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CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY**

**ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
OPPOSING**

**SB-913, AA MANDATING EMPLOYERS PROVIDE PAID SICK LEAVE TO EMPLOYEES
BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
MARCH 1, 2011**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut strongly opposes this bill, which would be a first-in-the-nation state requirement on employers to provide a mandatory minimum amount of paid leave to their employees. Passage of this legislation would not only harm existing small and mid-sized business in Connecticut, but also discourage entrepreneurship and relocation of new businesses to the state.

Connecticut is already a high-cost state for employers with energy costs, development costs, taxes, unemployment insurance costs, health insurance premiums, and employee salary and benefit costs at or near the highest in the nation. Unemployment insurance is projected to jump and stay there for the foreseeable future, further increasing Connecticut's employers' costs. These costs as well as even the possibility of mandates such as the one reflected in this bill are reflected in our state's slow job growth over the past several years, particularly in the small business sector which has traditionally been the state's job incubator. Small business owners are not a bottomless pit. Now is not the time to impose a new mandate on employers for paid sick leave for employees -- a mandate that will make the state less economically competitive.

Unlike unemployment insurance or workers' compensation, which cover losing a job through no fault of the employee or incurring an accidental injury on the job, having sick leave is unrelated to the employment relationship. Paid sick leave is more akin to health insurance or other voluntary benefits.

Mandated sick leave significantly impacts productivity and operations in small and mid-sized businesses and it is costly. A new state mandate that prescribes specific employee benefits, like paid sick leave, would restrict the flexibility of employers to provide the wages and benefits

that their employees want, and that the employer can afford. If employers are required to pay for sick leave, there are fewer resources available for other optional benefits such as health insurance, retirement programs, or wage increases – benefits that most would consider to have a more fundamental relationship to the workplace and that impact all workers. Particularly in small and mid-sized independent businesses, employees appreciate an employer that can tailor their benefits to their particular needs and desires.

In short, paid sick leave is not an essential benefit, or even useful, to many workers. If mandated in Connecticut, paid sick leave would leave Connecticut employers in a less competitive position. Time-off issues are currently worked out in thousands of small and mid-sized businesses in the state every day without government intervention. The government mandate is an economically dangerous imposition of additional costs on many Connecticut employers, the very employers who are being relied upon to help lead the state into economic recovery.

Thank you for the opportunity to comment, and NFIB urges rejection of SB-913.