

TESTIMONY OF
THE GREATER DANBURY CHAMBER OF COMMERCE
and
THE NORTHWEST CONNECTICUT CHAMER OF COMMERCE

Before the
Labor & Public Employees Planning Committee
Thursday, March 8, 2018
10:30 AM, Room 2D, Legislative Office Building

The Greater Danbury Chamber of Commerce and the Northwest Connecticut Chamber of Commerce represent more than 1,800 employers in Connecticut.

The Chambers oppose the following bills:

- **SB 1 AAC EARNED FAMILY AND MEDICAL LEAVE**
- **HB 5387 AAC PAID FAMILY MEDICAL LEAVE**
- **HB 5388 AAC A FAIR MINIMUM WAGE**
- **HB 5044 AAC FAIR TREATMENT OF SICK WORKERS.**

SB 1 and HB 5387 would mandate that employers of two or more employees provide up to 12 weeks of paid leave at 100% of their regular pay, with continued benefits, to employees. This leave would be in addition to any accrued paid vacation, personal or family leave that the employee has. Employees' pay would be reduced by one half of one per cent to pay for this benefit and for the administration of the program. Sole proprietors and self-employed persons would also be eligible for these benefits.

One half of one percent is woefully inadequate to pay for this program. The Chambers believe that greater deductions from workers' pay would be required to adequately fund this program and its administration. Nor is this program at no cost to employers who would have to continue to pay the three months of benefits associated with the leave and to hire replacement workers.

This concept has failed in other states and Connecticut's experience in years past with the Second Injury Fund make it probable that this program would be an expensive and impractical liability. Ultimately workers, employees and taxpayers will pay substantial expenses for this well-intentioned but seriously flawed proposal. This proposal would be a bigger disaster than the Second Injury Fund was. It should be rejected.

HB 5388 would phase in a 50% increase in the Minimum Wage to \$15 per hour over a three-year period. Additionally, after that there would be annual increases, as the wage would be indexed. The proposal would increase the already uncompetitive cost of doing business and the cost of living in Connecticut regardless of existing economic conditions.

Does anyone really believe that the higher costs of doing business would not be passed through to consumers? The then higher cost of living would only make it more likely that further increases would be required. The cycle would go on forever.

An equally adverse effect of passing higher costs of doing business through to consumers would be that employers would seek to reduce those costs of doing

business by reducing payroll among other options. Thus the very people that this proposal desires to help would be hit with a higher cost of living expense and fewer employment opportunities.

The mandate of HB 5388 makes no economic sense and should be rejected.

Finally HB 5044 would significantly expand the paid sick leave mandate. The bill would expand mandated employers from those with 50 employees to 20 employees. And it would apply to “integrated “ employers, which apparently means independently owned franchises and similarly affiliated small businesses. Furthermore it reduces the necessary connection of the employee to the employer from 680 hours to 90 days after hire. Thus a person working 10 hours a week would be eligible to use paid sick leave after approximately 130 hours of work.

Again, HB 5044 increases the cost of doing business in Connecticut regardless of economic conditions and the employer’s ability to pay. HB 5044 should be rejected.

Our Chambers of Commerce and our members recognize that higher pay and better benefits attract better employees. At the same time they are not cost free. We are concerned about the unintended consequences of these new mandates on employers and upon Connecticut’s economy. **Consequently we urge rejection of SB 1, HB 45387, HB 5388 and HB 5044.**

This completes our testimony.

Respectfully submitted by:

JoAnn Ryan, President, Northwest Connecticut Chamber of Commerce
Peter J. Prunty, President, Greater Danbury Chamber of Commerce.