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Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business In Opposition to House Bill No. 6066 Relating to Labor and Labor Relations – Temporary Disability Insurance 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 State 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 Rhode Island, I urge you to oppose House Bill No. 7171, expanding TCI coverage.

According to NFIB's most recent <u>Jobs Report</u>, 40% of businesses still have positions they cannot fill. Despite efforts to hire, including raising compensation, owners struggle to staff their businesses and find qualified employees. Of the business owners surveyed, 53% of owners report attempting to hire and 87% of them discovered too few or unqualified applicants. In short, now is not the time to expand time-off policies in Rhode Island.

Anecdotally, most people have experienced waiting longer in a checkout line, an extended period before your meal is served at a restaurant, or maybe a delay in a service being provided because of these labor shortages. This legislation expands who is eligible for TCI coverage will only add to the state's labor shortage, causing added strain for both employers and employees. It also makes changes to the taxable wage base, increases benefit amounts, and allows for self-employed individuals to access the benefit. This will add further strain to the TDI/TCI system. Comparatively, Massachusetts experienced an increase in utilization of the state's paid family and medical leave program in 2023. In order to keep the PFML fund solvent and benefits flowing, the Department of Family and Medical Leave increased the contribution tax rate by 39% in 2024.

Increasing the taxable wage base, changing the benefit structure, and expanding eligibility will only exacerbate labor shortage problems and make this benefit more costly for workers. I strongly urge you to reject House Bill No. 6066. Thank you.