



Testimony in Support of Senate Bill 2721
Senate Labor Committee
Submitted by Douglas Hall, Ph.D.
April 13, 2016

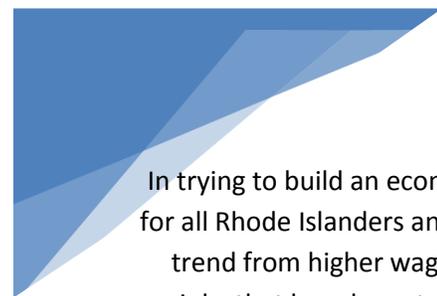
Chairman Fogarty, Vice-Chair Ciccone, and Members of the Senate Committee on Labor, thank you for considering **S2721, An Act Relating To Labor And Labor Relations— Healthy And Safe Families And Workplaces Act**, a bill that the Economic Progress Institute supports.

Among the basic provisions of this legislation are the following:

- Annual accrual of 56 hours (equivalent to seven 8-hour work days) of earned sick leave.
- Ability to make use of paid leave after 90 days.
- Rollover of unused sick leave into new calendar year, with option to instead pay employees for unused time.
- Protection of earned sick leave time in the event an employee is transferred to a different division of the same company, and in the event that “an employer succeeds or takes the place of an existing employer”.

Until national legislation is passed providing earned paid sick time, state and local provisions can provide this important family-friendly employment standard. As of March 2016, five states have passed earned paid sick time legislation, including three of our New England neighbors, Connecticut, Massachusetts, and Vermont.¹ As well, at least fifteen cities and counties have passed legislation providing earned paid sick leave, including San Francisco, Washington, DC, New York, Philadelphia, Portland (OR), and San Diego.

The experience of those jurisdictions that have been leaders in enacting family-supporting earned paid sick leave is instructive. In San Francisco, the first jurisdiction to introduce earned paid sick leave, employment in the five years after implementation of their earned paid sick leave provisions grew twice as fast in the city than in neighboring counties lacking earned paid sick leave, and grew even faster in the food service and hospitality industries with significant concentrations of workers benefiting from the new provisions.



In trying to build an economy that works for all Rhode Islanders and to reverse the trend from higher wage to lower wage jobs that has characterized the period since the Great Recession, we must attract higher skill jobs that pay well, ensure that existing jobs in Rhode Island are family-supporting, while providing the Rhode Island workforce with the education and training necessary to fully engage in the economy.

Economic Progress Institute, State of Working Rhode Island: Workers of Color, 2015

¹ *Paid Sick Days – State Statutes*, National Partnership for Women and Families, 2016.
<http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-statutes.pdf>.

A report by the Center on Economic and Policy Research found that in neighboring Connecticut, the policy was implemented at little to no cost for business (consistent with findings from an Economic Policy Institute study prior to passage²), and that two years after initial implementation, more than three-quarters of employers were supportive of the law.³

We've recently learned of a survey of American CEOs indicating that a vast majority of those polled ("by a prominent GOP polling and communications firm"⁴ In fact, 73 percent of them support paid sick days, while just 16 percent opposed paid sick days, as seen in Figure 1.

Provision of earned paid sick days results in significant savings for both employers and government:

- **Employer savings are considerable**, and include savings due to:
 - increased worker productivity,
 - Lower turnover rates
 - Reduced workplace contagion from reduced **presenteeism** (attending work while sick)
 - Fewer workplace injuries

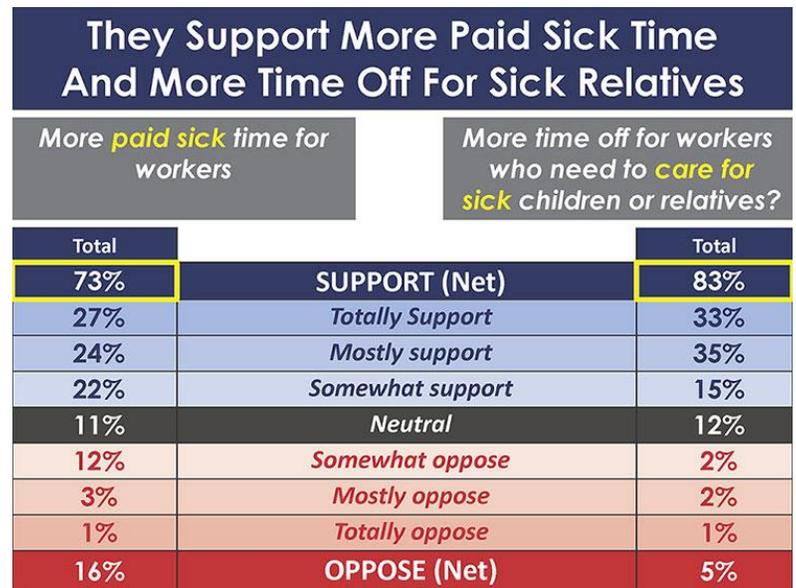


Figure 1

- **Government saves through savings to public health insurance programs**, through reduced reliance on emergency rooms for treatment of illnesses. With availability of paid sick time, an employee is able to schedule an appointment with his/her primary care provider for diagnosis and treatment. One recent study shows that extending earned paid sick leave to all currently uncovered would save over **\$1.1 billion** annually, including savings of **\$517 million** to public health insurance programs such as Medicaid.⁵ Other savings result from **reduced reliance on**

² Douglas Hall and Elise Gould, *Measuring the Small Cost for Connecticut businesses*, Economic Policy Institute, 2011. <http://www.epi.org/files/page/-/pdf/pm177.pdf>.

³ Eileen Appelbaum, Ruth Milkman, Luke Elliott, and Teresa Kroeger, *Good for Business? Connecticut's Paid Sick Leave Law*, Center for Economic and Policy Research, 2014. <http://cepr.net/documents/good-for-buisness-2014-02-21.pdf>.

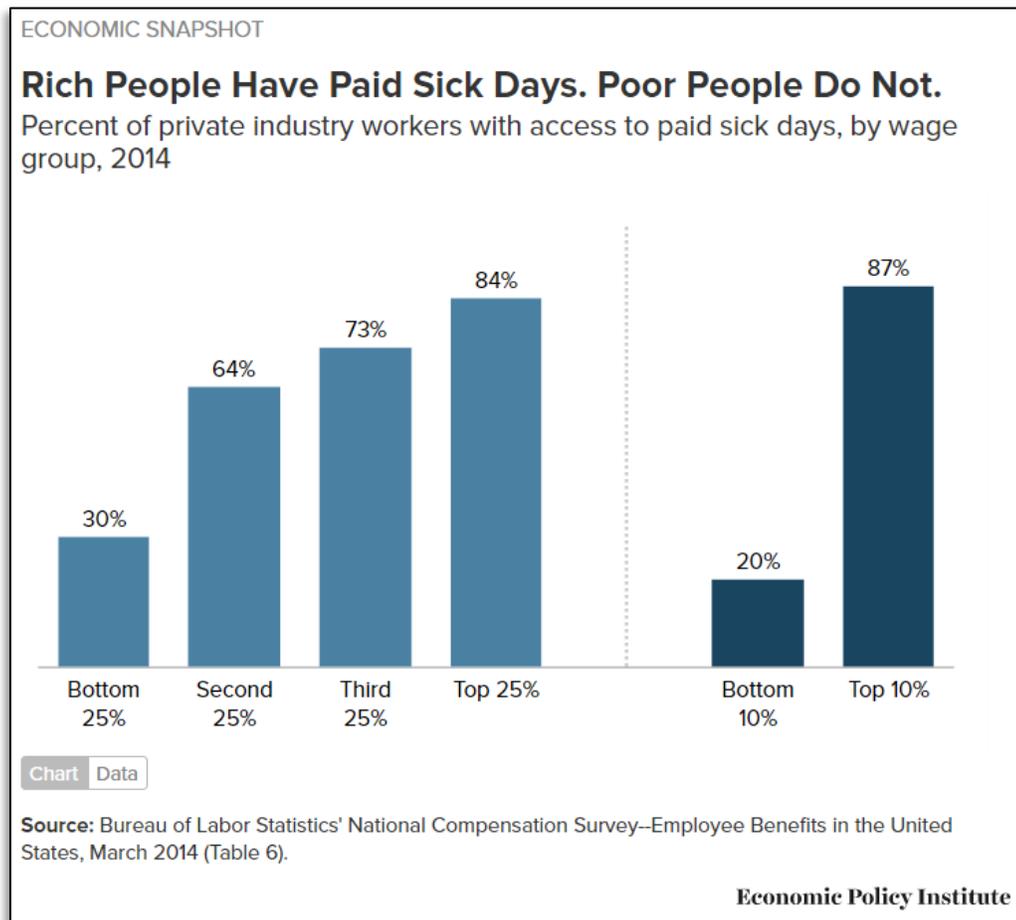
⁴ Mary Bottari, "Highlights of Luntz Poll of American CEOs Shows Broad Support for Progressive Policies", PRWatch, April 2016 <http://www.prwatch.org/news/2016/03/13074/luntz-poll-american-ceos-shows-deep-support-progressive-policies>.

⁵ *Paid Sick Days Lead to Cost Savings for All*, National Partnership for Women and Families, 2015.

<http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-lead-to-cost-savings-savings-for-all.pdf>.

public assistance, as nearly one in four employees report losing a job or being threatened with job loss for taking time off due to personal or family illness. Earned paid sick leave gives employees much needed economic security, which is critical to family stability.

One significant reason to pass paid sick leave legislation is that failing to do so further exacerbates disparities based on income. The Economic Policy Institute shows in stark terms that “rich people have paid sick days [while] poor people do not.”⁶ While only one in five (20 percent) of private sector workers in the bottom 10 percent of wage earners has earned paid sick time, nearly nine in ten (87 percent) of top-five wage earners have earned paid sick time.



The case for providing earned paid sick leave to workers in Rhode Island is strong. We thank you for considering this important legislation, and urge you to pass H7633 out of committee.

⁶ Elise Gould, *Economic Snapshot*, “Rich People Have Paid Sick Days. Poor People Do Not.” January 2015. <http://www.epi.org/publication/rich-people-have-paid-sick-days-poor-people-do-not/>