

March 22, 2021

To: Chair Power and Members of the House Committee on Early Childhood
From: Paloma Sparks, Oregon Business and Industry
RE: OBI Testimony in Opposition to HB 2474

Chair and Members of the Committee:

Thank you for the opportunity to testify on this important issue for Oregon Business & Industry members. OBI is Oregon's most comprehensive business association representing over 1,600 businesses that employ over 250,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

The Oregon Family Leave Act (OFLA) is an incredibly challenging and expensive law for Oregon employers. Even the most skilled employers struggle with tracking the various leaves and leave purposes. The demands on businesses seem to increase with every year as new regulations are adopted. Administrative burdens should not supersede the actual time available to focus on running a business.

HB 2474 proposes to reduce the employer threshold from 25 employees to just one employee. Putting that sort of administrative burden on small businesses, particularly in the current crisis so many are facing, is simply too much. Small employers do not have the staff or financial resources to respond to an expanded OFLA.

While the national Family and Medical Leave Act is similar to OFLA in many respects, Oregon's law departs in a very significant way. Under Oregon law, leave can be taken intermittently. That means that an employee can miss one day a week up to the equivalent of 12 weeks. Small businesses can't have that much uncertainty. Additionally, OFLA provides sick child leave where FMLA does not. The proposed amendments would subject small businesses to frequent and unpredictable leave and the administrative burden of tracking that leave in addition to sick time and the upcoming Paid Family and Medical Leave Insurance program.

In certain circumstances, Oregon's law allows for up to 36 weeks of leave. While this has proven to be a significant challenge for many employers, leaves of such great duration could be crushing for small businesses. In small businesses it is rare that employees perform isolated job tasks – everyone in the business is interconnected and the loss of one creates hardships for not just the employer but also for all other employees. We urge you not to change the employer size threshold in current law.

Changing the eligibility timelines from 180 days to 30 days would mean that employers will have invested heavily in training employees, only to have them leave for months at a time. The current eligibility timeline recognizes that employees should be invested in the workplace long enough that the cost of their absence is a temporary hardship that serves the greater good of the workplace.

We also object to the changes to OFLA where it appears the intent was to align with PFMLI, but only in the ways that are beneficial to employees. If true alignment is to occur, a much broader approach must be taken so that employers will be able to operate under just one law, instead of the current system of two complex laws. The layering of Oregon's leave laws will continue to be a hardship for businesses until true concurrence among the laws is addressed comprehensively.

Employers recognize that childcare closures in the recent year have proven to be real hardships for our workforce. The current rules adopted by BOLI, while not in alignment with current statute, were an effort to address the crisis many employees were facing when childcare providers were forced to close. Too many employees simply did not have options and were forced to make hard choices when government orders forced the closure of schools and child care.

The business community has been working with AFL-CIO on this bill and hope to reach some sort of agreement that helps employees without creating excessive burdens on employers.

Thank you for your time and consideration.