



Senate Bill 727

Maryland Healthy Working Families Act – Revisions and Public Health Emergency Leave

March 17, 2021

Position: Oppose

Madame Chair and Members of the Senate Finance Committee:

The Restaurant Association of Maryland opposes this legislation because of the additional labor costs it would impose on employers in our industry.

As we have previously shared, the restaurant and foodservice industry continues to struggle to recover from the devastating financial losses related to the COVID pandemic and government-imposed operating restrictions.

This legislation would increase labor costs during a time when our industry simply can't afford it.

Most of the positions in our industry require a replacement worker when an employee can't work their scheduled shift, which doubles the labor cost when a scheduled employee is unable to work. This legislation would increase those labor costs because of the additional paid leave proposed.

During normal times, the restaurant industry operates on a narrow 4 to 6 percent profit margin. But during the COVID-19 public health emergency, many full-service restaurants have seen their sales revenue drop by 50 percent or more. Imposing additional burdens will make it more difficult for restaurant businesses to survive.

For these reasons, we respectfully oppose this bill as it is currently drafted.

Sincerely,

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy