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TESTIMONY OF
EAST OF THE RIVER CHAMBERS OF COMMERCE ASSOCIATION (ERCCA)
BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
MARCH 1, 2011

RE: SB-913, AN ACT MANDATING EMPLOYERS PROVIDE PAID SICK LEAVE TO
EMPLOYEES

Established more than 20 years ago, The East of the River Chambers of Commerce Association (ERCCA) represents six independent Chambers of Commerce serving over 28 towns in Eastern Connecticut and more than 3,500 business members.

ERCCA opposes SB-913, An Act Mandating Employers Provide Paid Sick Leave to Employees. The bill imposes a one-size-fits-all mandate on employers regardless of the type of industry or whether such mandate will impose an economic hardship on an employer. Many types of businesses operate with very small profit margins and a small number of employees. These companies simply can not absorb the additional cost of paid sick leave. Furthermore, it appears to be intrusive interference with companies who negotiate such issues with Unions in an already "closed shop" State.

Some salient points to consider are that: to replace a worker often requires overtime pay for another worker who may be fatigued or less qualified; and the cost to a business for absent employees is often calculated at 2.5 times the wage of the absent employee. Furthermore, in other instances, where the worker can not be quickly replaced, the work does not get accomplished resulting in lost sales for the business.

Absenteeism is a part of business life. There is already protection for extended leaves under federal law where there is a legitimate cause. To dictate compensation for short term absenteeism unreasonably circumvents the ability of the business owners to formulate and negotiate policies appropriate for their particular situation.

In addition, this mandate would weaken a business' ability to compete with other states. For many years Connecticut has been one of the highest cost states to do business. Passage of this measure will only exacerbate that fact.

The economic recession has taken a toll on all industry sectors across the state. With an unemployment rate of 9.0%¹, it is obvious that Connecticut businesses are already struggling. Now is not the time to add another mandate that will drive up the cost of doing business. Instead the state needs to take steps to nurture the growth of small and midsize businesses, not harming them with costly mandates.

This bill would make Connecticut the only state in the country to mandate paid sick leave policies for private businesses. In this deepening recession, mandating rigid workplace policies on employers is the wrong direction to go. Small and midsize businesses, seasonal businesses, such as farms, and new businesses cannot be hamstrung by a one-size-fits-all government mandated sick leave policy if they are expected to succeed in this economy.

We urge lawmakers to oppose this bill and, instead, focus on ways to address the Connecticut's budget deficit and deepening economic recession. Therefore, we respectfully urge the committee to **REJECT SB-913**.

¹ US Bureau of Labor Statistics -- December 2010