business. However, with Paid Family Leave, that is not the case and therefore the employer should not be paying to fund this benefit. The employer has other costs with the employee being out on Family leave. These costs can be scheduling changes to training someone else to cover for the employee that is on leave. Being in a business that requires licensed individuals, of which there is a shortage of those licensed individuals, makes it even tougher to find employees to replace those on family leave. In addition, large businesses can absorb the additional time and training when they have an employee go Family Leave, small business do not. These "**Indirect**" costs are much higher than the .5% tax.

I am also concerned about the fraud and waste associated with this Program. In Oregon, we have a very financially sound Unemployment System. Overall, the Unemployment Department, even with antiquated systems, do a great job of managing and administering that system. Even with the wonderful job the unemployment department does, they still have overpayments and fraud. We are just setting up a huge administration, that will grow, and will have fraud, waste, and then the state will be asking for more taxes later. In addition, our unemployment insurance rates are based on our usage of the program, the better job you do of training and retaining employees, usually the lower the rate you pay. In the case of Family leave, how do we control what goes on with our employees personally?

The interesting part is that **most** small businesses **REALLY** do care about their employees. In our business we have gone above and beyond to help our employees in need, as I am sure, so has many others who have written testimony, and like myself are not going to write about it because we would expect you to know that is what small business does. However, when you keep adding costly programs, it makes it harder to be able to voluntarily help people.

As you consider how you will vote on these bills, please consider the many potential consequences for small businesses like mine.

It is time for our Oregon Legislature to start listening to “Small Business”, because you have not the last decade. Sure, you all give lip service to us, but do not “Walk the Talk”. You have raised minimum wage, added paid sick leave, have even tried dictating scheduling. You are adding Cap N Trade, which is just increasing costs and we still have some sort of gross receipts tax coming! YOU ARE DRIVING OUT SMALL BUSINESS!

I'll be looking forward to seeing that your work in the legislature ensures that Oregon's small businesses are able to thrive without undue hardships imposed on them by the government.

Please vote NO on state-mandated, employer-funded paid family & medical leave HB 3031.

Thank you for your time and consideration.

Sincerely,

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