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SB780 Labor and Employment – Economic Stabilization Act – Revisions

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Support

Good afternoon Madam Chair and Honorable Members of the Finance Committee. For the record, I am Aisha Braveboy, State's Attorney for Prince George's County. I am testifying in support of HB1018/SB780 Labor and Employment – Economic Stabilization Act – Revisions. This bill requires the Secretary of Labor to develop mandatory guidelines for employers faced with a reduction in operations. The employer would have to provide 90 day written notice to employees prior to a reduction in operations. This bill is similar to what Congress has enacted at the Federal level.

The federal Worker Adjustment and Retraining Notification (WARN) Act has been in effect since the late 1980s and mandates certain large employers give employees 60 days' notice before moving or reducing operations. Currently Maryland law provides *voluntary* guidelines for employers who are reducing their operations in the state. These guidelines are rarely, if ever, followed or enforced. Twenty-three (23) states and the Virgin Islands have laws that mandate employers who are reducing operations provide notice and severance packages beyond what is guaranteed under the federal WARN Act. Most of these states mandate longer notice periods and/or require notice when there are fewer impacted employees than the federal law requires.

Additionally, Maine and New Jersey both mandate employers provide one week of severance for every year an employee has worked with the employer. The federal law provides for 60 days' notice of closures, this bill would extend the notice to 90 days, providing more opportunity for employees to prepare for a layoff.

Federal law provides protections for workers at employers with over 100 employees. This bill would extend protections to workers employed at organizations with over 50 employees in Maryland who are reducing their workforce by at least 25% or 15 employees, whichever is greater. This would provide protections to a greater number of Maryland working families. In balancing interests and ensuring fairness, this legislation excludes construction sites or other temporary workplaces and employers who have been doing business in Maryland for less than a year.

It is imperative that Maryland follows the lead of other states and Congress. Maryland should not allow employers to abandon senior employees. Employees can be protected by mandating one week of severance pay for every year worked with the employer. The Secretary of Labor would be empowered to mandate the continuation of benefits, such as health and pension to ensure Maryland working families are not left with massive medical debt or no way to retire when their employer closes its facility.

This is an urgent issue for Maryland. Hundreds of employees at Shoppers Food and Pharmacy across the state and hundreds more at a Safeway owned warehouse in Prince George's County were recently laid off. Those employees only received severance pay because of their union representation. No Maryland family should be left behind when a large employer reduces operations. I urge your favorable report on SB780 Labor and Employment – Economic Stabilization Act – Revisions.