

# Strengthening Sick Leave Protections Is Essential for Public Health

## Position Statement in Support of House Bill 1326

*Given before the House Economic Matters Committee*

The Healthy Working Families Act was a major victory for Maryland workers and public health, enabling hundreds of thousands of workers to stay home when they are sick or need to care for a sick loved one without sacrificing needed income. The value of this protection is all the more clear amid the COVID-19 pandemic, as enabling people with the virus to stay home has been key to avoiding greater illness and death. However, current law arbitrarily leaves some workers out and does not sufficiently address the extraordinary needs that arise during a public health crisis. The Maryland Center on Economic Policy supports House Bill 1326 because it would extend vital protections to workers who are currently left out and would ensure workers can make the right choice for themselves and their communities during a deadly pandemic.

House Bill 1326 would immediately make two major improvements to Maryland's earned sick and safe leave law:

- The bill would repeal arbitrary carve-outs that today exclude agricultural workers, temp workers, and certain health and human services workers from earning paid sick and safe days. These workers face the same health risks as everyone else, but they have no protection under current law. The bill would also expand the definition of family members to reflect the diversity of Marylanders' family and care arrangements.
- The bill would guarantee most workers additional earned sick days during a public health emergency, which they can use to isolate if they know or suspect they have a communicable disease, to care for an ill family member, or for other needs that can arise during a public health emergency. To maximize the protection afforded to workers as well as the benefit to public health, the bill would enable workers at all employers to earn paid sick days during a public health emergency, with no waiting period.

These improvements would go a long way to prevent needless suffering during the COVID-19 pandemic. There is strong evidence that enabling workers to stay home when sick without sacrificing income improves public health:<sup>i</sup>

- Workers with paid sick leave are more likely to receive preventive care that will lead to the early detection and treatment of illnesses.
- Cities and states that guarantee earned sick days have lower rates of flu infection.
- The reduced health care costs associated with paid sick leave (due to less contagious disease, less reliance on emergency rooms, and fewer short-term stays in nursing home) are expected to save Marylanders an estimated \$23 million each year.
- Nearly half of restaurant-related outbreaks of foodborne illness are associated with employees working while sick

Strengthening the Healthy Working Families Act would also be a boon to Maryland's still-struggling economy:<sup>ii</sup>

- Thousands of families across the state continue to face challenges keeping a roof over their heads and food on the table as Maryland and the nation grapple with the economic harms of the coronavirus pandemic.
- Increased pay for low-wage workers who live paycheck to paycheck translates almost immediately into higher spending, which means stronger sales at local businesses.<sup>iii</sup>
- Guaranteeing earned sick days saves Maryland employers up to \$13 million per year through improved productivity.
- On average, cities and states that passed earned sick days guarantees had equivalent or stronger job growth in comparison to the United States overall 12 months after implementation.
- A majority of business owners and executives support earned sick days, even when polled by anti-regulation political consultants.<sup>iv</sup>

Finally, House Bill 1326 would be an important step to make Maryland's economy more equitable:

- People of color experience much higher rates of economic insecurity and poverty, and are more likely to be low-income workers. Due to this, it is more difficult to prepare for the economic shock of a serious medical need.
- Nationwide, typical Black families have only one-eighth as much accumulated wealth as their white counterparts, while typical Latinx families have only one-fifth as much wealth.<sup>v</sup>
- Low-income people of all races report worse health status than higher income individuals. Additionally, people of color are more likely to have greater health needs and experience them at a younger age than white Marylanders.<sup>vi</sup>
- As of February 25, 2021, 146 out of every 100,000 Black Marylanders had died of COVID-19, compared to 117 out of every 100,000 Marylanders who are not Black.<sup>vii</sup>

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Economic Matters Committee make a favorable report on House Bill 1326.**

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## Equity Impact Analysis: House Bill 1326

### *Bill summary*

House Bill 1326 would expand Maryland's earned sick and safe leave law in two major ways:

- The bill would repeal carve-outs that today exclude agricultural workers, temp workers, and certain health and human services workers from earning paid sick and safe days. The bill would also expand the definition of family members.
- The bill would guarantee most workers additional earned sick days during a public health emergency, which they can use to isolate if they know or suspect they have a communicable disease, to care for an ill family member, or for other needs that can arise during a public health emergency. The bill would enable workers at all employers to earn paid sick days during a public health emergency, with no waiting period.

House Bill 1326 is emergency legislation.

### *Background*

The General Assembly in 2018 passed the Healthy Working Families Act, overriding Gov. Hogan's veto of the bill when it originally passed in 2017. The law guarantees most Maryland workers the ability to earn paid time off work for when they or a family member have medical needs or face an unsafe home environment. However, the law

excludes several categories of worker, requires workers to wait several months before beginning to accrue sick days, and allows small employers to provide only unpaid leave.

### *Equity Implications*

House Bill 1326 would be an important step to make Maryland’s economy more equitable:

- People of color experience much higher rates of economic insecurity and poverty, and are more likely to be low-income workers. Due to this, it is more difficult to prepare for the economic shock of a serious medical need.
- Nationwide, typical Black families have only one-eighth as much accumulated wealth as their white counterparts, while typical Latinx families have only one-fifth as much wealth.<sup>viii</sup>
- Low-income people of all races report worse health status than higher income individuals. Additionally, people of color are more likely to have greater health needs and experience them at a younger age than white Marylanders.<sup>ix</sup>
- As of February 25, 2021, 146 out of every 100,000 Black Marylanders had died of COVID-19, compared to 117 out of every 100,000 Marylanders who are not Black.<sup>x</sup>

### *Impact*

House Bill 1326 would likely **improve racial, gender, and economic equity** in Maryland.

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<sup>i</sup> Christopher Meyer, “A Strong Earned Sick Days Law Will Bring Major Benefits for Maryland Families and our Economy,” Maryland Center on Economic Policy, 2017, <http://www.mdeconomy.org/wp-content/uploads/2017/11/Sick-leave-final-11-30-17.pdf>

<sup>ii</sup> Meyer, 2017

<sup>iii</sup> Christopher Carroll, Jiri Slacalek, Kiichi Tokuoka, and Matthew White, “The Distribution of Wealth and the Marginal Propensity to Consume,” *Quantitative Economics* 8, 2017, <https://onlinelibrary.wiley.com/doi/epdf/10.3982/QE694>

<sup>iv</sup> “CMD PRWatch Markup of 01-05-16 State Chambers Topline Poll,” Luntz Global via PRWach, 2015, [https://www.prwatch.org/files/cmd\\_prwatch\\_markup\\_of\\_01-05-16\\_state\\_chambers\\_topline\\_poll.pdf](https://www.prwatch.org/files/cmd_prwatch_markup_of_01-05-16_state_chambers_topline_poll.pdf)

<sup>v</sup> MDCEP analysis of 2019 Survey of Consumer Finances.

<sup>vi</sup> Paid Family and Medical Leave: A Racial Justice Issue – and Opportunity,” National Partnership for Women & Families, August 2018, <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/paid-family-and-medical-leave-racial-justice-issue-and-opportunity.pdf>

<sup>vii</sup> MDCEP analysis of Maryland Department of Health COVID-19 data and U.S. Census Bureau 2019 Population Estimates.

<sup>viii</sup> MDCEP analysis of 2019 Survey of Consumer Finances.

<sup>ix</sup> Paid Family and Medical Leave: A Racial Justice Issue – and Opportunity,” National Partnership for Women & Families, August 2018, <http://www.nationalpartnership.org/our-work/resources/workplace/paid-leave/paid-family-and-medical-leave-racial-justice-issue-and-opportunity.pdf>

<sup>x</sup> MDCEP analysis of Maryland Department of Health COVID-19 data and U.S. Census Bureau 2019 Population Estimates.