

Testimony Re: HB 2069

Senate Commerce

Presented by Scott Redler, Freddy's Frozen Custard and Steakburgers, on behalf of

Kansas Restaurant and Hospitality Association

March 18, 2013

Madam Chairman & Members of the Committee,

My name is Scott Redler, Vice President & COO of Freddy's Frozen Custard & Steakburgers, a Wichita KS based business that is growing nationwide. Freddy's currently has 87 locations across 14 States. In the State of KS alone, Freddy's employs over 800 people and collects \$3,000,000 in state sales tax.

I am writing you today to provide testimony to explain why the KS legislature should preempt local governments and municipalities from enacting paid leave mandates at the local level. Some local mandates make sense, like building codes and environmental regulations, because there are unique local characteristics that need to be considered. Mandatory paid leave is not unique or local and, in fact, will create an un-level playing field between towns and cities that could hurt job growth.

When it comes to managing time off and other work place issues, employers working in cooperation with their employees is a much better approach than a one-size fits all government mandate. Businesses are already struggling to comply with many confusing and complex state and local regulations; now is not the time to add an additional burden like mandatory paid leave. The restaurant industry is highly labor intensive and a majority of restaurant employees are either part-time or seasonal. Many are students working a few shifts a week. Given our unique business model, it would be very difficult for employers to afford and administer a paid leave benefit to so many part-time workers. The restaurant industry is the second largest private sector job creator in the country, and the vast majority of restaurants are small businesses. A paid sick leave mandate will have an especially harsh impact on these small businesses because they do not have the resources to deal with the cost of complying with a patchwork of different HR laws and regulations.

The economy remains very unstable and small business owners continue to be nervous about the economic outlook in the foreseeable future. Adding a costly mandate like this to their already heavy regulatory burden will have a chilling effect on their ability to maintain their businesses and the jobs they provide.

Thank you for spending the time to carefully read my testimony. I hope you will vote in support of HB 2069.

Sincerely,

Scott Redler