

913

Senator Prague, Representative Zalaski and members of the Labor Committee:

I am writing on behalf of Chili's Grill & Bar and the 19 Casual Dining Restaurants in our State. We have done business in CT since 1987 and employ more than 1,400 residents. I am submitting testimony against SB-913, An Act Mandating Employers provide Paid Sick Leave to Employees.

The costs of doing business in our state are among the highest in the Nation; with one of the highest minimum wages and cost of living expenses. An average full time Chili's employee in CT earns \$12.14/hour. On average, each individual restaurant secures close to 50 employees that would qualify for this benefit.

- FT employee earning 40 sick hours in 2012 = \$486 [ $\$12.14/\text{hr} \times 40 \text{ hours}$ ] cost/person.
- # of employees/restaurant [average] that would qualify for benefit = 50
- Total [average] cost per restaurant in 2012 = \$24,300
- Total cost to Chili's in CT in 2012 = \$461,700

Unique to the Restaurant Industry is the *Urgency of Replacement*, unlike many other industries that could simply do without that individual for a given shift. We maintain that that cost could be doubled, by not only having to pay the individual out of work, but also for the person who replaced them on that particular shift. With a penny profit business such as a restaurant, this cost could put many restaurants right out of business; compounding the unemployment issues we already have.

From a different perspective, most of our Front of the House employees [Dining Room – I.e. servers; bartenders; service assistants] are tipped employees. They would prefer to trade a shift with a co-worker, if they were unable to work due to illness. This is essentially how our industry works. This allows them to keep the tip potential they would earn. If the average shift is 6 hours long – they would only earn \$49.50 in sick pay, which is far short of their earning potential on an actual shift with gratuity.

Currently, Chili's accrues vacation pay for our employees in a similar fashion as this bill recommends. We do allow them use these accrued hours for time-off needed for a variety of reasons; including illness upon their request. Our Managers are diligent with upholding proper health and sanitation standards in the interest and safety of our consumers and employees. We appreciate the option to continue this process to meet both the financial and operational needs of our business and employees.

Thank you for your time.

Irene A. Pia  
Area Director, Chili's