

House Labor and Industry Committee
Public Hearing – House Bill 1014
May 9, 2017

Good Morning, my name is Josh VanCampen. I am the president/owner of VanCampen Motors Inc., an automobile dealer in Williamsport. My business was established in 1943 and employs 37 full time and seven part time employees.

I would like to thank Chairman Kaufman and the fellow members of this Committee for the opportunity to share my testimony today in reference to the issues addressed by House Bill 1014.

I have had many experiences with willful misconduct as it relates to Unemployment Compensation in my 17 years at VanCampen Motors. The most recent example involves an employee, (professional auto salesperson), getting into a physical altercation with a customer in my showroom. The exact event started with the customer questioning the price of the vehicle followed by a very abrupt and disrespectful accusation from my salesperson, "You are calling me a liar and a cheat," he said. The argument became more heated and several attempts were made to remove the "professional" salesperson from the situation. The customer demanded his keys back to the vehicle he arrived in at which point the salesperson returned them to him by way of dropping them and kicking them across the showroom floor. Both the customer and the employee were standing nose touching nose screaming at one another and another failed attempt to remove the employee was made. This is when the customer raised his fist and swung at my employee's upper chest. After that another punch was thrown from my employee. I, along with three others people, separated them. After they were separated, the employee continued to taunt with statements such as, "This is not done" and "I will find you". I asked the employee to calmly remove himself from the building and go "cool off" for the remainder of the day. That afternoon and evening there were several remarks made by the employee on his social networking site pertaining to the incident as well as VanCampen Motors, which greatly affects my dealerships integrity. The next day I terminated him based on his actions from the previous day/evening.

This salesperson did not handle himself professionally or with any regard for others or the organization that employs him. I run a family owned establishment and my intentions of integrity are very clearly communicated to my employees, as well as an expected behavior policy signed and filed at time of every new hire. In the 74 years that my family's dealership was in business, I do not recall a physical altercation occurring between an employee and a customer. I know for fact that in the 17 years I have been involved there has not been one.

This employee, despite my appeals, was awarded Unemployment Compensation after I terminated him. The "factual findings" were as follows:

1. The claimant's actions did not show willful disregard of the employer's interest.
2. The Claimant's actions showed a disregard of standards of behavior that the employer has the right to expect of its employees.
3. The Claimant hit the customer back defending himself.

The issue is not that he acted in self-defense; the issue is the willful misconduct that occurred in the several events leading up to the physical altercation and the events after. I had two customers and three employees come to me and say, "why did he not just walk away?", "why did he kick his keys?" etc. This is an issue to me as and employers because it proves that employees can do anything to provoke an altercation and as long as they do not act physically first, they will be awarded full unemployment compensation.

In another instance I had an employee of many years resign from her position to move with her new husband because her husband had a better job opportunity. During the appeal interview call, she was asked why she left her position and moved, her response was, "My husband can make better money here". The interviewer asked her, "Would you consider this to better your life and your living situation"? The answer was "yes", followed by, "it allows me to stay home and raise my future family". She was awarded based on the findings that she left VanCampen Motors for a better opportunity and therefore is awarded unemployment compensation.

I understand that if an employee leaves my business for better employment and then is terminated from that position for any reason constituting unemployment compensation, I am partially responsible. However, this is not the case; she did not find new employment after leaving her position.

The largest issue and my concern is the future of the stability of PA unemployment without severe increases to our contribution rate. In 2016, our compensation rate was increased to .0658, even though we have an excess of \$234,500, with average annual benefits of \$13,000. This rate increase was due to a small increase in UC benefits from 2013-2015 over 2012-2014. If we continue to pay UC benefits to employees who resign with no further intentions of employment, or employees who show clear willful misconduct, we will continue to see these completely unwarranted and drastic increases to our contribution rate. In my personal experience, the individuals making the rulings on UC are doing so with blind regard to eligibility guidelines.

VanCampen Motors employees 37 full time employees and in 2016 was responsible for contributing \$25,000 in PA unemployment tax, with only having an average of \$13,000 paid out in Benefits.

See Exhibit A. 2016 Pa Unemployment Compensation Contribution Rate Notice