

MHLA

Maryland Hotel Lodging Association

Testimony in Opposition to SB 994 Maryland Predictable Scheduling Act March 12, 2024 – Senate Finance Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland’s 750+ hotels. Our industry employs more than 25,000 individuals and provides the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product.

While there are numerous specific concerns with the underlying language of this legislation, it should be noted that implementing any costly mandate on the hotel industry will only impede its ability to hire workers to address the ongoing staffing shortage. American Hotel & Lodging Association research shows that more than two thirds of hotels continue to experience staffing shortages, and hoteliers are offering more pay and a host of incentives, including offering greater flexibility with hours, in order to attract and retain talent.¹

Employee Threshold

Although the language on p. 4, Section 3-1801(F) seems to limit the requirements of this bill to “hospitality establishments” with more than 500 employees, the way it is drafted ensures that small businesses in Maryland will unfairly shoulder the burden of this legislation. While one might assume that a branded hotel is owned and operated by the brand itself, the vast majority of these hotels are franchisees that are owned and operated by small businesses.

Under the language of this bill, an employer that has 499 employees that are all based in Maryland, is not subject to the requirements of the law. However, a small hotel with 50 employees, that is owned by a local company, but is a franchisee of a larger national chain, would be subject to the law. This unevenly applies the law and creates a disparate impact on these businesses who have no control over the hiring practices of a franchisor.

Eleven Hour Requirement between Shifts

The flexible scheduling in our industry is often what appeals to our employees. With our 24/7 uninterrupted operations every day of the year, the staffing needs of a hotel are similar to those of a hospital. Managers and owners can sit down with their employees to develop a work schedule that accommodates their daily lives - class schedules, taking care of family, or whatever their individual situation calls for. For example, an employee may request working a 3:00-11:00 PM shift, followed by a 7:00 AM – 3:00 PM shift the next day to accommodate taking afternoon classes. Requiring 11 hours between shifts, as proposed in Section 3-1805,

¹ [67% of surveyed hotels report staffing shortages | AHLA](#)

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would not accommodate such a request and would take flexibility away from employees in addition to employers.

Fourteen Day Scheduling Timeframe

While we do attempt to provide schedules in advance for employees, the staffing needs of a hotel can change radically – and quickly – due to an unending number of factors beyond our control. For example:

- Hotels located near airports are frequently impacted by changes in the airline schedules. Widespread flight cancellations can cause local hotels to reach 100% occupancy in less than an hour.
- A family unexpectedly making funeral arrangements may result in a “pop-up” banquet with less than a week of lead time for planning.
- Delays in cruise ship arrivals and departures can dramatically impact large blocks of business at the last minute.
- Minor or major weather disruptions can quickly fill a hotel with Maryland residents who have lost power in their homes or with utility crews servicing an impacted area. Conversely, weather disruptions may alter travel plans and result in significant cancellations.

Although the bill grants narrow exemptions for businesses that cannot begin or continue operations due to the failure of a public utility, the shutdown of public transportation, fire, flood or other natural disaster, or an emergency declaration issued by the President of the United States or the Governor, the previously mentioned examples would not fall under any such exemptions since the qualifying event didn’t necessarily prevent the hotel from opening or operating – it just created an emergency demand.

This bill would also heavily impact banquets and events. Banquet Event Orders (BEOs) are a contract for food, beverage, AV and space between the customer and venue. Changes are allowed up to 72 hours prior to the event. This gives the client the opportunity to solidify their details to facilitate an event meeting their expectations and for a hotel to do so, flexibility with scheduling within a short window is necessary.

In addition to allowable changes within 72 hours, hotels often have large meetings or events that are scheduled or cancelled with very short notice. These events have major staffing needs associated with their execution – the language of this bill would require hotels to turn away that much-needed business if it fell within the fourteen-day time period. This not only hurts the hotel – it would severely limit and penalize companies and customers, and ultimately hurt our employees.

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It's also important to note that we are unaware of employees being penalized if they are unable to work an unscheduled shift at the last minute; however, they are often glad to voluntarily pick up the extra hours.

Administrative Burden

Overall, this legislation would place an immense administrative burden on businesses. As introduced it would require businesses to change their entire scheduling process to ensure that they're in compliance. The process to investigate complaints through the commissioner as well as the court system is excessive and opens employers up to two different sets of penalties.

While the intent of this legislation is admirable, it is so complex and prescriptive, with so many different exceptions and requirements, that it would be nearly impossible for a business to implement and manage using existing resources.

For these reasons, the Maryland Hotel Lodging Association requests an Unfavorable Report on SB 994.

Respectfully submitted,

Amy Rohrer
President & CEO
Maryland Hotel Lodging Association