



Testimony of

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Labor & Public Employees Committee
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HB 6859 An Act Concerning Predictable Scheduling

HB 6860 An Act Extending Connecticut Premium Pay to Certain Essential Workers

HB 6861 An Act Adopting the Recommendations of the Task Force to Study the State Workforce and Retiring Employees

HB 6862 An Act Concerning Broadband Construction and the Prevailing Wage

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SB 1179 An Act Amending Connecticut Paid Family Medical Leave

HB 6688 An Act Modernizing the Paid Sick Days Statute

Good afternoon, Senator Kushner, Representative Sanchez and members of the Labor & Public Employees Committee. My name is Ed Hawthorne, and I am proud to serve as the President of the Connecticut AFL-CIO, a federation of hundreds of local unions representing almost 250,000 active and retired workers in the private sector, public sector, and building trades. Our members live and work in every city and town in our state and reflect the diversity that makes Connecticut great. It is on their behalf that I testify on a number of bills today.

HB 6859 An Act Concerning Predictable Scheduling – SUPPORT

All workers are entitled to a good, stable job that pays a living wage and treats them with respect. Providing jobs that bring a source of pride and stability to employees is beneficial to workers, families and to businesses as well. Throughout Connecticut, however, hundreds of thousands of low wage hourly workers struggle to earn a stable income because of unpredictable work schedules, negatively impacting families financially and emotionally. Families suffer when working people have highly variable hours and no voice in their work schedules. Unpredictable work schedules prevent workers from spending enough time with their children, from knowing when or if they will need childcare, from scheduling doctor's appointments, from attending school events, from furthering their education and from providing their families with the daily structure needed to maintain a healthy and secure living situation.

HB 6859 will require employers who employ more than 500 workers globally, who are part of a restaurant with at least 30 locations worldwide, or who operate as a franchise that is part of a network with at least 500 employees in the retail, food services, hospitality and long-term health care industries to offer schedules in advance, in consultation with employees, and compensate workers if their schedules are changed without enough notice. Jobs should provide people with a sense of stability and opportunity in order to become self-reliant. They should not be a source of stress and uncertainty when it comes to paying bills and taking care of

their families. With predictable scheduling, budgeting income and time becomes more manageable which, in turn, promotes stability, economic opportunity and greater productivity.

We urge the committee to support HB 6859. It is beneficial to employers and employees and will create a path to less wage inequality in Connecticut and nationwide.

HB 6860 An Act Extending Connecticut Premium Pay to Certain Essential Workers – SUPPORT

Throughout the pandemic, our state's public health and public safety have depended heavily on the efforts of frontline workers. Deemed essential by Governor Lamont's executive order and long before PPE and vaccines were widely available, these dedicated workers continued to care for patients, stock grocery store shelves, answer emergency calls, staff prisons, operate public transit systems, educate and care for children and ensure taxpayers had continued access to other essential services. They performed their jobs under difficult circumstances and in extremely dangerous conditions since March 2020, while many of us worked comfortably from home. Because of their heroic efforts, Congress specified that ARPA funds could and should be used to reward them for showing up, day in and day out.

We are grateful that the General Assembly acknowledged the sacrifices made by our essential workers with the inclusion of the Connecticut Premium Pay Program in Public Act 22-118. It provides modest compensation of up to \$1,000 in recognition of the important service essential workers in CDC vaccination categories 1A and 1B performed and the impacts they have sustained to their physical and mental health. It also helped workers feeling the greatest impacts of inflation to make ends meet, further contributing to Connecticut's growth.

Workers in CDC vaccination category 1C were excluded from the program. HB 6860 rights that wrong by expanding it to include them. We urge the Committee to provide 1C workers with the same recognition and compensation that has been afforded to 1A and 1B workers by supporting HB 6860.

HB 6861 An Act Adopting the Recommendations of the Task Force to Study the State Workforce and Retiring Employees – SUPPORT

In a typical year, 2,000 to 2,500 state employees retire from state service. In 2022, more than 4,500 retired – more than double the normal rate. Even before that historic level of retirements, state employee vacancies were widespread throughout most agencies, causing backlogs in service and taxpayer assistance. The number of retirements in 2022, though fewer than initially estimated, has nonetheless created enormous levels of upheaval at all levels of government and particularly in the executive branch where many services have been delayed and disrupted. The departure of 4,500 career public servants means huge losses of institutional knowledge, experience and expertise.

HB 6861 takes advantage of the state's current understaffing to build a more diverse and equitable workforce by implementing the recommendations of the Task Force to Study the State Workforce and Retiring Employees. It offers solutions to correct existing discrepancies based on race and gender, requires recruitment and training programs to draw under-represented groups to state government, close pay gaps between white workers and workers of color and investigate systemic barriers to racial justice within state employment. We especially support the establishment of a Racial Justice Ombudsperson within the Commission on Human Rights and Opportunities and the requirement that every state employee complete antiracism and bias training.

We urge the Committee to support this bill so that when rebuilding the state's workforce, we can be sure that it is done without racial and gender bias and is representative of the population it serves.

HB 6862 An Act Concerning Broadband Construction and the Prevailing Wage – SUPPORT

Broadband access has become an indispensable tool for participation in our economy, education, healthcare, and society. Yet significant portions of our state, specifically the northwest corner and rural areas in Eastern Connecticut, remain unserved or underserved. The federal Infrastructure Investment and Jobs Act creates a once-a-generation opportunity to connect unserved and underserved households and businesses with high-speed broadband. Connecticut is poised to receive approximately \$95 million in funding for this purpose, much being targeted for actual infrastructure deployment. HB 6862 ensures we maximize the opportunity this funding provides.

Connecticut must take steps to ensure public dollars fund the establishment of high-quality, sustainable networks constructed by a well-trained, experienced, directly employed workforce. Robust labor standards and prevailing wage requirements ensure that broadband providers uphold high standards in the construction of the communications networks upon which our residents rely. Unfortunately, in an effort to cut costs, too many providers rely on a multilayered structure of subcontractors that are unaccountable to the public and to their employees. Typically, these contractors are non-union, lack adequate safety training, have very high rates of turnover, and undermine the wages and standards established by union-represented telecom employees through collective bargaining agreements. The result is a disturbing record of accidents that cause damage to utilities, public property, and homes while presenting serious risks to workers and public safety.

HB 6862 ensures that public dollars used to build our broadband network of the future is well spent and support good jobs in the industry. Access to reliable, high-quality broadband is no longer a luxury. It's a necessity for Connecticut families. HB 6862 will make certain all consumers have the coverage they need so they can fully contribute to the state's prosperity. We urge the Committee to support this bill.

SB 1177 An Act Concerning One Fair Wage – SUPPORT

Connecticut's minimum wage is \$14. On June 1, 2023, it will increase to \$15. When the General Assembly voted to raise the minimum wage during the 2019 session, scores of employers flooded this building, predicting catastrophic repercussions if workers earned a fair wage. They said they'd go out of business or have to reduce staff. The opposite was true. As workers earned more, they spent more, creating levels of demand not seen for decades. Wage growth created economic growth. The same will be true for SB 1177 which eliminates Connecticut's subminimum wages.

Employers in the hospitality and restaurant industry were not affected by the increase in the minimum wage. On the contrary, they benefitted significantly from Public Act 19-4, which gradually increased the minimum wage to \$15 per hour by 2023, while delinking the tipped subminimum wage from the full minimum wage.

Prior to Public Act 19-4, the subminimum wage for a server was 63.2% of the full minimum wage. The subminimum wage for a bartender was 81.5% of the full minimum wage. As a result of Public Act 19-4, the tipped subminimum wages have been frozen at 2017 levels (63.2% of \$10.10 = \$6.38 for servers; (81.5% of \$10.19 = \$8.23 for bartenders), providing employers with a significant discount. If tipped subminimum wages had continued to be tied to the full minimum wage, servers would earn \$8.85 now and \$9.63 beginning June 1, 2023. Bartenders would earn \$11.41 now and \$12.23 beginning June 1, 2023. **That means employers are**

saving **\$2.47 per hour, per server** (\$3.10 per hour, per server beginning June 1, 2023) and **\$3.18 per hour, per bartender** (\$4.00 per hour per bartender beginning June 1, 2023). That's a **28% wage discount**. In June, employers will realize a **32% wage discount**. *Put another way, employers of tipped workers are allowed to pay them less than half (46%) of the minimum wage.*

Year	Minimum Wage	Actual Subminimum Wage for Servers	Actual % of Minimum Wage	Subminimum Wage for Servers if it remained linked to the Minimum Wage	% of Minimum Wage if it remained linked	Difference from \$6.38 (Employer Hourly Savings Per Employee)
2019	\$10.10	\$6.38	63.2 %	\$6.38	63.2%	N/A
2020	\$11.00	\$6.38	58%	\$6.95	63.2%	\$0.57
2021	\$12.00	\$6.38	53.2%	\$7.58	63.2%	\$1.20
2022	\$13.00	\$6.38	49.1%	\$8.22	63.2%	\$1.84
2023	\$14.00	\$6.38	45.6%	\$8.85	63.2%	\$2.47
6/1/23	\$15.00	\$6.38	42.5%	\$9.48	63.2%	\$3.10
6/1/24	\$15.00 + ECI	\$6.38	TBD	TBD	63.2%	TBD

Year	Minimum Wage	Actual Subminimum Wage for Bartenders	Actual % of Subminimum Wage	Subminimum Wage for Bartenders if it remained linked to the Minimum Wage	% of Minimum Wage if it remained linked	Difference from \$8.23 (Employer Hourly Savings Per Employee)
2019	\$10.10	\$8.23	81.5%	\$8.23	81.5%	N/A
2020	\$11.00	\$8.97	74.8%	\$8.97	81.5%	\$0.74
2021	\$12.00	\$9.78	68.5%	\$9.78	81.5%	\$1.55
2022	\$13.00	\$10.60	63.3%	\$10.60	81.5%	\$2.37
2023	\$14.00	\$11.41	58.8%	\$11.41	81.5%	\$3.18
6/1/23	\$15.00	\$12.23	54.8%	\$12.23	81.5%	\$4.00
6/1/24	\$15.00 + ECI	TBD	TBD	TBD	81.5%	TBD

Each full-time server has lost \$2.47 per hour (\$98.80 per week) and each full-time bartender has lost \$3.18 per hour (\$127.20 per week). No other industry profits as much on the backs of their workers.

These numbers are very concerning, but what is truly alarming is that Connecticut's tipped work force is 70% women and 36% workers of color. We know that tipped work is a relic of Reconstruction. Hospitality employers hired formerly enslaved persons but did not pay them a wage. They worked for tips. When Connecticut employers today are allowed to pay a workforce of mostly women and workers of color less than half the minimum wage, we must ask ourselves, "How is this equitable?"

Restaurant owners know this practice is unsustainable. Recent survey research showed more than 6,000 Connecticut workers left the restaurant industry since the pandemic. Further, 54% of those who remain reported considering leaving the job and 78% said the only thing that will make them stay or return is being paid the full minimum wage while continuing to earn tips.¹ A quick look at Indeed.com shows many restaurants are already hiring tipped workers at the full minimum wage or more. Employers who do pay the full minimum wage shouldn't have to compete with those who lobby to preserve a law that allows them to undercut wages. They need a level playing field.

Workers are no longer willing to accept substandard wages, especially when they regularly encounter improper customer behavior. Tipped workers experience particularly high rates of sexual harassment on the job. They are forced to tolerate inappropriate comments or sexual behaviors because they need the tip to survive. Ninety percent of female tipped workers have experienced some form of sexual harassment or assault in the workplace and 60% of transgender workers report experiencing "scary" or "unwanted" sexual behavior from customers.²

Employers may point out that staff who work at high end restaurants and serve entrees costing \$40 or more and sell expensive bottles of wine, earn a good living on their tips. That may be true, but their experience is the exception, not the norm. The overwhelming majority of Connecticut restaurants are not fine dining establishments. They are casual or fast casual restaurants, bars, diners, cafes and family eateries where meals are served at affordable prices.

The Connecticut Restaurant Association will likely testify that eliminating the subminimum wage will put their member restaurants out of business. They will tell us they are struggling to recover from the pandemic but passing SB 1177 will force them to close their doors. It's important to note that **in addition to the tremendous financial benefit they have enjoyed from Public Act 19-4, they have also received more than \$ 1 billion in taxpayer-funded financial assistance since the pandemic:**

- 5,563 Connecticut restaurants received Paycheck Protection Program (PPP) loans, totaling **\$684,128,171** with an average loan amount of \$122,978. 5,388 (96.9%) of those loans **have been forgiven.**
- 1,302 Connecticut restaurants received Restaurant Revitalization Fund Grants, totaling **\$300,945,420.** The average grant amount was \$231,141.
- 4,660 restaurants were allowed to keep more than **\$9,325,235** of the sales tax they collected during one of four designated weeks in 2021 or 2022 in the Sales Tax Relief for Sellers of Program. The average grant was \$2,001.
- 1,485 Connecticut restaurants received Hospitality Industry Support Grants totaling **\$30,000,000** in ARPA funds. The average grant amount was \$19,123.
- 272 Connecticut restaurants and food & beverage businesses received 18-month, 0% interest loans totaling **\$5,637,200.** The average loan amount was \$20,725.

¹ One Fair Wage. (May 2021). It's a Wage Shortage, Not a Worker Shortage: Why Restaurant Workers, Particularly Mothers, are Leaving the Industry, and What Would Make Them Stay. https://onefairwage.site/wp-content/uploads/2021/05/OFW_WageShortage_F.pdf

² [GCPI-ESOI-Sexual-Harassment-FS-20190110-1.pdf](https://www.gcpireports.org/wp-content/uploads/2021/09/GCPI-ESOI-Sexual-Harassment-FS-20190110-1.pdf)

\$1 billion is apparently not enough. Now the Connecticut Restaurant Association is asking the General Assembly to create a hospitality fund to permanently distribute the 1% tax on meals to restaurants. Two weeks ago, this Committee heard testimony on HB 6462 An Act Concerning the Recoupment of State Costs Attributable to Low-Wage Employers. It would fine employers who refuse to pay living wages, forcing employees to seek out public services to make ends meet, e.g., HUSKY, SNAP benefits, childcare subsidies, housing assistance, etc. It's unclear to me how the restaurant industry is unlike the unscrupulous employers HB 6462 seeks to target. They have rigged the wage scales in their favor, gotten more than \$1 billion from state taxpayers and continue to ask for more. Before the General Assembly entertains any further aid to restaurants, it should ensure tipped workers earn the full minimum wage.

Lastly, SB 1177 will simplify wage compliance and enforcement. By eliminating the complicated tip credit and intricate regulations about for which tasks employers can pay the subminimum wage and for which tasks they must pay the full minimum wage, SB 1177 brings clarity and transparency to restaurant wages. It also brings relief to an understaffed Department of Labor that is struggling to stay on top of wage theft claims. On its own website, the Connecticut Department of Labor's Wage and Workforce Standards Division states:

“Due to the high volume of wage and workplace standards claims actively pending and/or under investigation, we are currently 4-6 months behind the assignment of new claims.”

If new wage complaints cannot even be assigned to a Wage and Hour Inspector for four to six months, there is little hope that employees will see timely resolutions to their claims. In addition, unlawful employers are likely emboldened by this backlog, and encouraged to take a chance that claims against them may never be investigated, let alone adjudicated. SB 1177 will streamline wage enforcement and help clear wage complaint backlogs.

SB 1177 ends the practice of subminimum wages, requiring all employers to pay one fair minimum wage to all types of workers. Seven other states (California, Washington, Minnesota, Alaska, Oregon, Nevada, and Montana) and the District of Columbia already do this. These states have higher restaurant job growth rates, small business growth rates, and tipping averages than Connecticut. They also have one-half the rate of sexual harassment in the restaurant industry and lost fewer restaurants during the pandemic.³ It's time for Connecticut to follow suit. We urge the Committee to support this bill.

SB 1178 An Act Expanding Connecticut Paid Sick Days – SUPPORT

This Committee, like it so often has, lead the nation in 2011 when it passed the nation's first paid sick days law. It requires employers with at least 50 employees in the service sector (restaurants, retail establishments, home health agencies, and others) to provide with up to five paid sick days to employees after they have worked 680 hours and an average of 10 hours per week in the most recently completed quarter. Employees may only use paid sick days for their own illness, injury or health condition or to care for their child or spouse.

Now, more than twenty states and municipalities have followed Connecticut's example and enacted similar laws, but many have gone further, learning from Connecticut's experience and the COVID pandemic. Many cover more workers, provide more time and expand the permitted use of time. Recent estimates show that just 11% of employed workers meet the criteria to be eligible for paid sick days under our current law. That

³ ROC United, (2018). Better Wages, Better Tips: Restaurants Flourish with One Fair Wage. <https://eofnetwork.org/wp-content/uploads/2019/10/Better-Wages-Better-Tips.pdf>

means approximately 1.6 million workers are excluded and have no access to paid sick time. We can do better.

SB 1178 expands the paid sick leave statute to cover all workers, regardless of the size of their employer or the industry in which they work. It also increases the number of hours employees can accrue and use from 40 hours to 80 hours per year, eliminates the 680-hour waiting period and 10 hour requirement that excludes many part-time workers, and expands the types of family members for which an employee may utilize paid sick time to align with Connecticut's paid family and medical leave law. These changes allow workers to use paid sick time to care for a child of any age and their chosen family members and recognize their need to use paid sick time when their workplace or child's school is closed for public health emergencies.

As we continue to recover from the COVID-19 pandemic, access to paid sick leave is more critical than ever. Research has shown that paid sick leave provided in the federal Families First Coronavirus Relief Act in 2020 was successful in "flattening the curve" of COVID-19 transmissions and reduced COVID-19 cases in certain areas by 400 cases per day.⁴ These results demonstrate that paid sick leave is not just important for workers. It's important for public health.

Without paid sick days, workers are forced to either go to work sick or miss their paychecks and, in some cases, lose their job entirely. Workers without paid sick days are also more than twice as likely to seek emergency room care for themselves, a child or a relative because they can't take time away from work during normal business hours to obtain routine care, which leads to higher health insurance costs and medical expenses.

The continued threats to economic security faced by too many workers due to a lack of paid sick days must be resolved. We urge the Committee to lead once again and make sure all workers have access to paid sick days by supporting SB 1178.

SB 1179 An Act Amending Connecticut Paid Family Medical Leave – SUPPORT

Public Act 19-25 created Connecticut's Paid Family and Medical Leave (PFML) insurance program to provide wage replacement benefits for up to twelve weeks over a 12-month period to certain employees who were out of work due to the birth of a child, injury, illness, disability or other qualified reason. The program is funded solely by employee contributions of one-half percent of wages. Employers pay nothing into the system.

Prior to PFML implementation, a number of employers across the state provided Short Term Disability (STD) plans to employees. They vary in duration and level of wage replacement but were most often negotiated via the collective bargaining process as an employer provided benefit, paid for by the employer. Workers invariably sacrificed other gains, e.g., wage increases, retirement security, leave provisions and other benefits, to secure STD coverage. Now these workers also pay into the PFML program as required by law. They have essentially paid for two benefits.

We understand the intent of the PFML statute was to allow eligible workers to either determine the primary benefit (PFML or STD) or elect to have them run concurrently. Current statute allows benefits to be used concurrently, as long as total benefits paid do not exceed the employee's regular rate of compensation. However, many employers, prioritizing their own profits, are requiring employees to exhaust PFML benefits

⁴ <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2020.00863>

first. Doing so replaces employer-funded STD benefits, wholly or in part, depending on the duration of the STD plan.

PFML was never intended to subsidize or replace existing employer provided STD plans. Employers are excluded from paying into the Trust Fund and as such, should not be allowed to use employees' contributions to reduce their own expenses or interfere with an eligible employee's choice of receiving wage replacement through existing negotiated STD programs or PFML. Section 3 of SB 1179 makes this necessary clarification by prohibiting any employer-provided disability insurance policy be reduced or offset by use of PFML benefits. We urge the Committee to support this bill.

HB 6688 An Act Modernizing the Paid Sick Days Statute

We thank Governor Lamont for acknowledging that Connecticut's paid sick days law has been eclipsed by neighboring states' more progressive and worker-friendly solutions since it was passed in 2011. We applaud his intent to cover all types of private sector workers, instead of the existing small number of service workers current statute allows, and we recognize his intent to expand the definition of family. However, HB 6688 would still leave thousands of workers unable to access paid sick days because only employers with 11 or more employees would be required to provide it. HB 6688 also does not expand the number of hours of paid sick time an employee may accrue, nor does it remove the 680 hour waiting period. We urge the Committee to act on the more comprehensive proposal contained in SB 1178.

Thank you for the opportunity to testify.