

NJ Gasoline, C-Store, Automotive Association 615 Hope Road, Bldg. 2, 1st Floor Eatontown, NJ 07724

Phone: 732-256-9646 Web: www.njgca.org

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To: Senate Labor Committee

From: Eric Blomgren, Executive Director

New Jersey Gasoline, Convenience Store, Automotive, Association

Re: Oppose S-2950/A-3451 "Revises law concerning family leave to extend protection by reducing, over time, employee threshold from 30 employees to five employees in definition of employer."

The New Jersey Gasoline, C-Store, Automotive Association represents hundreds of small businesses statewide, and we are very concerned about the impact of this change. We are particularly concerned on behalf of independent <u>auto repair shops</u>. Based on Census data there are about 3,900 auto mechanical repair shops in this state, about 25% of which will be newly affected by this bill.

In this modern age of computerized vehicles, auto repair technicians are highly skilled workers who are much in demand. Indeed, there has been a shortage of skilled mechanics for many years now. Small shops find it very hard to compete with big dealerships for the pool of available techs. Without enough mechanics, a business like this literally cannot keep its doors open and service its customers, leaving them potentially stranded as they wait even longer for their car to get its necessary service.

As hard as it is to find someone capable of doing the work at all, it is even harder to find a good employee when you are telling them that no matter what, they will be fired within a few weeks when an absent employee returns. These small businesses do not have the financial resources to keep an extra person on staff permanently, and with this change they would not be able to choose between two employees, they would be required to terminate the new worker.

It's also worth noting that employers are not banned from keeping a position open. Those that are able to keep the spot open for the time period the worker has taken leave are already willing to do so, often because they have a clear incentive to make sure a quality worker stays in their employ. The ones who do not keep the position open are the ones who simply cannot do it while staying in business.

I understand the desire to balance the scales, but this bill goes too far and tilts the balance too far against small, independent businesses. Big corporations can handle the occasional absence of a small portion of their workforce. When one of a business' fifty employees takes time off, they

have lost 2% of their workforce. But when one of ten employees at a shop says he needs to leave for twelve weeks, it is a 10% loss.

Filling that position becomes a major priority because those extra shifts are often being made up by the business owner, who already works a sixty or eighty hour week just to keep the lights on and keep everyone else employed.

I am also concerned that lowering this threshold could **trip up some small businesses and limit their ability to make the tough but necessary staffing decisions they need to** in order to keep their small business afloat. If an employer was already planning to cut back on an employee's hours or job duties, or even let them go because of budgetary or performance issues, they might now face a costly lawsuit if the employee decides to blame the change entirely on the fact that they had taken leave recently.

The current standard strikes a fair balance between the needs of workers and the needs of genuine small business owners. This bill is going too far and will lead to significant burdens for the smallest of the state's businesses. I ask that you not move forward with this bill at this time.

