

**Testimony of Kia F. Murrell
Assistant Counsel, CBIA
Before the Committee on Labor and Public Employees
Hartford, CT
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**SB-913 AN ACT MANDATING EMPLOYERS PROVIDE PAID SICK
LEAVE TO EMPLOYEES**

Good Afternoon Senator Prague, Representative Zalaski and other members of the Committee. My name is Kia Murrell of the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 companies throughout the state of Connecticut, ranging from large corporations to small businesses, but the vast majority of our members are small businesses of fifty or fewer employees that are struggling to survive and compete in today's tough economy.

We strongly oppose **S.B. 913** as one of the most costly and unnecessary labor/employment proposals introduced in the General Assembly in recent years. This legislation is far too costly for Connecticut businesses in light of the damage it will do to job growth, job creation, business viability and economic development in our state during what is clearly the most difficult economic period our nation has endured since the Great Depression. Simply put, our state cannot afford to impose costly new mandates on Connecticut businesses, as they are the backbone of our economy and vital to economic recovery.

We believe that **S.B. 913** is inappropriate and ill-timed for the following reasons:

- Creating jobs should be Connecticut's top priority and legislators are obligated to do whatever it takes to help accomplish that goal.

- Imposing costly new mandates makes it difficult for businesses to grow and create jobs, especially during a tough economy.
- We want workers to be as healthy as possible but we also recognize that if businesses aren't healthy, surviving and thriving with reasonably controlled labor costs—jobs will continue to be lost and our economic recovery will be hindered.
- **S.B. 913** will increase labor costs for many employers, and the ultimate price of that may be shouldered by employees themselves. Employees in Connecticut should not have to pay for the actions of the legislature in terms of lower wages, benefits or even the risk of their job due to costly new mandates imposed on their employers.
- **S.B. 913** is a one-size-fits-all proposal that disregards the fact that Connecticut businesses are consistently recognized as among the best employers in the U.S. They provide some of the nation's best wage and benefits packages and work hard to keep their employees happy. Based on that, there is no need to legislate and mandate what employers are already doing on their own.
- It makes no sense to mandate paid sick leave in Connecticut when no other state does. Even New York City recently abandoned its plans to enact a paid sick leave mandate after finding that it would increase employers' costs by \$789 million.
- Other states recognize the damaging impact of being the first to mandate paid sick leave. Why don't we? Unique and costly labor mandates make Connecticut business less competitive and this negatively impacts our ability to attract and retain businesses. There is no reason or reward for being first in this issue, especially when doing so would weaken our economy.

S.B. 913 requires Connecticut employers of 50 or more hourly and non-exempt workers to give a minimum of one hour paid time off for

every 40 hours an employee works. Although the details of the legislation change from year to year, the basic premise remains constant--to require Connecticut employers to provide their employees with a minimum amount of paid time off for illness or the care of a family relative.

In 2010, Connecticut saw net job growth of only 5,300 jobs. Various state and national surveys indicate that business confidence regarding the economy, availability of credit, production, sales, and job growth is very low. What's more, international turmoil has spiked oil prices; health care premiums are on the rise and beyond the reach of many employers; unemployment benefit indebtedness for Connecticut employers will amount to nearly \$1 billion in the near future and the state's fiscal crisis means the likelihood of even more tax increases. Employers are facing all of these costs before any new mandates that would further increase the cost of hiring and doing business in the state.

The reality is, Connecticut is experiencing one of the worst economic downturns since the Great Depression. We have lost over 100,000 jobs and more than 13,000 businesses have closed their doors since the recession began. Even before the recession, Connecticut was considered one of the least-friendly states for business because of high costs, a stringent regulatory environment and other factors. Economists predict that Connecticut will continue to lose even more jobs before our economic recovery begins.

Time after time, Connecticut residents have said they are most worried about their jobs and the economy. CBIA's latest statewide membership survey showed that many businesses have lost confidence in Connecticut. Too many of them say that if they were to expand or relocate, they would not do it here. Yet this Committee insists on proposing costly mandates such as **S.B. 913** that will do nothing to increase people's confidence in the stability of their jobs, nor improve employers' prospects for creating more jobs in Connecticut.

Connecticut employers are consistently recognized as among the best in the United States. They provide their employees with some of the most generous wage and benefits packages and work hard to hold onto their employees in whom they have invested greatly.

Employee absences are not isolated incidents. When an employee is absent, someone else has to fill the job or provide the services--and that comes with a price in terms of time, money and management. If an employer cannot find or afford to bring in someone else to fill the absence, other employees' workloads increase, productivity is lost and customers suffer.

Connecticut employers need the flexibility to design and implement workplace policies that balance the needs of their employees and meet the demands of their businesses. It makes no sense for state government to force a one-size-fits all policy such as **S.B. 913** on all employers that takes away their managerial flexibility and administrative discretion.

What is the real price of the paid sick leave mandate? Ironically, employees themselves will likely bear the cost. Faced with the new cost of mandatory paid sick leave, employers will have to adjust elsewhere, potentially by reducing wages and other employee benefits.

Mandatory paid sick leave won't help Connecticut's economy grow or enable employers to create jobs. It will, however, push many businesses closer to the edge of survival. Instead, we need policies that encourage economic stability and development, and job growth. We urge you to reject **S.B. 913** as too costly for Connecticut.

Thank you.