



May 27th, 2015

Subj: SB 454-A Mandatory Sick Leave

Dear Representative Doherty,

I am writing to you on behalf of our 300 business members who are part of the Tigard Chamber, a majority of which are small business, with regarding to mandatory sick leave legislation that is under consideration. While many may feel that forcing companies to provide paid sick leave is a public health issue, it is a really a drag on small business growth and every size company's future. A mandatory paid/non-paid sick leave program directly conflicts with the right and responsibility of a company to determine their own benefit packages and employee retention programs.

It is not acceptable to lay a new burden on businesses in Oregon that, according to the Legislative Revenue Office, will add nearly \$1,000,000,000 (\$1B) in compliance costs to Oregon businesses. The heaviest penalty will be on the smaller businesses. By all accounts, this acts like a new "tax" amounting to about 3% of payroll. Mandatory paid sick leave costs cannot, in reality, be passed on to customers and clients by simply raising prices, as competition and what the market will bear are opposing forces.

The Oregon legislature should be looking at ways to reduce the cost of doing business and staying out of the way of businesses trying to grow or start in our state. SB454-A takes away incentive to do business in Oregon by placing the cost of a paid sick leave program squarely on the backs of the business owner. If SB454-A is implemented, companies will be looking for ways other than raising their prices to offset a forced sick leave program, paid or not. Pay raises, health, life, disability, and long term care insurance, bonuses, contributions to company sponsored retirement plans, and other benefits that employee's value will suffer by either being reduced, eliminated or not started. The potential for new employees, existing employees, and a company's ability to grow will be affected.

Employee management and record keeping becomes unmanageable for small and large companies alike with SB 454-A giving employees the ability to take time off in 1 hour increments, no time at work requirement for the employee to be eligible, and appearing to apply to all W2's that a business files, regardless of full time or part time status. There is a much better case for companies to determine their own policies including paid time off (PTO) instead of sick time off. The effects of staff not showing up or taking time off on short or no notice is something that companies already deal with. The problem will only be made worse the way the bill is written.

Small businesses must retain the ability to make their own decisions on what combination of benefits help them survive and grow. The market will determine if they have made good choices, this is not a state responsibility. In order for the Oregon business environment to continue to recover, elected representatives in Salem and elsewhere need to be looking at ways to help businesses and particularly small business who are our largest employers.

TIGARD AREA



Where Business Soars!

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Responsible companies in Tigard, including our Chamber members, appreciate the challenges faced by both government and business to find and work with common ground. SB454-A fails in those efforts.

The Tigard Chamber of Commerce urges you to vote "NO" on SB454-A when and if it comes to floor.

Respectfully,

A handwritten signature in black ink that reads "Debi Mollahan". The signature is fluid and cursive.

Debi Mollahan
CEO, Tigard Chamber