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Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business In Opposition to House Bill No. 5678 Relating to Labor and Labor Relations - Minimum Wages - Overtime Before the House Committee on Labor April 9, 2025

Chairman Corvese and Members of the House Committee on Labor:

My name is Christopher Carlozzi. I am the Rhode Island Director of the National Federation of Independent Business (NFIB). A non-profit, non-partisan organization, NFIB is the nation's and Rhode Island's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across the state. On behalf of those small and independent business employers in the Commonwealth, I urge you to oppose House Bill No. 5678, modifying the state's overtime pay laws for certain professions.

These proposals will greatly expand the number of workers eligible for overtime pay in Rhode Island and will increase payroll costs for thousands of small businesses across the state. Those same small businesses that are still facing labor shortages, supply chain disruptions, inflation, and the aftereffects of the state mandated shutdowns and restrictions of the pandemic.

To deal with increased expenses, small businesses will have to adapt to newly expanded overtime thresholds in ways that will certainly impact workers. In many cases this may involve shifting employees from salaried status to hourly rates. Aside from serving as a perceived demotion, workers would lose certain job perks if transitioned to hourly employee positions. For example, many midlevel employees could lose their ability to work flexible schedules, use comp time and in some cases no longer work from home. Some of these arrangements have become even more important to workers in the aftermath of the pandemic, which they may now lose if transitioned to hourly workers.

I strongly urge you to oppose House Bill No. 5678 which will impact both small businesses and their workers. Thank you.