



G L O B A L
Help Desk Services

Testimony of Steve Wetherell
President, Global Help Desk Services, Inc.
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 Steve Wetherell and I am President of Global Help Desk Services, Inc. (GHDSi), an information technology help desk service provider here in Connecticut with just under one hundred employees.

GHDSi opposes SB 1178.

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. Let me give you a flavor of the impact that kind of change will have on our business.

Almost every time an employee calls out sick or is on vacation we have to pay overtime to other employees to cover their shift. Why? Because we have customers with service levels we have to meet. By expanding paid sick leave to 80 hours here's what it looks like, using a one hundred employee count. One hundred employees x forty hours (4000 hours) of additional sick time x an average pay of \$18/hr x overtime (1.5x). That is equal to \$108,000 in potential overtime pay to cover all this additional proposed sick time. Surely, you don't think small businesses in Connecticut are cash cows that can simply absorb this kind of impact and pull this kind of number from their bottom line do you?

We already provide forty (40) hours of sick time, eighty (80) hours of vacation time and nine (9) holidays that we have to cover when people are out. Adding another forty (40) hours to that is devastating.

When small businesses face additional costs as a result of mandates from the state the only thing they can do is raise prices, driving customers away, or reduce costs, or move to another state with lower costs and less mandates. So, businesses will react by cutting vacation hours, holiday hours offered, or simply cut employee hours.

According to CBIA, it is my understanding historically that 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.

In the last two years I've seen a significant impact in terms of labor force shortages and the cost of doing business in Connecticut for both employers and employees. To compete for labor we've had to raise our salaries which already hurts the bottom line. In addition, last year alone, healthcare went up over 30%, which is our second highest cost behind salaries. On top of that we had to pay approximately \$3,000 in state unemployment assessments, to pay back the federal government, despite a restructuring of our unemployment calculation rules. That's such a kick in the teeth to finally save money on unemployment to then have to pay for unemployment.

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It is so frustrating to me to watch you all penalize businesses in Connecticut. Remember, we are the ones that put our houses on the line to create jobs for others and we are the ones that have to meet payroll every two weeks. And we are the last ones to get paid if there is no money for payroll. Fortunately, those early days and years starting this business are behind me, but these kinds of mandates take me back to having to make tough decisions that will most likely hurt the very people you want to help. We love our employees and believe we treat them fairly. We've made Top Workplace three out of the last four years. But every day I see bills being proposed that do very little to attract businesses to Connecticut or help businesses reduce their cost. Please take no action on SB 1178.