

Sick Leave Task Force Final Comments – Written Comments Submitted

This Sick Leave Task Force concluded their work with a comment section at their last meeting where each member could share their final thoughts. The text of these comments is contained in the Final Report. Two Task Force members deferred to written remarks that they submitted following the meeting. These remarks are provided below.

Final Comments from Patty McConnell

I have been asked by hundreds of small business owners to be their voice at this table. The story I share with you today is their story.

My employees are my extended family. I celebrate birthdays, anniversaries, births of babies and weddings with my extended family. I mourn when they lose a loved one. I mourn when their beloved pet dies. I listen to their concerns when their elderly mother shows signs of dementia. I rejoice with them when their child receives a scholarship to a great university.

I do crazy things for my employees. I bank roll them when they are short of cash, I loan them money to finance their home, I give them a bonus of a new roof for their house. I bake brownies to celebrate their successes and I scold them when they eat junk food. I laugh at their jokes and commiserate with them when their kid flunks math.

I provide a living wage for my employees. I provide benefits for them beyond what large corporations do in ways that can only be measured intrinsically.

When the recession hit, I didn't close down the business and I didn't do mass layoffs. I reduced my salary, and then when the recession continued I quit paying myself a salary. I quit paying myself rent on a building that still had a mortgage and dipped into my savings to make sure my employees still had a job.

I may seem insignificant to some of you. To those of you on city council who have never owned a business or stayed awake all night worrying about your employees or finances or how to meet payroll I may appear to just be another evil employer.

But I am one of the reasons Eugene is a great place to live. I am the voice of small businesses in Eugene. I am the man in Carharts, the woman in a suit, the president of a non-profit board, the member of the church choir, the Rotarian selling ducks for our Great Rotary Duck Race. I am the volunteer at Food For Lane County and CASA, the volunteer fireman, the volunteer reader at school, the mom who takes her turn at the car pool after making sure payroll is met, the dad who coaches the soccer team after dealing with a difficult contract to make sure my employees have a job next week. I am the voice of small business in Eugene and I respectfully request that City Council hear my voice.

My voice is 12500 strong and I provide a living wage for a majority of the families who live in Eugene and surrounding areas.

I am Democrat and Republican, I am left and right, I am philosophically opposed to a city ordinance. It is an issue that should be debated at the Federal level and the cost of a proposal like this should be shared by employees and employers alike. It should not be in the scope of Eugene City Council to tell me how to treat my employees. I respectfully ask Eugene City Council to hear my voice and delay moving this proposal forward. I cannot support a Paid Sick Leave ordinance.

Final Comments from Stephen Michael

Thank you for the opportunity to have the small business voice heard of this issue. Over the course of the last year, The Main Street Alliance of Oregon has conducted 203 surveys with small business owners across Eugene.

When asked whether or not they currently offer paid sick leave for their employees, only 34% of business owners surveyed in Eugene responded that they currently offer some kind of paid time off.

Interestingly, when asked the question, would you support or oppose a sick leave standard for all employers, around 56% of those surveyed in Eugene said they would support such a standard.

I wanted to first outline some of our main points for consideration in this matter:

1. Business is divided on this issue but it's still the right thing to do
2. Many who oppose this already offer the benefit and are trying to block tens of thousands of workers in Eugene from benefiting from the same dignity at work as their employees.
3. Good businesses attract good employees and good employees stay with companies that offer them basic rights, like the opportunity to earn a minimal benefit of 40 hours of paid sick time in an entire year.

Additionally, below are examples of the impact of similar policies on businesses, including some quotes from business opposition before and after implementation:

1. A study on Seattle's sick days law prepared for the City Auditor by researchers from the University of Washington:

"Costs to employers and impact on businesses have been modest and smaller than anticipated. The majority of employers have seen no effect of the Ordinance on customer service, employee morale, predictability of employee absenteeism, or profitability. Anecdotal cost information puts the cost of providing leave at about four tenths of one percent of total revenue. There is no evidence that the Ordinance caused employers to go out of business or leave Seattle.

Many employers support the Ordinance. Overall 70% of employers support the Ordinance. These business owners, managers, and human resources professionals view paid leave as a valuable and important benefit for their workers."

2. Outcomes in San Francisco:

In San Francisco (which has had sick days since 2007) three years after the law's implementation, more than 70 percent of employers reported no impact on profitability (another 15 percent said they didn't know) and two-thirds of employers expressed support for the law. Although workers can earn up to nine paid sick days under the law, the typical worker used only three, and reports of abuse were exceptionally rare.

From the report: "Despite the availability of either five or nine sick days under the PSLO, the typical worker with access used only three paid sick days during the previous year, and one-quarter of employees with access used zero paid sick days."

3. A study on Connecticut's sick days law:

"When the legislation was first proposed, many businesses in the state expressed concern that the Connecticut law would affect employers negatively. Employers worried that they would experience large increases in costs, and were also concerned by the possibility that workers would abuse sick leave. "If people start abusing this so-called benefit, I can't do business," a restaurant owner complained shortly before the bill was passed. Another employer declared, "It's legislation like this that causes businesses to flee this state. It will guarantee increased absenteeism and costs associated with replacement of that employee for the day." These concerns persisted even after the law was in place. In early 2012 an employer told a researcher, "five days of sick time not used would be viewed [by workers] as five days lost," adding that the new law was "one more anti-business piece of regulation."

"These fears about the potential effects on business have not materialized, however. According to Connecticut employers themselves, as our data show, in most cases the paid sick leave law has had a modest impact or no impact on business operations....almost two-thirds of employers in our survey reported that the new state law had led to no change (46.8 percent) or a small increase of less than 2 percent (19.1 percent) in their overall costs...An additional 11.9 percent of employers that reported a cost increase did not know how much their costs had increased. This suggests, as more than one manager we interviewed told us, that the cost increase may have been "below the radar" and not worth tracking."

Thank you all for making time outside of an already extensive city council process to talk about the issue and for carrying forward.

Stephen Michael
State Director, The Main Street Alliance of Oregon