



LEGISLATIVE POSITION:

Unfavorable

Senate Bill 780

Labor and Employment – Economic Stabilization Act – Revisions

Senate Finance Committee

Thursday, February 27, 2020

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

SB 780 alters the Economic Stabilization Act by redefining the term “employer” and “employee.” Additionally, this legislation would require an employer with 50 or more employees to provide written notice at least 90 days in advance of any reduction in operations to certain employees, collective bargaining representatives, elected officials, and the dislocated worker unit of the Division of Workforce Development and Adult Learning (DWDAL). This piece of legislation instructs the Secretary of Labor to develop a set of mandatory, rather than voluntary, guidelines for employers faced with a reeducation in operations.

The employer community has two primary concerns with SB 780, as introduced. The first, is the mandatory notice requirement of 90 days prior to initiating a draw down in operations. Currently, Maryland employers with more than 100 employees are required by the federal Worker Adjustment and Retraining Act (WARN) to provide written notice of a draw down in operations at least 60 days in advance. Additionally, Maryland law also requires employers who intend to lay off 25 or more employees for longer than 7 days to notify the local Office of Unemployment Insurance. Many employers struggle to meet the current federal 60 notice requirements; SB 780 imposes additional regulatory burden on Maryland companies by extending that time period by an additional 30 days making compliance extremely difficult. SB 780 also imposes a new employee threshold of 50 employees, cutting in half the federal employee requirement of 100 in order to initiate notification requirements. By halving the number of employees, this legislation would place additional regulatory burden of additional, smaller employers – those businesses with the least amount of flexibility.

The second concern is with the new mandatory guideline requirements that would need to be developed by the Secretary of Labor. Mandatory guidelines would fail to consider the unique situation and circumstance experienced in a reeducation in operations by a private company. This lack of flexibility is a major concern for the employer community. For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on Senate Bill 780.