SHELLY HETTLEMAN Legislative District 11 Baltimore County

Chair Rules Committee Budget and Taxation Committee *Subcommittees* Health and Human Services Pensions



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THE SENATE OF MARYLAND Annapolis, Maryland 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN SB 569 STATE EMPLOYEES - FOUR-DAY WORKWEEK – IMPLEMENTATION

SB569 is an innovative proposal to address the myriad workplace issues facing our state. It would establish a shortened workweek for a small percentage of state workers. As a pilot project, we have added a sponsor amendment to target 20% of state workers. The Department of Budget and Management (DBM) will choose the employee sectors to apply this classification, based on the feasibility and ease of implementation. These workers would shift to a 36-hour workweek, with no reduction in pay or benefits. Implementation would begin October 1st of 2025 and a transition would occur over a 3-year time period. DBM would be required to report the impact of the four-day work week transition, including vacancy rates and departmental budget effects, in the fourth year of implementation. Delegate Stewart and I understand that DBM would prefer a study, based on their concerns around their capacity to implement the transition. We are open to discussing these details.

We all regularly hear from employers who are challenged finding employees and our state agencies are no exception. The Great Resignation has had a dramatic impact on the workplace, and the nature of work is undergoing a fundamental shift. We also hear from employees who are struggling to balance the demands of work and home life. We hear about the mental health challenges facing our constituents - that certainly existed before COVID, but have been exacerbated by and since the pandemic. The challenges in filling state agency vacancies continue to plaque our systems.

This is a pilot program to address these issues, but it should be noted that prior to 1991, at least two-thirds of state workers in Maryland worked 35.5 hours a week.ⁱ For 50 years, 35.5 was the norm until it was changed to 40 hours by Governor Schaefer through an executive order.

The nonprofit 4 Day Week Global Foundation conducted a major study of 33 companies around the world, including some in the U.S. They studied a 6-month long pilot program for the 4-day work week with employees working no more than 32 hours during the week. The pilot study reported on the outcomes for the participating companies. Reduced hours were followed by reduced burnout, increased productivity, increased job satisfaction, improved physical and mental health, better sleep at night, and even reduced conflict in personal relationships.² All of these benefits on reduced work hours were incurred without reducing pay.ⁱⁱ

Work time reduction has benefits all around, it's good for employees, employers, and for society as a whole. Workers report being happier and less stressed at work and studies also report positive effects on family life, mental health, job satisfaction, and physical well-being. Society benefits from lower energy consumption and lower carbon emissions as well as improvements in gender equity outcomes and mental health benefits. ⁱⁱⁱ

Maryland's vacancy crisis impacts us all. According to an analysis by the Department of Legislative Services, the state's vacancy rate in public safety and human services jumped from 12.7% in 2018 to 13.8% in 2022. We have over 39,000 employees across 64 executive branch agencies and excluding higher education, the number of unfilled openings in January was between 6,000 and 7,000. Further data shows that the state is losing employees just as quickly as it is hiring them. Vacancies mean the state is not able to provide many essential services and resources to Maryland taxpayers across the state.^{iv}

We need tools to address recruitment and retention as Maryland competes with the private sector and virtual work opportunities, as well as state positions in nearby Virginia, Delaware, and Pennsylvania. The federal government recruits heavily from our area, with residents easily commuting to the District of Columbia. Offering a four day/36-hour work week as a package of benefits would help the state keep pace with an increasingly competitive job market. It would strengthen our ability to attract and retain talent, improving efficiency and productivity within the workforce and reducing taxpayer cost.

A four-day work week for Maryland is a win-win-win for all of us. Thank you for your consideration and I ask for your support of SB569.

- ^{III} WorkFour: Four Day Workweek Primer (Maryland), 4 Day Week Global Are Shorter Work Hours Good for the Environment? Rosnick, David and Mark Reisnot, 2006. <u>https://pubmed.ncbi.nlm.nih.gov/17844926/</u>
- ^{iv} Effort to reduce vacant state government positions falling short of Moore's promise, Maryland Matters

ⁱ Maryland workweek is decades old schedule is among shortest in the US, Baltimore Sun

ⁱⁱ Four Better or Four Worse? Henley Business School, University of Reading