Date: June 22, 2020
Legislation: Bill 200303 – Emergency Paid Sick Leave
Committee: Health and Human Services
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VP Local Government Affairs

Good afternoon Councilwoman Bass and members of the Committee on Health and Human Services. Thank you for this opportunity to provide testimony regarding Bill 200303 which calls for Philadelphia businesses to pay increased sick leave to employees under emergency circumstances. Although we understand the intent behind this legislation, we strongly believe any measures in this regard should adequately consider the economic circumstances of both workers and employers, and not detract from the efforts of businesses fighting to survive at this critical time.

COVID-19 remains a historic disruption to the world as we once knew it. The Coronavirus has infected hundreds of thousands of individuals, with many succumbing to its deadly effects. We are thankful for the tremendous efforts of our health care, government and essential workers who have been battling on the front lines of this pandemic. Likewise, we greatly appreciate the efforts of numerous public/private partnerships, as well as the philanthropic community, in helping to keep our city's economy from fully collapsing. All these efforts are immeasurable and invaluable and have given our city a chance to recover.

Given all that has been done however, there still is much more to do. Philadelphians want to go back to work, and in order for that to happen we must first ensure there is actually work to return to. This requires a full recognition that businesses, both big and small, have experienced extraordinary financial hardship. Our local business owners have suffered significantly reduced revenues, with many losing more than half their regular income. Several have been forced to take on additional debt to stay afloat, and sadly many have had no choice but to shut down permanently.

Bill 200303, as introduced, falsely assumes owners not only have revenue to cover current overhead and pay returning employees, but also reserves to pay the costs the bill would impose. Additionally, sick leave was not meant to be a benefit paid in lump sums to all employees at a specific time. Businesses generally plan that a few workers will be out over manageable periods of time, allowing other staff to continue running the business in the absence of workers that are out. Under this legislation, should a COVID emergency be declared, businesses while shut down will have to pay a lump sum of sick leave to all of its employees immediately. Mandating such payments, while local companies are still hoping to recover from the devastating effects of the pandemic, as well as recent destructive demonstrations, could very well mean their death knell.

At this critical time, measures that seek to protect the entirety of our economy are paramount. Remarkably, a bi-partisan Congress found a way to advance legislation that considers both

employee's livelihoods and employer's bottom lines. In addition to relief payments for individuals and businesses the FFCR and CARES Acts provide expansions to unemployment assistance and emergency family and medical leave through tax credits to businesses. This gives companies the ability to pay up to 80 hours of sick leave to employees and partially paid leave for employees to care for loved ones in the event of a quarantine. These mutual protections adequately consider the interests of all involved.

Philadelphia's workers and businesses have collaboratively answered the call to maintain our city during the COVID-19 pandemic. This legislation unnecessarily divides our citizenry at a time when continued shared recovery is needed. As no one knows what the new normal will be, we have to be mindful that in order for workers to work, employers must first be in a position to employ. Any level of one-sided legislative overreaction could result in dire economic consequences. Now, more than ever, is time for comprehensive policies that incentivize inclusive growth. On behalf of Philadelphia's business community we appreciate City Council's understanding of this reality as they consider the mandates this legislation proposes.

Thank you.