



Testimony of Eric Gjede
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Before the Labor & Public Employees Committee
Hartford, CT
March 9, 2023

**Testifying on
SB 1178: AN ACT EXPANDING CONNECTICUT PAID SICK DAYS**

Good afternoon, Senator Kushner, Representative Sanchez, Senator Sampson, Representative Ackert and members of the Labor & Public Employees Committee. My name is Eric Gjede and I am vice president of public policy for CBIA, the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses with less than one hundred employees.

CBIA opposes SB 1178.

Since its enactment in 2012, Connecticut's paid sick leave law has proven costly for Connecticut businesses employing service workers. SB 1178 expands the paid sick leave law to cover every business in the state and doubles the benefit —forcing employers with one or more employees to provide up to eighty hours of paid leave per year.

The lack of flexibility of the paid sick leave law has resulted in additional costs and administrative burdens for Connecticut businesses. Even prior to the passage of the paid sick leave mandate in 2011, studies conducted by sick leave advocates showed that 90% of businesses in this state were already providing leave for employee illnesses. Yet, because of the law, 53% of those employers that offered sick leave incurred between 2% and 5% in additional costs to comply with the state mandate. Many of these companies reported having to cut hours and other benefits to make up for the increased costs attributable to the law. SB 1178 does not consider that while many small businesses already offer some form of paid or unpaid sick leave, compliance with the rigid requirements of the state mandate will result in costs related to changing business operating systems necessary to track accrual and usage as directed by the law.

Further, despite the additional cost, businesses have realized none of the promised benefits of the sick leave mandate. Little evidence exists to support the claim that paid sick leave has decreased illness in the workplace or reduced employee turnover.

The expansion of the paid sick leave mandate proposed in SB 1178 has the potential to be economically devastating to Connecticut. Back in 2011, members of the General Assembly saw the wisdom of excluding Connecticut's smallest businesses and the manufacturing sector from the sick leave mandate. They also limited the benefit to 40 hours per year.

Connecticut employers, particularly small businesses, continue to face a multitude of pandemic-related challenges. Most saw operating costs increase due to supply chain issues and inflation, and an astounding 80% continue to face workforce issues. There are 102,000 unfilled job openings in the state, and despite all the

state's wage and benefit mandates, we have lost 53,700 people from our labor force since February of 2020. In fact, Connecticut's labor force losses since February of 2020 represent over 10% of the total U.S. decline. Our state's unemployment rate remains higher than the national average, and employers face looming tax increases in the coming years to pay off federal unemployment loans.

Employees already have the option to use the most generous paid family and medical leave program in the country to provides wages during their own or a family member's illness. Please take no action on SB 1178.