



**The Greater Ocean City, Maryland
Chamber of Commerce, Inc.**

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

**IN SUPPORT OF
HB1021 LABOR AND EMPLOYMNET- MD HEALTHY WORKING FAMILIES ACT – SEASONAL
TEMPORARY WORKERS**

BEFORE THE House Economic Matters Committee

February 25, 2020

The Greater Ocean City Chamber of Commerce, representing more than 950 regional, seasonal businesses and job creators, strongly supports HB1021 MD HEALTHY WORKING FAMILIES – 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 you need these workers the 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.

The vast majority of our community is comprised of small, family owned businesses, many whom have existed 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 job world. These hospitality job creators provide thousands of people with the opportunity to be part of a team. These entry level jobs also teach what it means to show up on time, how to deal with the public and how to budget.

While the paid sick leave bill had good intentions, it has caused many employers to carefully analyze and evaluate their hiring practices. One size does not fit all, and in our seasonal community, hiring temporary workers is critical to one's success. Paid sick leave regulations have shifted employment and 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, this bill would allow businesses to keep employees on the payroll longer.

With this bill, we have already seen abuses in its very first season. Young people are taking leave because it is "owed" to them, leaving businesses with limited staff to provide the services require in the industry. This has had an overall negative impact for Ocean City, whose economy is based on service.

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We recently sent out a survey on how this law has already impacted small businesses and some of the comments were:

- It has put a tremendous administrative and financial strain on us.
- The obvious. It doubles our payroll every time an employee calls out sick. We pay them plus their replacement.
- 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.
- Tightening up this bill would allow the business owners to be more accurate in calculating and disbursing benefits since it is required. Let's give our full-time year round people our quality time.
- 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
- Seen Negative impact. 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 summer numerous employees exercised their ability to use sick time on the remaining days of their shift. This resulted in scheduling and staffing issues.
- Took management away from their normal workload to fill in for the bartenders that would call out sick.
- 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 and 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.

Please assist our seasonal businesses with the slight change that will ultimately help the full time year round staff that the Sick and Safe Leave Act is intended for.

The Greater Ocean City Chamber of Commerce Membership respectfully requests a Favorable Report for HB1021 MD HEALTHY WORKING FAMILIES – SEASONAL TEMPORARY WORKERS. Please feel free to contact me with any questions regarding the position of the Greater Ocean City Chamber of Commerce at 410-213-0144 ext 102.

Sincerely,



Melanie A. Pursel, M.S.

President & CEO