



DATE: March 15, 2022
TO: Labor & Public Employees Committee
FROM: Jeff Shaw, Senior Public Policy Advisor, The Alliance
RE: S.B. 422, An Act Concerning the Essential Workers Covid-19 Assistance Program.

Good afternoon, Senator Kushner, Representative Porter, Senator Sampson, Representative Arora and distinguished members of the Labor and Public Employees Committee:

My name is Jeff Shaw, Senior Public Policy Advisor, of the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing the nonprofit sector. Community nonprofits provide essential services to over half a million individuals and families in Connecticut every year and employ 115,000 Connecticut workers, improving the quality of life in communities across the State.

Thank you for the opportunity to testify on S.B. 422, An Act Concerning the Essential Workers Covid-19 Assistance Program. The proposed bill would provide up to eighty hours of paid sick leave to eligible employees who were unable to work due to COVID-19 illness or quarantine. The proposal stipulates the first eighty hours of paid sick leave shall come from the employee's employer and only after surpassing eighty hours, can eligible employees apply to the Connecticut Essential Workers COVID-19 Assistance Fund to pay for additional sick time.

While we understand the physical, emotional and mental trauma caused by COVID-19 illness, quarantines and isolation, we are concerned the cost of this proposal will severely impact nonprofit programs and services. If this proposal were to pass, we urge the Committee to ensure that funding is provided to community nonprofits to ensure their ability to afford the costs associated with it.

As drafted, we are concerned the costs of the proposal will not be reflected in nonprofit contracts with the State. If this proposal were to pass, the legislature should ensure that state contract amounts for nonprofits that provide community services on behalf of the State are adjusted to build in protections and ensure resources are available to cover increased costs. State contracts do not automatically adjust to increasing in costs, such as minimum wage increases, health insurance premiums, fuel costs, or in this case, paid sick leave.

Already underfunded for over a decade, the COVID-19 pandemic exacerbated the financial and operational challenges for nonprofit organizations. Nonprofits were forced to incur unexpected and unbudgeted costs to protect the people they serve and their workforce. Throughout the crisis, nonprofit employees have been tirelessly working to ensure continuity and access to services including such services as supporting people with disabilities in residential and day treatment programs, delivering substance abuse and mental health treatments, providing shelter to people who are homeless or escaping domestic violence, and helping people re-enter the community from the criminal justice system.

The proposed paid sick leave benefit is an important recognition of a heroic workforce – but also one that is in crisis. According to a survey The Alliance released in January, nearly one in five (18%) nonprofit jobs are unfilled across Connecticut. The nationwide exodus from the healthcare industry has been well-documented, but it has hit Connecticut’s nonprofits acutely. Staff are leaving for higher paying jobs in private industry and private practice, where they can deliver services remotely from their homes, and other industries (such as school districts) are hiring clinical staff away from community-based nonprofit providers.

Any expansion of paid sick leave benefits will require nonprofits to back-fill additional positions for staffing vacancies, an impractical and unaffordable proposition during this workforce crisis. The workforce shortage is already threatening service delivery; managing current services with even fewer employees is unfathomable for many organizations.

Community nonprofits contract with the State to provide services; they cannot raise taxes or increase prices in the face of increased costs, meaning they are forced to cut services, lay-off employees or close programs if they are forced to incur increased costs without increased funding. Nonprofits want to provide excellent benefits for their employees, including paid sick leave, but the State needs to make sure there are reasonable ways to pay for it.

Thank you for your attention to this important matter.