

Maryland Workers Deserve Predictable Hours and Pay

Position Statement in Support of Senate Bill 994

Given before the Senate Finance Committee

A healthy labor market is one that opens doors to opportunity and high-quality jobs – jobs that pay a family-supporting wage, that allow workers to participate in their communities and live full lives outside the workplace, and that enable workers to plan for the future and advance their careers. The just-in-time scheduling practices that often characterize low-wage jobs are incompatible with this vision. Workers who cannot predict their hours even a few days in advance cannot count on taking home enough money to afford the basics, cannot effectively plan child care and other needs, and have little opportunity to pursue education or other steps to move their careers forward. Chaotic scheduling practices also make it harder for a worker to stay in a job in the long term and make service industry jobs less attractive, which hinders employers’ recruitment and retention strategies.

The Maryland Center on Economic Policy supports Senate Bill 994 with sponsor amendment to conform to House Bill 1226 because it would guarantee basic work schedule protections to workers at the largest food service, hospitality, and retail employers:

- The bill requires covered employers to provide at least two weeks’ notice of work schedules, allows workers to decline last-minute hours increases or shift changes, and guarantees workers half pay when employers cancel shifts or reduce hours with little warning.
- The bill would grant covered workers the right to decline work hours that occur during the 11 hours following the end of a shift. While this requirement does not depend on any specific time of day, it effectively bars mandatory “clopenings” in which a worker must work a late night as well as the following early morning – a scheduling practice that prevents workers from getting sufficient rest and can cause safety hazards.
- If a covered worker accepts a “clopening” shift, the bill requires the employer to pay time-and-a-half for work performed before the end of the 11-hour inter-shift gap.
- The bill prohibits retaliation against a covered worker for exercising their scheduling rights.
- The bill’s protections apply only to workers at food service chains (with at least 30 locations or 500 employees) or large hospitality or retail employers (with at least 500 employees).

The bill includes multiple provisions to minimize compliance difficulties for employers or workers:

- Covered employers are explicitly allowed to adopt scheduling policies more beneficial to workers than those required under the bill.

- Covered employers are not required to make up for reduced wages if a worker’s shift is cut short at the worker’s request, under a voluntary shift trade, or for a business closure driven by outside events.

Senate Bill 994 represents an important step toward a more just and inclusive labor market that offers opportunity to all. Between 2018 and 2022:ⁱ

- About 443,000 Maryland workers were employed in the food service, hospitality, or retail industries, nearly half of whom typically worked less than 40 hours per week
- 29% of workers in these industries were Black and 12% were Latinx, higher than these groups’ shares of Maryland’s labor market overall, and 47% were white, slightly below their overall share. Other groups were represented in these industries at close to their rates throughout the wider labor market.
- 59% of part-time workers in these industries were women.
- 88% of all workers in these industries were at least 20 years old, including 76% of part-time workers.
- Workers in these industries were about twice as likely as other Maryland workers to have family income below the federal poverty line.

Senate Bill 994, as modified by the sponsor amendment to conform to House Bill 1226, would make a major difference for all covered workers currently forced to contend with chaotic and harmful scheduling practices.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Finance Committee make a favorable report on Senate Bill 994.

Equity Impact Analysis: Senate Bill 994

Bill Summary

Senate Bill 994, as modified by the sponsor amendment to conform to House Bill 1226, would provide scheduling-related protections to non-exempt employees of large food service, hospitality, and retail employers:

- Hospitality and retail employers are covered if they employ at least 500 workers worldwide. Food service employers are covered if they employ at least 500 workers or belong to a chain with at least 30 locations.
- The bill requires covered employers to provide at least two weeks’ notice of work schedules, allows workers to decline last-minute hours increases or shift changes, and guarantees workers half pay when employers cancel shifts or reduce hours with little warning.
- The bill would grant covered workers the right to decline work hours that occur during the 11 hours following the end of a shift. If a covered worker accepts such a shift, the bill requires the employer to pay time-and-a-half for work performed before the end of the 11-hour inter-shift gap, but not less than four hours’ pay at the straight-time wage.
- The bill prohibits retaliation against a covered worker for exercising their scheduling rights.

Background

- About 443,000 Maryland workers were employed in food service, hospitality, or retail between 2018 and 2022.

- 88% of workers in these industries during this period were at least 20 years old, including 76% of part-time workers.

Equity Implications

Between 2018 and 2022:

- About 443,000 Maryland workers were employed in the food service, hospitality, or retail industries, nearly half of whom typically worked less than 40 hours per week
- 29% of workers in the food service, hospitality, and retail industries were Black and 12% were Latinx, higher than these groups' shares of Maryland's labor market overall. Overall, 53% of workers in these industries were workers of color.
- 59% of part-time workers in these industries were women.
- Workers in these industries were about twice as likely as other Maryland workers to have family income below the federal poverty line.

Impact

Senate Bill 994 would likely **improve racial, gender, and economic equity** in Maryland.

ⁱ MDCEP analysis of 2018–2022 American Community Survey IPUMS microdata. Universe consists of individuals whose place of work is Maryland.