EXHIBIT 1
DATE 02/02/07
HB 498

TESTIMONY OF STEVE JOHNSON
IN SUPPORT OF HB 498

Mr. Chairman, members of the committee, my name is Steve Johnson and I currently work as the Director of Human Resources for Missoula County. I appear before you today in support of HB 498.

As you are no doubt aware, state law currently provides a generous leave package for most public employees, which includes:

- Ten paid holidays (eleven holidays during even-numbered years);
- Three weeks of paid annual vacation leave for newly-hired employees, which can be taken after the employee works a six-month qualifying period; and
- One eight-hour day of paid sick leave per month, which, under current law, accrues from the first day of employment, but cannot be taken until the newly-hired employee works a 90-day qualifying period.

House Bill 498 would eliminate the 90-day qualifying period for sick leave that I just mentioned. As a public employer who would be affected by this bill, Missoula County strongly supports this change.

A qualifying period certainly makes sense in the case of vacation leave, which typically involves larger blocks of time, and is generally scheduled in advance at a time that is mutually agreeable to the employee and the public employer. By the end of the six-month qualifying period, in many cases, the employee has completed a probationary period of employment, and has demonstrated the ability to successfully perform the assigned work. The ability to use accrued vacation leave is a nice reward for the employee, who can then request to use vacation leave under whatever policies, procedures or contract provisions the employer has adopted. Annual vacation leave increases with length of service.

From Missoula County's perspective, a qualifying period for sick leave does not make as much sense.

Sometimes, completely outside the newly-hired employee's control, and certainly through no fault of the employee, an employee, or an employee's family member, becomes ill during the first ninety days of employment. Under current law, if the employee is too sick to come to work, the employee must generally take leave without pay, and hope that the illness does not persist. This leave without pay hits employees hardest who can least afford to go without pay – those who live paycheck to paycheck.

Even worse, perhaps, is that current law encourages employees to come to work when they are sick, and possibly contagious. In the field of human resource management, this is known as "presenteeism," as opposed to absenteeism. Much has been written about this topic, and I have attached a few relevant articles for your consideration. As you will see from these articles, presenteeism is not only a public health issue; it is also a drain on productivity that can result in greater costs for an employer than absenteeism itself. In the event of a pandemic, coming to work sick could prove disastrous.

We do not anticipate that HB 498 would result in substantial cost increases for Missoula County or other public employers. Since newly-hired employees can only accrue one day of sick leave per month per month (or 3.69 hours per bi-weekly pay period), paid sick leave made available under this bill would never exceed 24 hours. But for some employees, eight or sixteen hours of paid sick leave would make a big difference. We urge that you pass this family-friendly and public employee-friendly bill.

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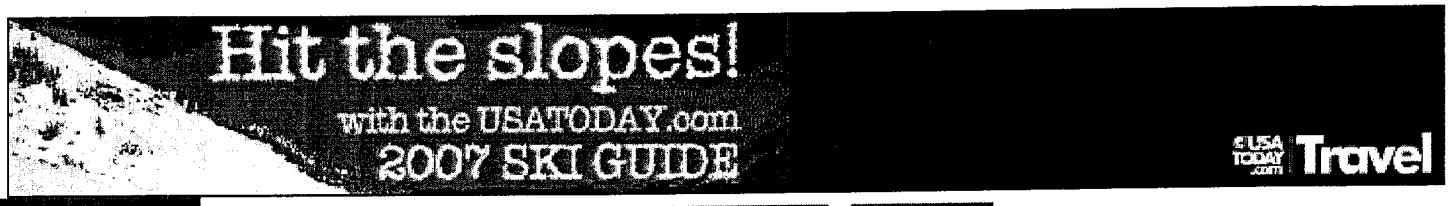

Money

Posted 4/22/2004 5:53 PM

Study: Workers should stay home when sick

SYRACUSE, N.Y (AP) — American workers should stop trying to be heroes and just stay home when they're sick — it could be cheaper for their employers, according to a study.

Workers who come in sick cost their employers an average of $255 each per year, according to Cornell University labor researchers.

Sick employees have difficulty concentrating, work more slowly and have to repeat tasks, bogging down productivity, according to the study. (They also get their co-workers sick, but those costs were not counted in the study.)

Economists refer to slack productivity from ailing workers as "presenteeism," and the Cornell study said it may cost employers even more than absenteeism due to illness.

Other studies have suggested that presenteeism costs U.S. businesses $180 billion annually in lost productivity.

"The study doesn't mean people should stay home sick at every sniffle," said Ron Goetzel, director of Cornell's Institute for Health and Productivity Studies in Washington, which conducted the research.

"It says this is a very large category of expenses, even exceeding the costs of absenteeism and medical and disability benefits, and part of the problem is that employers have not yet fully recognized the financial impact it can have on their business."

The impact of employee absenteeism is well documented. Figuring out how much it costs to come to work sick, however, has been more elusive, because of a lack of accepted measurement standards.

Lori Rosen, a workplace analyst for CCH Inc., a Riverwoods, Ill.-based trade group that does an annual nationwide survey on absenteeism, acknowledged presenteeism is a problem but said absenteeism still costs employers more, an average of $645 per employee per year.

"Presenteeism might be more costly if you have an employee start an epidemic and

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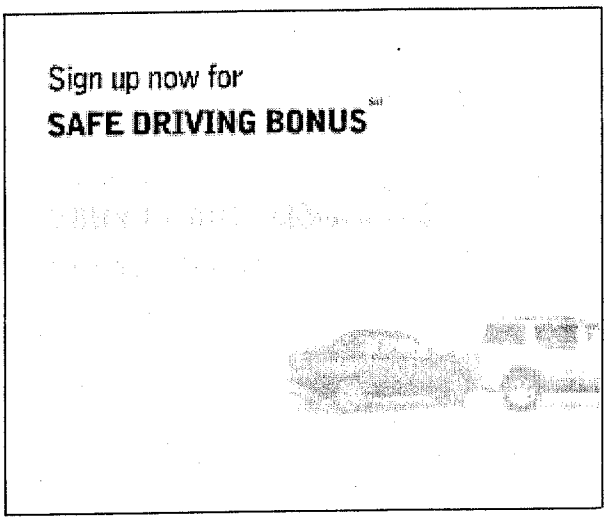

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you knock out the whole office," Rosen said. "With absenteeism, though, you have to consider overtime, hiring a temp, and a whole bunch of other costs besides the work not getting done."

Goetzel said the Cornell study, published in the April issue of the Journal of Occupational and Environmental Medicine, is the first to add the cost of on-the-job productivity losses from common health problems to an employer's total health-related expenses.

To obtain their figures, the Cornell researchers analyzed information from a medical database of about 375,000 employees. They combined the data with findings from five published productivity surveys for 10 health conditions that commonly affect workers.

The study found that presenteeism accounted for 61%, on average, of an employee's total medical and lost-productivity costs.

The researchers looked at such ailments as colds, the flu, headaches, allergies, arthritis, heart disease, asthma and cancer.

At Dow Chemical Co., company officials began examining presenteeism about two years ago, surveying 12,000 workers, said Dr. Catherine Baase, director of health.

"I don't think many companies routinely measure, or even appreciate, all the dimensions of costs involved. I know we didn't until we began taking a closer look," Baase said.

Baase said the Cornell research helps define the problem and finally gives employers a way to assess the economic impact of presenteeism.

Dow now includes presenteeism costs in its strategic planning and has started a program to educate workers about good health practices, Baase said.

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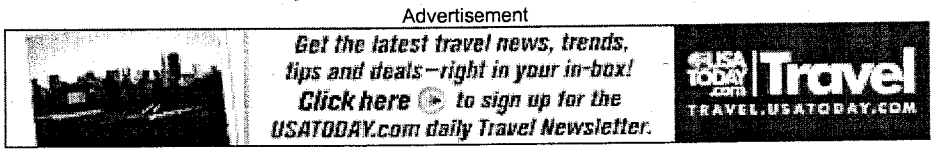

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THE EARLY SHOW **Dr. Emily Senay**

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Sick? Don't Go To Work!

'Presenteeism' May Be Bigger Problem Than Absenteeism

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Series
The Saturday Early Show
Contributors
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Susan Koeppen
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Danny Lipford
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• Your Guide to Cold & Flu

NEW YORK, Oct. 18, 2005

(CBS/AP)

(CBS) Cold and flu season means an increased risk of picking up or spreading illnesses at work, especially if people come to work when they're already sick.

When employees come down with the flu or other illness and still go to work, it's called "presenteeism," as opposed to "absenteeism," explains ***The Early Show*** **medical correspondent Dr. Emily Senay.**

Although it's done out of job dedication in many cases, it really doesn't help to have an employee in the office who is spreading an infection to others, in addition to not being able to work as well due to their own illness.

Some experts say presenteeism can actually result in a greater loss of productivity than absenteeism.

In a new survey, almost half, or 48 percent of employers report a problem with presenteeism. That's up from 39 percent last year, and it's a situation more organizations are taking seriously.

Sixty-two percent say they send sick employees home; 41 percent educate employees on the importance of staying home when sick; and 36 percent try to discourage employees from coming to work when they're ill.

Permitting employees to telecommute when sick is another way employers can approach the problem.

Some companies also try to foster a culture that discourages coming to work when sick, although traditional sick day policies were found to result in employees coming to work when sick if they thought they would be disciplined if they took too many sick days.

Senay says the most common illnesses transmitted around the workplace are colds and flu.

The main way those viruses are spread is from person-to-person in respiratory droplets, when a sick person coughs or sneezes, or by touching a contaminated object or person and then touching your own mouth, nose or eyes, or someone

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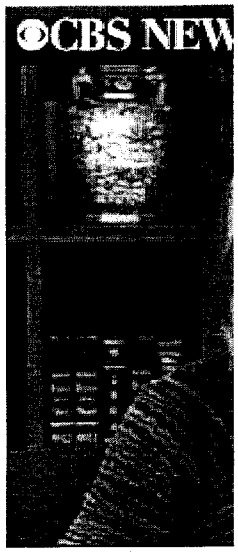

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else's mouth or nose.

To assure you don't spread illnesses around your office, Senay observes, it's important to stay home until you're feeling better, especially if you have a cough and fever. Stay home until you've been without fever for 24 hours to help prevent spreading the flu.

In the office, avoid close contact with your fellow workers, cover your mouth and nose with a tissue when you cough or sneeze, clean your hands regularly, and avoid touching your eyes, nose or mouth.

Infected people may be unaware they're contagious for a period of time before they come down with symptoms, Senay continues.

In addition, it's important for everyone to know and practice personal hygiene all the time, and avoid personal contact such as shaking hands during flu season.

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L.M. Sixel: Working

Dec. 13, 2006, 10:47PM
WORKING

Coming in sick is common, but not smart or efficient

By L.M. SIXEL
Copyright 2006 Houston Chronicle News Service

Your're coughing. Your nose is running like a sieve. You feel achy. But you're at work.

Human resource managers call it "presenteeism."

More employees are showing up to work sick, according to 56 percent of the companies surveyed recently by CCH, a publisher of employment law and human resources information. Two years ago, 39 percent reported "presenteeism" was a problem.

That's bad news for employers because sick workers aren't as productive or efficient and are often more prone to making mistakes.

They're also spreading germs around the office, so their co-workers end up with colds, the flu or worse.

Most of us were taught if you're sick, stay home. But, according to the study of human resource executives, 66 percent of sick employees come to work because they're worried about missing important deadlines, while 56 percent have no one to cover for them.

Many companies provide banks of paid time off for employees to use for whatever they'd like, such as vacations or illness.

However, 50 percent of employees under such plans work sick so they can save the time for vacation, according to the survey, and 41 percent hold on to their allotment in case they get sick later in the year.

Many employees wheeze their way into work because they feel they have little choice. Forty-seven percent of full-time private-sector workers receive no paid sick leave, according to the National Partnership for Women & Families. If they don't work, they don't get paid.

Another problem: 25 percent report their company cultures discourage them from calling in sick.

Setting an example

Managers need to demonstrate good behavior by staying at home when they're sick, said Pam Wolf, workplace analyst for CCH in Riverwoods, Ill., whose company has conducted surveys on unscheduled absences for 16 years.

Companies should establish guidelines that spell out when employees should stay home — like when they have a fever or they are coughing a lot, she said.

It's also a good idea to allow employees to telecommute from home, she said. That way they don't bring their germs to the office.

Present, not productive

When companies worry about productivity, most of the time they're thinking about the time employees spend away from the office. But that might be misguided.

If recent studies are to be believed, there is a much greater cost of presenteeism than absenteeism, said Jay Aldis, an employment lawyer at Bracewell & Giuliani.

One study cited by the Center for Law and Social Policy found that when it came to lost productivity because of sickness, three out of four hours of lost productivity were the result of workers who came in sick. Only one-quarter of the lost time stemmed from workers who stayed at home.

Despite the billions of dollars that presenteeism costs companies each year, Aldis said he doesn't get calls from clients who have sick employees reporting to work.

Instead, they're calling about how to control excessive absenteeism, he said.

Like many companies, the Capital H Group gives workers a bank of time to use for vacations and sick leave.

And Norman Schippers, the Houston managing director of the human resource consulting firm, encourages sick employees to stay home.

If they feel well enough to work, they have laptops, BlackBerries and cell phones, he said. Otherwise, he wants them to stay in bed.

"You can save lots of time if you need time to recover," he said. "Errors can be made if you don't have a tight focus."

The message leaders send about their own illnesses communicates to the rest of the workers what they should do.

Employees watch to see whether the leader comes in sick, Schippers said. Many times, the boss isn't aware of the signal he's sending.

But what to do with those sick employees who show up anyway?

Some feel they're the only ones who can get the job done, said Dan Calvert, human resource director of the Achilles Group, which serves as the human resource department for a variety of small and medium-size businesses.

They think, "Maybe 60 percent of me is better than 100 percent of them," Calvert said.

And he might be part of that very group. Calvert admitted there were probably occasions when he shouldn't have come to work.

Being direct

So how do you send people home?

"It's a problem," Calvert said. "We have flat told some people to go home."

Calvert said he does it professionally by pointing out that the company has the health of the employee in mind as well as the health of the co-workers.

"You are not in shape to be productive today, and I can't let you stay," he said, recalling what he told one employee.

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