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The Maryland House of Delegates

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Testimony in Support

of

HB 1018 - Labor and Employment - Economic Stabilization Act - Revisions

In 1980s, our colleagues in the General Assembly recognized a need to establish guidelines for employers to follow when they have to close their doors or reduce their workforce. These guidelines offer workers important protections when they are faced with the loss of employment. Since the law's enactment, there have been modifications and changes to the Act, but the guidelines remain *voluntary*.

HB 1018 strengthens the protections for workers based on some provisions of the federal Worker Adjustment and Retraining Notification (WARN) Act. Specifically, the bill includes the following changes:

- Narrows the applicability of the Act by defining the term "employee" and altering the definition of "employer;"
- Requires an employer to provide written notice to employees, the State, and other individuals at least 90 days before reducing its workforce;
- Makes the voluntary guidelines mandatory;
- Establishes enforcement measures for the State, including the potential for a civil penalty if the Commissioner deems it appropriate;
- Addresses the continuation of benefits for affected employees.

While the State has maintained voluntary guidelines for a number of years, the time is right to codify and require compliance with the guidelines. I request a favorable report for HB 1018.