



Ocean City, Maryland Chamber of Commerce

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TESTIMONY OFFERED ON BEHALF OF THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN SUPPORT OF:

HB1015 – Labor and Employment - Maryland Healthy Working Families Act - Seasonal Temporary Workers

Before:

Economic Matters Committee

Hearing: 3/7/23 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing more than 750 regional businesses and job creators, strongly **SUPPORTS** House Bill 1015 – Labor and Employment - Maryland Healthy Working Families Act - Seasonal Temporary Workers.

This bill amends the Sick and Safe Leave Act to accommodate seasonal workers and is critical for Ocean City businesses. It allows for a longer period of time before seasonal workers can use leave, which is often at the end of the season, when the workers are needed most. It also decreases the window in which employees are rehired from 37 weeks to 32 weeks, which will ease the reinstatement of any leave accrued the previous season for the same worker.

Our community is largely comprised of small, family-owned businesses, many whom have been in business for generations. Each season, these businesses offer 12,000+ seasonal positions. Many of these jobs are entry level positions and are filled by teenagers, college students, and first-time employees. Entry-level jobs are meant to be just that: an entry into the working world. These hospitality job creators provide thousands of people with the opportunity to learn responsibility, how to be a contributing member of a team, punctuality, and how to engage effectively with the public. Core values to the hospitality industry.

The Sick and Safe Leave Act had many unintended consequences, causing employers to reevaluate their hiring practices. Paid sick leave regulations have led to a reduction in hours for many positions, and caused earlier lay-offs. Additionally, businesses that traditionally stayed open in the shoulder seasons have closed in the fall/winter to avoid increased payroll costs. In an increasingly difficult business climate, the amendments proposed in this bill would allow businesses to keep employees on the payroll longer.

We have seen an overall negative impact in the Ocean City area due to the Sick and Safe Leave Act since its implementation, in a region whose economy is based on service. A survey was conducted among our membership, and here are the responses we received:

- We make most of our revenues in the summer. This bill creates additional staffing issues at the end of the season, when we already have staffing issues.
- Resulted higher payroll because we still have to pay people to do a job if someone else doesn't show up and if the person not showing up is using paid leave, we are obviously paying an extra person
- Have to limit employment to 105 days for seasonal employees. Then they file for unemployment which causes my rates to massively increase. You are putting small businesses out of business.
- This past summer, numerous employees exercised their ability to use sick time on the remaining days of their shift. This resulted in scheduling and staffing issues.
- Full Time employees were made to pick up times when others would call out. For a small business that only has 1 or two employees on during a shift, a single call out is devastating to the schedule.
- We saw consistent abuse of this policy. The lack of accountability and ensured ability to maintain a position regardless is hampering to any functional business structure.
- Saw an impact to employees by having to reconsider bonuses and perks in order to compensate for extra payroll costs.
- Because it is mandated, they take it off regardless of if they are sick, forcing us to reduce service to customers or close parts of the business.
- This policy has negated accountability in regards to timeliness, accountability, and presence at the workplace to ensure our service level is maintained.

By requiring verification, we believe that this will eliminate the abuses and entitlement that many businesses have experienced already.

Tightening up this bill would allow the business owners to be more accurate in calculating and disbursing benefits since it is required. Please assist our seasonal businesses with this amendment that will ultimately help the full-time, year-round staff that the Sick and Safe Leave Act is intended to serve.

The Greater Ocean City Chamber of Commerce respectfully requests a **FAVORABLE REPORT for HB1015**. Please feel free to contact the Chamber directly at 410-213-0144 should you have any questions.

Respectfully,

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