



IWPR # B287

March 2010

MEMORANDUM

Date: March 10, 2010
To: The Honorable John E. Baldacci, Governor of Maine
Members of the Joint Standing Committee on Labor of the 124th Maine State Legislature
From: Kevin Miller, Ph.D., Senior Research Associate, Institute for Women's Policy Research
Re: Possible amendment to L.D. 1665, An Act to Prevent the Spread of H1N1

This memo addresses the estimated impact of a proposed amendment to L.D. 1665, which would require Maine employers to allow workers to accrue paid sick days. The amendment, discussed in a work session on March 8, would exempt employers with fewer than 50 employees from compliance with the bill. The Maine Women's Lobby requested that the Institute for Women's Policy Research (IWPR) estimate the number of workers who would be affected by the bill were this amendment adopted.

The Institute for Women's Policy Research (IWPR) has been conducting data and policy analysis and creating cost-benefit estimates regarding paid sick days for almost a decade, since the issue first drew the attention of policy makers. Our research has been presented to the U.S. Congress, state legislatures, and local governments. Our cost-benefit analyses have contributed to the adoption of paid sick days standards in San Francisco, the District of Columbia, and Milwaukee and continue to inform policy making across the country.

Our cost-benefit analyses are conducted using publicly available data from the Bureau of Labor Statistics, the National Health Interview Survey, the National Compensation Survey, and other national and state data sources. We recently released a report, *Valuing Good Health in Maine: The Costs and Benefits of Paid Sick Days*, in which we estimated the number of workers who would be affected by the law, the amount of leave they would take, and the costs and benefits to Maine employers of providing that leave.

Of the nearly 600,000 people employed in Maine, most already have access to paid sick days, but approximately 214,000 lack access to paid sick days. The vast majority of government workers receive paid sick days, so almost all workers without paid sick days work in the private sector. Of these workers, about 137,000, or almost two-thirds (64%), work for employers with 50 or more employees. Although only 3.2% of employers in Maine have 50 or more employees, they employ over two-thirds of workers in the private sector.

IWPR estimates that approximately 28,000 of the 137,000 workers without paid sick days who are employed by employers with 50 or more employees may have some form of leave that they can utilize in a manner similar to sick days. This includes workers whose employers or supervisors may allow them to utilize vacation days in a flexible fashion. These workers would not necessarily receive additional leave.

Assuming the above workers with access to some paid leave will not receive new leave, about 109,000 workers in Maine would be likely to receive new leave under the provisions of L.D. 1665 with the proposed amendment in place. However, **all** workers covered by L.D. 1665, including government workers and others who currently have paid sick days or leave of some kind, will receive additional protection against dismissal or other punishments should they utilize leave for the purposes stated in L.D. 1665. Even with an amendment exempting employers with fewer than 50 employees, this still represents legal protection for more than three-fourths of the Maine workforce.

IWPR's recent report, *Valuing Good Health in Maine: The Costs and Benefits of Paid Sick Days*, finds that employers in compliance with L.D. 1665 would see costs of approximately 19 cents per hour worked for employees receiving new leave. However, IWPR estimates that businesses would see a net savings after implementing paid sick days for employees that currently lack them as a result of reduced employee turnover and reduced contagion. Due to reduced contagion, workers and their families would save on medical expenditures, as would insurance providers, both public and private.

I would be happy to answer questions that may arise about IWPR's methodology and findings or to discuss issues relating to paid sick days and the proposed legislation. Please let me know if I can provide any further assistance.