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Oppose HB 3031: Aggressive Family Leave Mandate

Perhaps the most aggressive paid family and medical leave legislation under consideration in the country, HB 3031 would mandate up to 32 weeks of paid and protected leave for all Oregon employees, large and small.

Burden affects all Oregon businesses, no matter how small

Unlike the Oregon Family Leave Act (OFLA), which provides protected leave in workplaces of 25 or more employees, HB 3031 applies to employers with just one employee. This new threshold will harm Oregon's smallest employers.

The cost is too high

Unlike most other family leave programs in the country, HB 3031 saddles Oregon employers with 50 percent of the cost of the employee benefit program. Both the employer and employee will be required to pay for the program regardless of existing benefits.

There also is a price tag to pay for establishing the government-run family leave insurance program. Additional state employees, office space, and the data infrastructure would be needed to administer it. A work group on paid family leave estimated that similar proposals would require an additional 242 state workers and extensive IT development process.

Job protection layers costs on Oregon employers

HB 3031 would more than double the amount of time employers would have to find coverage for an absent employee. Many employers would turn to other employees, pay overtime, hire temporary employees, use new technology or lose productivity while the employee is out.

HB 3031 also doesn't require leave to be taken concurrently with OFLA, which means employees still could qualify for unpaid leave after using up the 32 weeks of paid leave. This increases the uncertainty and risk for local businesses.

Requiring an employer to maintain a job for an employee who is absent up to 32 weeks each year also requires the employer to maintain that absent employee's non-wage benefits. Failing to continue to provide healthcare, vacation and other non-wage benefits would be deemed discriminatory. It would be impossible for most small businesses to do what HB 3031 asks of them.

Expanded definition of 'family' increases the costs of the program

We question how the proposed family-leave insurance fund would sustain itself. It is unclear whether the proposed payroll tax rate would generate enough money to cover the long benefit period and expansion of eligible uses, which will undoubtedly result in wider use of the program. An actuary must analyze the expanded definition of 'family' in HB 3031 to determine the real costs of the proposed benefit.

Employer contribution and benefit requirements burdens local governments.

HB 3031 doesn't just apply to the private sector—the mandate extends to local governments and school districts who already are overly burdened by unsustainable PERS cos