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SB994: Maryland Predictable Scheduling Act

Testimony of Caroline Easley Brooks before the Hearing of the Senate Finance Committee, March 12, 2024 Position: FAVORABLE

Good afternoon Chairwoman Beidle and members of the Senate Finance committee. My name is Caroline Easley Brooks. I am a worker at the Orioles Team Store at Camden Yards, run by Fanatics. I have worked at Camden Yards in the team store for seven years. I am proud to represent our team and our city to the thousands of fans who visit Camden Yards every year. For most of that time, through two different Union operators, I had a set schedule every week, year-round, working more than thirty hours per week.

Just before the 2023 season, the Orioles gave Fanatics the contract to run the team store. In bargaining, we asked Fanatics to continue to schedule us for full time hours and let us bid on fixed schedules in seniority order. Fanatics has refused. They have told us many times in bargaining that their business model does not include full-time work, even though the team store is open five or sometimes six days a week, six hours a day. Now the Company changes the schedule every week. Some weeks, I work four days a week. Some weeks only three.

To make up for the money that I have lost because of the inconsistent scheduling at Fanatics, I have had to start a second job working events at the Baltimore Convention Center. At Convention Center, my schedule is unpredictable. I often must wait on my schedule from the Convention Center to let Fanatics know when I can work or on my schedule from Fanatics to let the convention center know when I can work. Sometimes I miss out on events that I could have worked at one job or the other because I don't have my schedule in time to let the other job know.

SB 994 would create life changing stability for thousands of hospitality workers like me. For this reason, we urge you to give SB 994 a favorable report.

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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 familysupporting 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.

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Position: FAV



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SB994: Maryland Predictable Scheduling Act

Hearing of the Senate Finance Committee, March 12, 2024

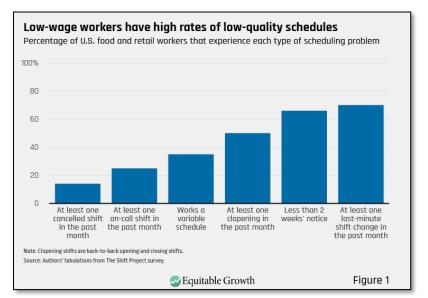
Position: FAVORABLE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. **The PJC supports SB994**, which would combat unfair scheduling practices that hurt working Marylanders, their families, and Maryland communities.

<u>Summary</u>: For the many thousands of Marylanders employed by large employers in food service, hospitality, and retail—mostly women and disproportionately people of color—the Maryland Predictable Scheduling Act creates the stability workers need to plan their lives and get ahead through protections including (1) two weeks' notice of shift schedules, (2) a right to decline last-minute additions or changes to scheduled shifts, (3) partial pay when shifts are cancelled or cut last minute, and (4) 1.5 times the regular rate of pay for "clopening" hours worked within 11 hours of the end of a previous shift.

<u>Problem</u>: Unpredictable work schedules—common in low-wage jobs in food service, hospitality, and retail—make it harder for workers to ensure their wages meet their expenses, arrange childcare, plan transportation, address healthcare needs, hold down an additional job, and take classes to advance their career opportunities.

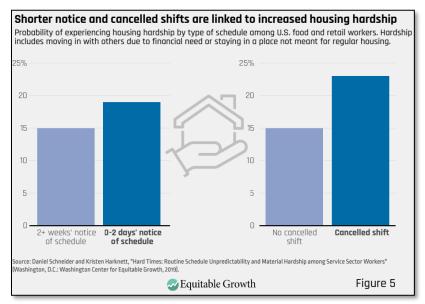
- The chart to the right, from Harvard's Shift Project, shows that more than 60% of lowwage workers get less than two weeks' notice of their schedules—while 70% have had at least one last-minute shift change.¹
- While unpredictable schedules affect workers across races and genders, Black and Latine



¹ Schneider and Harknett, It's About Time: How Work Schedule Instability Matters for Workers, Families, and Racial Inequality, October 2019, <u>https://shift.hks.harvard.edu/its-about-time-how-work-schedule-instability-matters-for-workers-families-and-racial-inequality/</u>. All references in this testimony to Harvard's Shift Project refer to this citation.

workers and women are over-represented in food service, hospitality, and retail, and are especially likely to face schedule instability.

- In addition to hurting workers, studies show that children of parents with unpredictable schedules are much more likely to exhibit anxiety, guilt, or sadness than children of parents with stable schedules.²
- As the chart to the right from Harvard's Shift Project shows, the chance of experiencing housing hardship—staying with other people because of housing problems and/or staying in a shelter, abandoned building, or other nonregular housing—increases dramatically when workers have unstable, unpredictable schedules. Research also shows that short notice of work schedules increases the likelihood that a worker—and their family—will experience hunger.
- In short, the research is clear: unpredictable schedules cause income volatility that make it harder for Maryland's working families to plan for the future and get ahead.



<u>Solution</u>: Follow the lead of states and cities across the country to require predictable scheduling for employees of large employers in food service, hospitality, and retail. For covered employees, this bill will provide:

- 1. Two weeks' notice of shift schedules (section 3-1803(b)). Advance notice of schedules—which many employers already provide—allows working people to have a schedule they can count on and manage, even if their schedule varies from week to week.
- 2. Employee consent for last-minute shift changes or additions and one extra hour of pay for such changes (sections 3-1803(c) and 1804(a)). If an employee chooses to accommodate the employer's last-minute request for more or different hours, the employer must pay one additional hour of pay. This protection helps workers take care of everything the need to take care of during their off hours—medical appointments, child care, and even another job.
- **3.** Half pay for when scheduled hours are cut last minute (section 3-1804(b)). This gives employers an incentive to plan ahead and employees partial compensation for lost worktime they were relying on.
- 4. A right to rest between shifts and "clopening" protections (section 3-1805). Employers must provide at least 11 hours between shifts so workers can sleep. Employees who agree to work another shift within 11 hours of their last shift must be paid 1.5 times their regular rate for such "clopening" shifts where workers both close out at the end of a business day and open the business the following day.

² Schneider and Harknett, *Parental Exposure to Routine Work Schedule Uncertainty and Child Behavior*, Washington Center for Equitable Growth, October 2019, <u>https://equitablegrowth.org/working-papers/parental-exposure-to-routine-work-schedule-uncertainty-and-child-behavior/</u>.

- 5. Notice of rights (section 3-1806). Notice of rights under the Maryland Predictable Scheduling Act helps ensure that both employers and employees understand their rights and obligations.
- 6. Modest recordkeeping requirements (sections 3-1807 and 3-1808). Employers will record shift schedules, shift changes, and wages paid as a result of their obligations under the Maryland Predictable Scheduling Act.
- **7. Retaliation protections (section 3-1809)**. To ensure that employees are free to exercise their rights, the bill provides a short, streamlined section barring employers from retaliating against employees for asserting their rights.
- 8. An administrative complaint procedure and a right of action with modest penalties (sections 3-1810 and 3-1811). Enforcement is critically important to make the above rights real and ensure that they do not exist only on paper.

Many jurisdictions offer similar protections and businesses have managed them just fine.

- Attached to this testimony is a chart from a September 2023 report by the National Women's Law Center comparing predictable scheduling protections around the country.³
- Businesses have done fine in Oregon, Philadelphia, Seattle, Emeryville, Chicago, New York City, and the many other jurisdictions that offer similar protections. Businesses in these jurisdictions have not faced hardship due to predictable scheduling protections.

Peer-reviewed evaluation studies show that predictable scheduling legislation works as intended and improves workers' lives.

- Seattle passed similar legislation in 2017. A 2021 peer-reviewed paper shows both that "Seattle's law not only increased schedule predictability but also improved [workers'] subjective well-being, sleep quality, and economic security."⁴
- Emeryville, California also passed similar legislation in 2017. A 2022 peer-reviewed paper shows that "the Emeryville Fair Workweek Ordinance succeeded in reducing schedule unpredictability for workers with young children. In particular, it successfully lowered the frequency of changes in shift start times and end times and in surprise shifts that got added to workers' schedules at the last minute. The regulatory success of the ordinance also resulted in health benefits for those workers in regulated jobs, notably improved sleep quality."⁵

For these reasons, the PJC **SUPPORTS SB994** and urges a **FAVORABLE** report. Should you have any questions, please contact David Rodwin at <u>rodwind@publicjustice.org</u> or 410-625-9409 ext. 249.

³ Jurisdictions that have passed similar laws include Oregon, Chicago, New York City, Philadelphia, Seattle, and elsewhere. *See* National Women's Law Center, *State and Local Laws Advancing Fair Work Schedules: Fact Sheet*, September 2023, https://nwlc.org/wp-content/uploads/2019/10/Fair-Work-Schedules-Factsheet-9.14.23v1.pdf.

⁴ Harknett, Schneider, and Irwin, Improving health and economic security by reducing work schedule uncertainty, PNAS, 2021, <u>https://www.pnas.org/doi/full/10.1073/pnas.2107828118</u>.

⁵ Ananat, Gassman-Pines, and Fitz-Henley II, *The Effects of the Emeryville Fair Workweek Ordinance on the Daily Lives of Low-Wage Workers and their Families*, National Bureau of Economic Research, February 2022, https://www.nber.org/system/files/working_papers/w29792/w29792.pdf.



SEPTEMBER 2023 | FACT SHEET

State and Local Laws Advancing Fair Work Schedules

Millions of people—mostly women—work in retail, food service, hospitality, and other industries in which jobs often pay low wages and lack benefits. In many of these jobs, employees increasingly face "justin-time" scheduling practices, including being given very little notice of their work schedules, being sent home early when work is slow without being paid for their scheduled shifts, and being assigned to "on-call" shifts that require them to call their employer or wait to be called by their employer to find out whether they will be required to report to work. Many employees have very little ability to make adjustments to their work schedules without penalty.¹ And many people who work part time are working fewer hours than they want and need to support their families.²

Employer practices that produce unstable and unpredictable work hours are problems that pre-date the pandemic and economic recession caused by COVID-19. But the harm of these workplace practices was exacerbated as millions of workers risked their own health and safety at jobs with few protections, volatile schedules, and inadequate hours in an effort to support themselves and their families.³ These scheduling practices make it extremely challenging for working people to meet their responsibilities outside of their jobs, including caregiving, pursuing higher education, managing a health condition or disability, or holding down a second job. It can be particularly hard for parents with difficult work schedules to afford and access the high-quality child care that would provide needed stability for their children and help prepare them for school. And research shows that the stress caused by inadequate income and constantly fluctuating work hours is not only bad for workers, but also can undermine their children's well-being.⁴ Yet such practices are common in large sectors of our economy.

Fortunately, there is growing movement to improve workplace scheduling practices so that working people and their families can better plan their lives. This report provides an overview of the public policy solutions that have been adopted at the state and local levels to promote fair work schedules in the United States.

APPENDIX A: SUMMARY OF FAIR WORK SCHEDULES LAWS

| | Access to Hours | Advance Notice | Part-Time Parity | Predictability Pay | Private Right of Action | Reporting Pay | Right to Request | Right to Rest | Split-Shift Pay |
|---|--------------------|-------------------|---------------------|-----------------------|----------------------------|------------------|---------------------|------------------|--------------------|
| Berkeley, CA Berkeley, Cal, Mun. Code. § 13.102 | x | х | | x | | | x | х | |
| California Cal. Code Regs. tit. 8, § 11040 | | | | | х | x | | | x |
| Connecticut Conn. Agencies Regs. §§ 31-62-D2(d), E1 | | | | | X | x | | | |
| Massachusetts 454 Mass. Code Regs. 27.04 | | | | | x | x | | | |
| New Hampshire N.H. Rev. Stat. Ann. § 275:37-b | | | | | x | x | | | |
| New Hampshire N.H. Rev. Stat. Ann. § 275:43-a | | | | | | | x | | |
| New Jersey N.J. Admin Code § 12:56-5.5 | | | | | x | x | | | |
| New York N.Y. Comp. R. & Regs. tit. 12 §§ 142- 2.3, 2.4; 146-1.5, 1.6 | | | | | x | x | | | x |
| Oregon S.B. 828, 2017 Leg., 79th Sess. | | 14 days | | x | x | | x | x | |
| Rhode Island 28 R.I. Gen. Laws § 28-12-3.2 | | | | | x | x | | | |
| Vermont 21 Vt. St. Ann. § 309 | | | | | | | x | | |
| Washington, DC D.C. Mun. Reg. tit. 7 §§ 906, 907 | | | | | x | x | | | x |
| Chicago, IL Chicago, II., Mun. Code § 1-25 | x | 14 days | | x | x | | x | x | |
| Emeryville, CA Emeryville, Cal., Mun. Code §§ 5-39.0112 | x | 14 days | | x | x | | x | x | |
| Evanston, IL Ordinance No. 24-O-23 | x | 14 days | | x | x | | x | x | |
| Los Angeles, CA Cal. Mun. Code ch. XVIII Art. 5 Sec. 185.03 | x | 14 days | | x | x | | x | x | |
| New York City, NY N.Y.C., N.Y., Admin. Code §§ 20-1201 - 1212, 1221 - 1241 (fast food) | x | 14 DAYS | | x | x | | x | x | |
| New York City, NY N.Y.C., N.Y., Admin. Code §§ 20-1201 - 1212, 1251 - 1252 (retail) | | 72 HOURS | | | x | | | | |
| New York City, NY N.Y.C., N.Y., Admin. Code §§ 20-1261-1263 | | | | | | | x | | |
| Philadelphia, PA Philadelphia, Pa., Mun. Code § 9-4601 | x | 14 days | | x | x | | x | x | |
| San Francisco, CA S.F., Cal., Admin. Code §§ 12Z.112 | | | | | | | x | | |
| San Francisco, CA S.F., Cal., Police Code art. 33F §§ 3300F.118, art. 33G §§ 3300G.1 18 | х | 14 days | x | x | | | | | |
| San Jose, CA San Jose, Cal., Mun. Code § 4.101.040 | x | | | | x | | | | |
| SeaTac, WA SeaTac, Wash., Mun. Code § 7.45.030 | x | | | | х | | | | |
| Seattle, WA Seattle, Wash., Mun. Code § 14.22.055150 | x | 14 days | | x | х | | x | x | |

APPENDIX B: GLOSSARY OF FAIR WORK SCHEDULES PROVISIONS

ACCESS TO HOURS: Access to hours provisions require employers to offer additional available hours to their qualified existing employees before hiring any additional employees to work those hours.

ADVANCE NOTICE: Advance notice provisions require employers to provide employees with a certain amount of advance notice of their schedules. Some provisions also require employers to provide estimates of schedules and minimum hours before an employee begins employment.

PART-TIME PARITY: Part-time parity provisions require employers to treat part-time and full-time employees equally with regard to wages, ability to accrue benefits, and eligibility for pay raises and promotions.

PREDICTABILITY PAY: Predictability pay provisions require employers to pay employees a certain number of hours of compensation, in addition to payment for any time actually worked, when employers make last-minute changes to employees' schedules.

REPORTING PAY: Reporting pay provisions require employers to pay employees for some portion of their originally scheduled shifts when employees report for work but are then told that their shifts have been cancelled or reduced.

RIGHT TO REQUEST: Right to request laws protect employees who want to request flexible working arrangements or other changes to their schedules by granting them the express right to do so free from retaliation by their employers.

RIGHT TO REST: Right to rest provisions require employers to provide a minimum amount of rest time between shifts and to pay employees who consent to work without the rest time at a higher rate.

SPLIT-SHIFT PAY: Split-shift pay provisions require employers to pay employees additional wages as compensation for any day on which they are required to work shifts in which they have a gap or gaps between scheduled hours in the same day.

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Position: FAV



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President Donna S. Edwards Secretary-Treasurer Gerald W. Jackson

SB 994 - Maryland Predictable Scheduling Act Senate Finance Committee March 12, 2024

SUPPORT

Donna S. Edwards President Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 994. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

SB 994 offers quality of life and peace of mind to workers by offering "predictability pay" for last minute schedule changes by employers. Covered employers must provide two weeks advance notice of employee's schedules. Schedules must also include sufficient rest of 11 hours between closing and opening shifts or provide time and half pay. These systems work in tandem to incentivize employers to schedule workers responsibly and work to resolve scheduling issues in advance. Without SB 994, workers in the restaurant, retail, and hospitality businesses have difficulty anticipating pay, planning beyond a day or two, adjusting childcare and establishing a healthy work life balance.

New technology allows businesses to track sales and customer data with precise details. Some employers use algorithms based on predicted customer traffic to maintain the least amount of staff possible by scheduling workers for minimal hours requiring them to be on call at the last minute or directing them to leave shifts early. These algorithms can be used to provide workers better schedules if given the right incentives. Companies with 500 or more employees nationwide or 30 or more restaurant establishments typically use digital scheduling and payroll processing services that can easily comply with the bill's requirements. Some payroll and scheduling softwares have the ability to help minimize the number of shifts that would result in premium pay for workers, helping businesses to save money while offering employees better schedules. David Reischer, an Attorney and CEO of LegalAdvice.com, said that "Employers benefit from a lower turnover rate when workers have greater job satisfaction by knowing their schedule."

Jobs offering unpredictable and unstable work schedules are more likely to be filled by women, especially women of color. She is more likely to face wage gaps and chronic economic loss from being in low paid jobs and she is most likely a single mother. The volatile scheduling complicates and stifles her ability to plan for her children's safe care, attend training or classes to improve skills or even hold a

second job to keep her family economically stable. A study conducted at the University of California demonstrates that one policy change makes a huge difference: making employers guarantee that workers' schedules are at least two weeks in advance and compensate workers for last-minute changes.

Opponents of predictable scheduling legislation blame staffing shortages as the real culprit behind bad schedules. But an article in Restaurant Dive last year states "Most workers are leaving the restaurant industry for these three reasons: to receive higher pay (28%); for access to a more consistent schedule/income (23%); and because they lack access to professional development and promotional opportunities (17%), according to Black Box/Snagajob." To solve the staffing shortages, we must address predictable scheduling.

Studies and the industry's own data demonstrate that fair scheduling promotes retention, better economic and well-being for the workers, and improves the industries' staffing shortages. A National Bureau of Economic Research paper following the lives of workers in Emeryville, California after their fair scheduling law was implemented found no effect on the total hours worked per week, but found that it "successfully lowered the frequency of changes in shift start times and end times and in surprise shifts that got added to workers' schedules at the last minute." If our state values and respects the dignity of all work, the requirements within this bill should be completely non-controversial.

We urge a favorable report on SB 994.

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populardemocracy.org



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Testimony of the Center for Popular Democracy (CPD) Submitted to the Senate Finance Committee, Maryland General Assembly Senator Pamela Beidle, Chair March 12, 2024 Re: Senate Bill No. 994 An Act Concerning Predictable Scheduling

Dear members of the Senate Finance Committee,

On behalf of the Center for Popular Democracy (CPD), I write in support of SB 994, the Maryland Predictable Scheduling Act, to protect hourly workers in Maryland's service sector.

CPD provides technical assistance to policymakers and enforcement staff on the development and enforcement of predictable scheduling policies, including laws in Seattle, WA; San Francisco, Los Angeles, Berkeley, Emeryville, and San Jose, CA; New York City, NY, Philadelphia, PA; Evanston and Chicago, IL; and the state of Oregon. We have deep expertise in the industries where unstable work hours are most prevalent, including the business models that have generated these practices and the impact on workers and their families.

Just-in-Time Scheduling Practices Bring Chaos to Service Sector Workers

Just-in-time scheduling is the practice of publishing work schedules just days in advance and tweaking those schedules until the last minute, in an attempt to precisely calibrate staffing to match expected demand. For those who work in the retail, food service, hospitality, and nursing home care, where just-in-time scheduling is pervasive, this practice means unstable hours that make it **impossible for workers to plan their lives**. A recent national study by the Harvard Shift Project on retail and food service workers found that:¹

- 64% receive their schedules with less than 2 weeks' notice; over 33% with less than a week's notice.
- Although employers portray work hours as flexible to meet the varying needs of parents, students, and workers with second jobs, academic survey data tells a different story:
 - 42% of the workers surveyed have no input into their work schedules, which are decided unilaterally by their employers.
 - o 65% of workers want a more predictable schedule.

¹Elaine Zundl, Daniel Schneider, Kristen Harknett, and Evelyn Bellew. *Still Unstable: The Persistance of Schedule Uncertainty During the Pandemic*, Shift Project Research Brief. <u>https://shift.hks.harvard.edu/still-unstable</u>

Workers with unstable and inadequate hours are more likely to face **housing instability and hunger.** Researchers have also documented that **children suffer when their parents work unstable hours**.² Parents with last-minute schedules are much more likely to cobble together informal childcare or even leave their children unattended when the alternative is to risk termination. The children of parents facing last-minute changes to their work schedules are more likely to miss school. The stress of instability also causes psychological harm to kids, leading to a higher incidence of behavioral challenges. Moreover, these burdens do not fall equally on all workers. Due to discrimination by managers, people of color, especially **women of color, bear the brunt of schedule instability**.³

Predictable Scheduling Laws Work for Employers and Employees

The proposed SB 994 is a common-sense solution that preserves employers' flexibility and management discretion while incentivizing basic standards that allow workers, their families, and communities to thrive. When working people have schedules they can plan around, predictable hours and income to pay their bills, a voice in when they'll work, and healthy hours with time to rest, their families and communities – as well as the state's economy – benefit.

Consistently, the most robust academic and administrative evidence affirms that policies like these work for all involved.

The companies that would be covered by this bill are already complying with *and benefitting from* similar laws elsewhere. Workforce management company Deputy, which provides technology that supports compliance with these laws, reports positive impacts of fair workweek compliance for their clients:

- Fair workweek laws generally result in a 14% increase in hours for workers.
- Absences and tardiness have gone down by over 30%.
- Covered employers in fair workweek jurisdictions have seen a 3% decrease in labor costs.⁴

Similarly, Deputy's 2024 report included an analysis of Fair Workweek in Los Angeles that found consistent findings with their findings elsewhere. They noted a diminished discrepancy between rostered and actual hours by 13%. They also point out that "the enhanced reliability of work hours is expected to foster heightened participation rates in the labor market, particularly among individuals seeking employment stability in their schedules such as women with young children and young adults with caregiving responsibilities for adults."⁵

Evidence from two-years of study of Seattle's Secure Scheduling Ordinance showed significant changes in the lives of covered workers. It increased the share of workers knowing their schedules two weeks in advance, decreased the share reporting last minute shift changes without

² Daniel Schneider and Kristen Harknett, It's About Time: How Work Schedule Instability Matters for Workers, Families, and Racial Inequality, Institute for Research on Labor and Employment at the University of California, Berkeley, available at <u>https://shift.berkeley.edu/its-about-time-how-work-schedule-instability-matters-for-workers-families-and-racial-inequality/</u>. ³ Ibid.

⁴ Communication from Krista Hardwick, legal counsel, Deputy, Jan. 28, 2020.

⁵ Deputy. The Big Shift: Evolving Landscapes of the US Labor Market. 2024. <u>https://www.deputy.com/insights/the-big-shift-2024</u>

pay, increased worker satisfaction with their job, increased workers' overall happiness and sleep quality, and reduced their material hardship.⁶

For those companies that already practice advance scheduling with worker input, bills like these do not represent any inconvenience. They already lead on high-road employment practices that improve retention and productivity. With access to technology that allows for easy compliance, this bill ensures their good practices become the standard across the state and keep bad actors from hurting more communities.

<u>Franchises Practice Just-in-Time Scheduling and Can Easily Implement Predictable</u> <u>Scheduling</u>

Widespread evidence shows that franchises are no exceptions to implementing the chaos of just-in-time scheduling practices. They operate like highly standardized chains and reap the associated benefits. Fast food franchises are the most common type of franchise, representing a quarter of all U.S. franchises.⁷ McDonald's, the nation's largest fast food chain, operates more than 90% of its 36,000 restaurants as franchises.⁸ In 2021, McDonald's profits totaled \$7.5 billion.⁹

In exchange for access to a franchisor's brand, operational and technological systems, real estate, employee/manager training programs, and other core business tools, franchisees make payments to franchisors in the form of royalties, fees, and rental payments.¹⁰

Moreover, corporate franchisors often impose standardized policies that **control many major aspects of franchisees' daily operations, including unstable scheduling**. McDonald's Corporation's requirements heavily influence franchisees' personnel policies and practices, working conditions, labor budgets and scheduling.¹¹

Franchisees have access to franchisors' **workforce management technology** to manage point-ofsale systems, payroll, and labor utilization rates, and are often required or pressured to use these technologies. McDonald's Corporation strongly incentivizes franchisees to use all the features of its workforce management technology including its system for scheduling staff, timekeeping, tracking meals and break times, and rates of pay.¹² These systems often generate the **just-in-time work schedules**¹³ that negatively impact employees' lives – but can also be programmed to ensure compliance with predictable scheduling laws. Access to these technologies therefore makes compliance far more viable for franchisees than for small businesses that lack similar tools.

Franchisors are being held legally responsible for franchisees' employment practices. Evidence of the integrated relationship between franchisees and corporate franchisors has led

https://www.franchisedirect.com/information/foodfranchisereport2017/

 ⁶ Daniel Schneider, Kristen Harknett, and Veronique Irwin. Seattle's Secure Scheduling Ordinance: Year 2 Worker Impact Report, Shift Project Research Brief. <u>https://shift.hks.harvard.edu/seattles-secure-scheduling-ordinance-year-2-worker-impact-report/</u>
⁷ Renee Bailey, "Food Franchise Report 2017," Franchise Direct, July 26, 2017,

⁸ "Franchising Overview," *McDonald's*, <u>https://corporate.mcdonalds.com/corpmcd/franchising/overview.html</u>.

⁹ "Franchising Overview," *McDonald's*, <u>https://corporate.mcdonalds.com/corpmcd/franchising/overview.html</u>.

¹⁰ "FAQs about Franchising," International Franchise Association, <u>https://www.franchise.org/faqs-about-franchising</u>

¹¹ 2022 Franchise Disclosure Document for McDonald's, <u>https://www.franchimp.com/index.php?page=pdf&f=107211_2022.pdf</u>. ¹² Testimony of Pacific Management Consulting Group (a restaurant analysis consultancy) Founder John. A. Gordon, page 3, Ochoa v. McDonald's Corp. (June 19, 2015).

¹³ Sean McElwee, "The Threat of Just – in – Time Scheduling," HuffPost, Dec 6, 2017, <u>https://www.huffingtonpost.com/sean-</u>mcelwee/the-threat-of-justintime-_b_5682481.html.

courts and enforcement agencies to frequently recognize franchisors as **joint employers**. In 2016, McDonald's Corporation agreed to pay \$3.75 million to settle a lawsuit concerning overtime violations at various franchise locations in California.¹⁴ Following extensive investigation into wage and hour violations at Sonic Burger franchises by the U.S. Department of Labor (DOL), corporate owner Sonic Industries signed an agreement with DOL to promote compliance with labor standards at its franchise locations nationwide.¹⁵

In an ongoing enforcement action against McDonald's franchisees for violating workers' organizing rights, the General Counsel of the National Labor Relations Board determined that McDonald's Corporation could be named as a joint employer.¹⁶ Although the Trump Administration attempted to shield McDonald's from liability by settling these charges, a judge rejected the settlement because it minimized McDonald's obligations despite extensive evidence of McDonald's corporate control over franchise labor practices.¹⁷

As a national network of community organizations, we hear from our affiliates' members the impact that legislation like this has had on their lives as they have been able to study, take care of their children, work second jobs, and be protected from some forms of arbitrary retaliation.

For hourly workers with unstable schedules, that vision will only be realized when this Legislature enacts Predictable Scheduling.

> Francisco Diez Senior Policy Strategist Center for Popular Democracy

¹⁴ Daniel Wiessner, "McDonald's to pay \$3.75 million in first settlement with franchise workers," October 31, 2016, https://www.reuters.com/article/us-mcdonalds-settlement-idUSKBN12V1NJ.

¹⁵ Ben Penn, "Sonic Works with Labor Agency to Keep Wage Violations Off the Menu," Bloomberg BNA, July 27, 2017, https://www.bna.com/sonic-works-labor-n73014462371/; "U.S. Department of Labor, Sonic Sign Agreement to Promote Fair Labor Practices at Franchises Nationwide," July 27, 2017, https://www.dol.gov/newsroom/releases/whd/whd20170727.

¹⁶ "NLRB Office of the General Counsel Authorizes Complaints Against McDonald's Franchisees and Determines McDonald's, USA, LLC is a Joint Employer," National Labor Relations Board, July 29, 2014, https://www.nlrb.gov/news-outreach/news-story/nlrboffice-general-counsel-authorizes-complaints-against-mcdonalds. ¹⁷ McDonalds USA LLC, a Joint Employer, et al., 02-CA-093893 (NLRB Administrative Law Judge's Order, July 17, 2018)

http://apps.nlrb.gov/link/document.aspx/09031d458288067b.

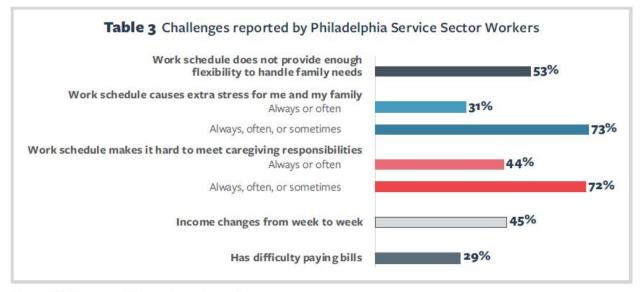
FINAL(S)-GYM FWW Senate testimony 3.12.2024.pdf Uploaded by: Helen Gym

Position: FAV

TESTIMONY: Helen Gym Maryland Senate Finance Committee March 12, 2024

Good afternoon Chair Beidle and members of the Senate Finance Committee. My name is Helen Gym, and I am a former At-Large member of the Philadelphia City Council and the sponsor of our city's ordinance on predictable scheduling which passed in 2018.

Philadelphia is the poorest large city in the nation, with a poverty level of nearly 25% among residents and 40% among our children. When we worked with researchers through the Shift Project, one of the areas we identified as contributing to poverty was unstable scheduling practices rampant in Philadelphia's low wage hourly sector.



Source: SHIFT survey of 687 service sector workers

Contrary to what some may think, predictable scheduling is about what happens to people when they are NOT working for their employer. Our studies showed that prior to the bill's passage a vast majority of employers required their workers to keep schedules "open and available".

- a. More than 80% of hourly workers did not have regular daytime work schedules. The average worker stated that there was a 14 hour difference per week within a single month of employment. Nearly half could not predict their weekly income.
- b. Parents and caretakers testified about missing medical and prenatal appointments. Teachers and college counselors testified about how unstable work schedules contributed to absenteeism and drop-out rates. Working families spoke about the challenges of juggling two or more jobs when none had regular schedules.
- c. Canceled shifts meant they struggled to pay rent or cover childcare costs and grocery bills.
- d. Our intent was to protect people from abusive practices that contributed to instability and perpetuate poverty.

I crafted Philadelphia's predictable scheduling ordinance through months of roundtables and feedback sessions with our labor, business, and civic communities. Our law reflected lessons learned in other jurisdictions and addressed challenges raised by businesses.

Here were our core components:

- We applied the law to large businesses, including franchises, which had the workforce management resources and technological capacity to handle large scale scheduling and documentation. Software companies provide products that adapt to meet any scheduling compliance needs. Additionally, large corporations already operated under similar predictable scheduling laws in New York City and elsewhere.
- 2. We addressed challenges that had arisen in other cities to allow for ease of compliance, flexibility in business operations, and to prevent abuse. Examples included electronic documentation, clear exemptions, and an ongoing municipal business-labor roundtable.

3. We staged the planned rollout of our Fair Workweek ordinance over three years. We delayed the imposition of penalties and invested in education and outreach.

Today, predictable scheduling laws around the nation protect millions of working Americans and are now a workplace standard. We have shown that what's good for workers can also be good for businesses, ending high staff turnover, stabilizing work and home life, and establishing commonsense practices that define healthy business environments. I urge a favorable report on this bill and am available for any questions.

CONTACT: Helen Gym helen@helengym.com

Testimony.pdf Uploaded by: Joanne C Benson Position: FAV

JOANNE C. BENSON Legislative District 24 Prince George's County

MAJORITY WHIP

Budget and Taxation Committee

Education, Business and Administration Subcommittee

Pensions Subcommittee

Joint Committees Audit and Evaluation Committee Children, Youth, and Families Ending Homelessness Fair Practices and

State Personnel Oversight



James Senate Office Building 11 Bladen Street, Room 201 Annapolis, Maryland 21401 410-841-3148 · 301-858-3148 800-492-7122 Ext. 3148 Fax 410-841-3149 · 301-858-3149 Joanne.Benson@senate.state.md.us

THE SENATE OF MARYLAND Annapolis, Maryland 21401

SENATOR JOANNE C. BENSON

SB994- Maryland Predictable Scheduling Act

Good afternoon, Madam Chair, Pamela Beidle, Vice Chair Katherine Klausmeier, and the esteemed committee.

Senate Bill-994 is a legislative proposal aimed at providing predictable schedules and stable working hours for hourly shift workers employed by food, hospitality, and retail establishments with at least 500 employees worldwide. The primary objective of the bill is to provide core protections for hourly workers and deter erratic scheduling. The bill offers covered workers the opportunity for a family-work balance by providing (1) two weeks' notice of shift schedules, (2) compensation when shifts are changed at the last minute, and (3) time between shifts to commute, eat, and rest.

The bill guarantees certain rights to hourly workers, such as an employee's written consent for accepting new or additional hours that are not reflected in the original schedules, and an extra hour of pay for such hours. Employees also have the right to decline successive opening and closing shifts, and they should receive 1.5 times the pay for hours worked within 11 hours of a previous shift ending.

It is noteworthy that the bill does not mandate that an employer guarantee an employee's request for certain shifts, but workers and employers are free to mutually agree (in writing) to change scheduled hours at any time. The bill would prevent managers from unilaterally implementing unexpected last-minute schedule changes and imposing the need for an employee to successively close and open the establishment.

It is pertinent to mention that nine other states have already implemented more stringent predictable scheduling measures than those proposed in this bill. Predictable schedules do not pose an unreasonable demand on the large retailers to whom this bill would apply. Starbucks has already implemented its predictable scheduling measures in 2014, which require managers to post work schedules well in advance and eliminate "shutting down" practices. If a worldwide chain like Starbucks can adopt such practices using standard scheduling software, other retail franchises should be able to do so as well.

This bill would reasonably hold large chain employers accountable to their employees when last-minute shift cancellations occur. It would help reduce job stress, which has been increasingly linked to chronic hypertension, lower productivity, and slower business growth. It would also help women as they bear the brunt of caretaking outside the workplace. Requiring predictability in employee schedules and earnings helps the employer by increasing employee stability and decreasing turnover.

In conclusion, the Senate Bill is a crucial legislative proposition that aims to provide predictability and stability to hourly shift workers employed by food, hospitality, and retail establishments with at least 500 employees worldwide. The bill offers core protections for hourly employees, which could help reduce job stress and improve employee stability, leading to improved productivity and business growth.

Therefore, I urge a favorable report on Senate Bill 994 with the attached amendments.

SB0994/343523/1

BY: Senator Benson

(To be offered in the Finance Committee)

<u>AMENDMENT TO SENATE BILL 994</u> (First Reading File Bill)

On page 3, in line 20, strike "AND" and substitute "OR".

On page 4, strike in their entirety lines 8 through 12, inclusive; in lines 13, 17, 19, 22, and 25, strike "(H)", "(I)", "(J)", "(K)", and "(L)", respectively, and substitute "(G)", "(H)", "(I)", "(J)", and "(K)", respectively; in line 23, strike "REGULAR AND ON-CALL"; in line 28, after "SHIFT;" insert "OR"; and strike beginning with the semicolon in line 29 down through "WORK" in line 31.

On pages 5 and 6, strike in their entirety the lines beginning with line 30 on page 5 through line 1 on page 6, inclusive.

On page 7, in line 28, strike "SUBJECT TO SUBSECTION (D) OF THIS SECTION,".

On page 8, strike in their entirety lines 7 through 18, inclusive; and strike beginning with the colon in line 27 down through "(1)" in line 28.

On page 9, strike beginning with the semicolon in line 1 down through "PAY" in line 5.

On page 10, strike beginning with "UNLESS" in line 15 down through "IN" in line 16 and substitute "<u>IN</u>".

On page 11, strike in their entirety lines 6 through 8, inclusive; strike beginning with "IN" in line 10 down through "AGENCY" in line 25 and substitute "<u>AN EMPLOYER</u> <u>MAY NOT ENGAGE IN ANY FORM OF INTIMIDATION, THREAT, REPRISAL</u>,

PREPARED BY THE DEPT. OF LEGISLATIVE SERVICES

> 27 FEB 24 11:54:27

AMENDMENTS

SB0994/343523/01 Amendments to SB 994 Page 2 of 2

Benson

HARASSMENT, DISCRIMINATION, OR ADVERSE EMPLOYMENT ACTION BECAUSE AN EMPLOYEE EXERCISES RIGHTS PROTECTED UNDER THIS SUBTITLE"; and strike beginning with "A" in line 26 down through "SUBTITLE" in line 28 and substitute "<u>THE</u> <u>PROTECTIONS AFFORDED UNDER THIS SECTION SHALL APPLY TO AN EMPLOYEE</u> WHO MISTAKENLY, BUT IN GOOD FAITH, ALLEGES A VIOLATION OF THIS <u>SUBTITLE</u>".

On pages 11 through 13, strike in their entirety the lines beginning with line 29 on page 11 through line 1 on page 13, inclusive.

On page 15, in lines 22 and 27, in each instance, strike "**PERSON**" and substitute "<u>CURRENT OR FORMER EMPLOYEE</u>"; and strike beginning with the colon in line 26 down through "(I)" in line 27.

On pages 15 and 16, strike beginning with the semicolon in line 28 on page 15 down through "LAW" in line 1 on page 16.

On page 16, strike beginning with "DAMAGES" in line 8 down through "2." in line 15; and in lines 16, 17, 18, 21, and 24, strike "3.", "4.", "5.", "6.", and "7.", respectively, and substitute "2.", "3.", "4.", "5.", and "6.", respectively.

On pages 16 and 17, strike in their entirety the lines beginning with line 28 on page 16 through line 16 on page 17, inclusive.

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SB994.pdf Uploaded by: Kaili Nakanishi Position: FAV

Testimony: SB994 - Maryland Predictable Scheduling Act **Committee:** Finance **Hearing Date:** March 12, 2024 **Position:** FAV

My name is Kaili Nakanishi. I am a university student and part-time worker expressing my strong support for SB994 and advocating for my fellow hourly workers who may not have been able to submit testimony due to their demanding schedules.

Having worked several part-time hourly jobs, I can attest to the persistent issue of unpredictable scheduling that many workers face. During my four years at an outlet clothing store, many of my coworkers would lament about having to close and then open the store the next day. And while a small number of them chose to have that schedule, there were people who did not and could not decline working those shifts. As you might imagine, this was a very difficult schedule to have during the holidays, as there were times where we would get out at 1 am. At the same time, some of my coworkers had up to an hour drive back home. That meant they were getting home at 2am, sleeping for a few hours, and then having to be back at the store by 9 or 10 am the same day.

While attending school, I also work overnights at a fast food restaurant. There, the same type of issue arose. A good coworker of mine used to work overnight with me from 10pm to 6am; however unbeknownst to me, he was also working that same day earlier from 7am to 3pm. It wasn't until his request for his schedule to change finally went a whole month later that he was able to start working only the morning shift. That means that for a whole month, he was working from 7am to 3pm, going home and taking a nap for a few hours, and then coming back to work that same night from 10pm to 6am.

Working in the fast-food industry also highlights another challenge faced by workers—being cut out of shifts due to fluctuating rush hour demands. It's not uncommon for me or my co-workers to be sent home early or instructed not to come in for our scheduled shift based on the manager's discretion. When I first started working, this happened to me all the time. Just last weekend, one of my coworkers experienced this when he was unexpectedly sent home at the beginning of his shift. A measure like the one proposed in this bill, which would ensure at least half pay for the time we are unexpectedly told not to work, would have made a significant difference for both me and my coworkers.

Aside from the issue of "clopening," requiring employers to provide at least two weeks' notice for work schedules would greatly benefit workers. Until recently, my best friend worked at a chain restaurant where schedules were only provided once a week on Sunday evenings. She often stayed up late on Sundays, anxiously awaiting her schedule for the coming week, and begged me to stay up with her in case she missed it. There were instances when she received her schedule as late as 2 am on Monday, leaving her with little time to prepare for her shift starting at 9 am that same day. This uncertainty took a toll on her well-being and was one of the reasons that eventually led her to resignation.

In conclusion, I urge a favorable report on SB994, as it would significantly improve the lives of hourly workers by providing us with more predictable and manageable work schedules. Thank you for considering my testimony and for your dedication to addressing the needs of workers in our community.

UFCW 400 Favorable Written Testimony on SB 994 - P Uploaded by: Kayla Mock

Position: FAV





A voice for working people in Maryland, Virginia, Washington, D.C., West Virginia, Ohio, Kentucky & Tennessee

SB 994 - Maryland Predictable Scheduling Act SUPPORT March 11, 2024

To: The Honorable Chair Beidle, Vice Chair Klausmeier and Members of the House Economic Matters Committee

From: Kayla Mock, Political & Legislative Director United Food and Commercial Workers Union, Local 400

Dear Chair Beidle and members of the Senate Finance Committee:

I appreciate the opportunity to share my testimony on behalf of our over 10,000 members in Maryland, who have worked the frontlines and have been essential employees in grocery, retail, food distribution, law enforcement, and healthcare. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers.

We strongly support SB 994, the Maryland Predictable Scheduling Act, and urge this committee to vote it favorably.

In most of the industries United Food and Commercial Workers Union Local 400 (UFCW Local 400) represents, we see the importance of fair scheduling. Retail schedules are often unpredictable, posted with late notice, and often leave workers stressed, vulnerable, and feeling as though they are constantly "on call", even though the nature of their work is not. It can be exhausting and expensive.

The burden of home care and childcare often falls to women, meaning unpredictable schedules and changes disproportionally affects them. The National Women's Law Center found, "unfair work schedules make it difficult for women to access healthcare for themselves and their loved ones, noting that medical appointments often need to be made well in advance, an impossibility when workers do not know their schedules until days before their shifts."

Fair scheduling fosters healthy practices allowing time for life planning, sleep, commuting, caring for children, a household, or oneself. Fair scheduling also relieves stress, which promotes better mental health practices through work life balance. Workers with fair scheduling employers often feel more secure, cared for, and happier at work and home.

Fair scheduling is also beneficial for businesses. Multiple studies find that businesses who implement predictable scheduling have a decrease in worker turnover, have simpler time tracking on payroll, and increase their worker productivity. Harvard Kennedy's School's Shift Project found that fair scheduling, "increased worker happiness and sleep quality, reduced material hardship, and allowed workers to schedule and pay for medical care."

It is simple – workers who know their schedules and therefore can plan their lives are more productive at work.

UFCW Local 400 is proud to have several collective bargaining agreements that implement fair scheduling standards, some homogeneous to those proposed here, such as Giant Food and Safeway. Employees at these companies have access to their schedules in advance, have protections from "clopening" shifts (a practice where an employee works closing hours and then turns around and works opening hours), and has notice of last-minute shift changes or additions. Companies who have fair scheduling in place with employees we represent are still profitable and have a flexible workforce. They can

Page 2 March 11, 2024 SB 994 - Support Predictable Scheduling Act To: The Honorable Chair Beidle From: Kayla Mock, UFCW Local 400

schedule employees when they need them, call workers in if things are busy, send workers home if it's slow, and create schedules based on peak and valley business. They were still able to plan accordingly to business needs.

Lastly, unpredictable scheduling impacts people when they are not even at work.

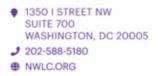
Over the years, I have heard from numerous retail workers who have talked about having to cancel appointments or miss their children's events because they were called into work last minute and were too afraid to say no, fearing their hours would be cut in retaliation the next week. Employees should be able to plan and live their lives without constantly having to be concerned about their schedule changing at the last minute without their input.

Without unpredictable scheduling, workers end up in jobs that don't pay enough to live on and aren't predictable enough to schedule around.

For these reasons and more, we urge a favorable report from this committee on SB 994, The Maryland Predictable Scheduling Act.

NWLC Testimony on SB994 - SUPPORT.pdf Uploaded by: Laura Narefsky Position: FAV





Testimony of the National Women's Law Center In SUPPORT of S.B. 994—Maryland Predictable Scheduling Act

Submitted to the Finance Committee, Maryland Senate

March 12, 2024

Dear Members of the Senate Finance Committee:

Thank you for holding this hearing and for the opportunity to submit this testimony on behalf of the National Women's Law Center (NWLC). Since 1972, NWLC has fought for gender justice—in the courts, in public policy, and in our society—working across the issues that are central to the lives of women and girls. NWLC advocates for improvement and enforcement of our nation's employment and civil rights laws, with a particular focus on the needs of LGBTQI+ people, women of color, and women with low incomes and their families. NWLC is part of a national coalition helping to lead the movement to secure a fair workweek for working people, because unstable and unpredictable work schedules disproportionately impact women and are particularly detrimental to women with caregiving responsibilities. **We strongly support S.B. 994, the Maryland Predictable Scheduling Act, as an important step to combat unfair scheduling practices and build a more equitable economy.**

Unstable, unpredictable, and inadequate work hours impose high costs on working people, their families, and our broader economy. Even before the COVID-19 pandemic, people across Maryland disproportionately women and people of color—working in essential but low-paying jobs often had little notice of their work schedules, experienced last-minute shift cancellations that deprived them of vital income, and were given part-time hours when they needed full-time work to support their families.

"Just-in-time" scheduling practices, enabled by modern workforce management systems, use algorithms to base workers' schedules on perceived consumer demand and maximize flexibility for the employer at the expense of the employee, making it extremely challenging for workers to meet their responsibilities outside of their jobs.¹ Even as high demand for labor in the wake of the pandemic has driven modest wage gains in service sector jobs,² many employers continue to use unpredictable scheduling practices that contribute to high turnover rates—producing volatility for employers, workers, and consumers alike. Across industries, more than one-third of wage and salary workers have employers who decide schedules without their input,³ and in surveys of hourly workers in retail and food service jobs—two industries where unpredictable schedules.⁴ Unpredictable schedules are also an acute problem, particularly in the service sector: In a 2021 survey of workers at large retail and food service chains, close to two-thirds of workers reported receiving their work schedules with less than two weeks' notice, and more than one-third said they received their schedule with less than one week's notice.⁵

These volatile work hours—and the volatile incomes that result—undercut workers' efforts to budget for expenses and increase economic hardship, including hunger and housing insecurity.⁶ Just-in-time scheduling practices can also disrupt family routines and undermine children's and families' well-being. Research shows that low wages and other working conditions that increase parents' stress—including

unstable and unpredictable work hours—can undermine children's emotional and physical health.⁷ For example, children whose parents have unstable work schedules experience higher rates of emotional distress, increased school absences, worse sleep, and negative health outcomes for conditions like asthma.⁸ At the same time, volatile scheduling practices make it hard for families to arrange and afford high-quality child care,⁹ or to secure the care they need to manage a health condition or disability.

Women—particularly women of color—often bear the brunt of just-in-time scheduling practices that undermine their best efforts to support and care for themselves and their families.

The low-paid, hourly service sector jobs in which just-in-time scheduling practices are particularly concentrated are jobs that women, disproportionately women of color, are especially likely to hold.¹⁰ In Maryland, nearly two in three workers in the state's lowest-paying jobs are women.¹¹ Women also still shoulder the majority of caregiving responsibilities in families.¹² Black women and Latinas are especially likely to be breadwinners for their families,¹³ and are also more likely to experience scheduling instability than their white counterparts, even within the same company.¹⁴ With little to no control over their work schedules, being able to plan for or respond to the exigencies of daily life—for example, ending a shift on time to pick up a child from school or scheduling time to take an elderly parent to a doctor's appointment—is simply not an option for too many workers.

When women's jobs pay low wages and don't allow them to balance their responsibilities at work with their caregiving obligations; when they can't secure child care that allows them to work knowing their children are getting the care they need to thrive; when they can't get the rest or the medical treatment they need to keep themselves and their families healthy and productive; when they can't commit to classes to advance in their careers or even a second job that can help them make ends meet-it is hard, and sometimes impossible, for women to get and keep good jobs and advance in the workplace. These barriers are among the factors reflected in the persistent gender wage gaps that we see across the country and in Maryland, which are especially substantial for women of color and women who are mothers—and for mothers who are women of color most of all.¹⁵ For example, while women of all races working full time in Maryland typically make 85 cents for every dollar paid to a man,¹⁶ mothers make just 78 cents compared to fathers.¹⁷ Among full-time, year-round workers, Asian American and Pacific Islander moms in Maryland make 86 cents, white moms make 75 cents, Black moms make 56 cents, and Latina moms make just 41 cents compared to white, non-Hispanic fathers.¹⁸ And all of these gaps grow even wider if women's earnings are compared to men's without restriction to full-time wage earners,¹⁹ since women are far more likely than men to work in part-time jobs that, relative to full-time jobs, typically pay less per hour, lack benefits, and are more likely to feature just-in-time scheduling practices.²⁰

S.B. 994 can grant working people more stable and predictable work schedules and help create an economy that works for everyone.

Maryland has already taken steps to advance equal pay for women and ensure that workers are able to manage both their work and caregiving responsibilities. In 2022, Maryland became the eleventh state, including the District of Columbia, to pass a comprehensive paid family and medical leave law. The state has also been a leader in providing paid sick time. Together, these policies provide support to help workers care for themselves and their families without jeopardizing their economic security. But to build a better economy—one that works for everyone—Maryland must do more.

Enacting S.B. 994 would help ensure that the hundreds of thousands of retail, food service, and hospitality workers in Maryland have the stability, predictability, and input in their work schedules that they need to meet their obligations on the job and in the rest of their lives. This bill is informed by laws already enacted across the country,²¹ and contains several important features:

- S.B. 994 would give workers advance notice of their work schedules. "Advance notice" provisions, like the one in S.B. 994, require covered employers to give employees at least 14 days of advance notice of their seven-day work schedule. Giving employees sufficient notice of when they will be required to work makes it easier for employees to plan transportation, child care, doctor's appointments, and other obligations so that they can consistently be and stay at work—in turn creating a more stable, reliable workforce for businesses.
- S.B. 994 recognizes the costs that working people and their families bear when they face last-minute schedule changes—and would compensate them accordingly. Predictable scheduling laws address just-in-time scheduling practices where they are particularly pervasive: among large employers in service sector industries. By guaranteeing half time pay for any unworked hours when shifts are canceled or reduced with less than the required notice (or an extra hour of pay for other kinds of changes), S.B. 994 would help compensate employees for the costs associated with changed shifts. These costs can include rearranging child care or not being able to pay a bill as expected—costs that so many working people are not in a position to absorb. Predictability pay policies like the one in S.B. 994 discourage unnecessary last-minute changes while allowing employers to make such changes when they are in fact necessary, so long as they provide the requisite pay to affected employees.
- S.B. 994 grants employees the right to request a schedule that works for them. The "right to request" ensures that employees have input into their work schedules by providing them with the right to identify and request, without fear of retaliation, limitations or changes in their availability and preferences for certain work schedules or arrangements. This protection is vital to combat retaliation against employees who place some limits on their availability or request schedule modifications. Unfortunately, this kind of retaliation—for example reducing an employee's work hours, assigning them less favorable shifts, or even termination—is all too common.
- S.B. 994 would discourage the unhealthy and unnecessary practice of "clopening." Like last-minute schedule changes, the practice of "clopening"—i.e., requiring an employee to work the closing shift one night and the opening shift the next morning—is particularly disruptive to family routines and can harm workers' health and productivity on the job.²² S.B. 994 would help ensure that workers in covered establishments have adequate time to travel and rest between shifts by prohibiting employers from requiring employees to work with less than 11 hours between shifts; if an employee consents to work such a shift, the bill requires the employer to pay the employee at 1.5 times their rate of pay for the hours they work in a shift that begins less than 11 hours after their previous shift ended.

S.B. 994 would benefit employees and employers alike—because good scheduling practices are good for business.

Many of the companies that would be covered by S.B. 994 are already complying with similar laws in cities like Seattle, New York City, Philadelphia, Chicago, and Los Angeles, as well as the state of Oregon.²³ Workforce management company Deputy, which provides technology that supports compliance with these laws, reports positive impacts among their clients, including increased hours for workers; substantial reductions in absences and tardiness; and a modest decrease in labor costs for covered employers.²⁴ Employers that offer their employees stable and predictable schedules also report reduced turnover and improved employee loyalty.²⁵ More consistent hours and advance notice of schedules also make it easier for employees to secure stable child care and arrange transportation so that they can

consistently be and stay at work—in turn creating stability, predictability, and cost savings for businesses.²⁶ For example, a study in Emeryville, California, found that after the city's fair workweek policy went into effect, covered workers reported a significant decrease in work schedule instability, along with improvements in family well-being.²⁷ In Seattle, researchers similarly found that workers covered by the Secure Scheduling Ordinance experienced more predictable schedules, improved sleep and well-being, and increased financial security.²⁸

* * *

Working families in Maryland deserve to have jobs that respect their time and give them a chance to thrive and prosper. NWLC appreciates the efforts of the bill sponsors and this Committee to address the negative impact of just-in-time scheduling on the lives of women and families in Maryland. We thank you for your consideration and respectfully request a vote in favor of S.B. 994.

Sincerely,

Li

Laura Narefsky Senior Counsel, Workplace Justice

Julie Vogtman Julie Vogtman Director of Job Quality & Senior Counsel

² See, e.g., Elise Gould & Katherine deCourcy, *Low-Wage Workers Have Seen Historically Fast Real Wage Growth in the Pandemic Business Cycle*, ECON. POL'Y INST. (EPI), March 2023, <u>https://files.epi.org/uploads/263265.pdf</u>; Brooke LePage, *Women's Jobs Are Being Added Back to the Economy—But Many Need Improving*, NWLC (June 2022), <u>https://nwlc.org/wp-content/uploads/2022/06/Leisure-and-Hospitality-2022-v2.pdf</u>.

³ Bureau of Labor Statistics, *Job Flexibilities and Work Schedules Summary*, U.S. DEP'T OF LABOR (Sept. 2019), https://www.bls.gov/news.release/pdf/flex2.pdf (Table 6).

⁴ See Elaine Zundl et al., *Still Unstable: The Persistence of Schedule Uncertainty During the Pandemic,* SHIFT PROJECT 3 (Jan. 2022), <u>https://shift.hks.harvard.edu/wp-content/uploads/2022/01/COVIDUpdate_Brief_3.29.23.pdf</u> (42% of service sector workers surveyed report no input at all into their work schedules). *See also, e.g.,* Daniel Schneider & Kristen Harknett, *It's About Time: How Work Schedule Instability Matters for Workers, Families, and Racial Inequality,* SHIFT PROJECT 1 (Oct. 2019), <u>https://shift.berkeley.edu/files/2019/10/Its-About-Time-How-Work-Schedule-Instability-Matters-for-Workers-Families-and-Racial-Inequality.pdf</u> [hereinafter *It's About Time*]; Watson & Swanberg, *supra* note 10, at 400-401; Lonnie Golden, *Irregular Work Scheduling and Its Consequences,* EPI (Apr. 9, 2015), <u>https://www.epi.org/publication/irregular-work-scheduling-and-its-consequences/</u> (finding that 45% of workers surveyed said "their employer decides" their work schedule; only 15% reporting they were "free to decide" their schedule, and 40% reporting they could "decide within limits"); Susan J. Lambert, Peter J. Fugiel, & Julia R. Henly, *Precarious Work Schedules Among Early-Career Employees in the US: A National Snapshot,* EMP. INSTABILITY, FAM. WELL-BEING, & SOC. POL'Y NETWORK, U. CHICAGO (Aug. 2014),

<u>https://ssa.uchicago.edu/sites/default/files/uploads/lambert.fugiel.henly_precarious_work_schedules.august2014_0.p</u> <u>df</u> (finding that "about 44 percent of workers overall and half of hourly workers say that they do not have any input into when they start and finish work").

⁵ See Zundl et al., supra note 4.

⁶ See generally, e.g., Responses to and Repercussions from Income Volatility in Low- and Moderate-Income Households: Results from a National Survey, ASPEN INST. (Dec. 2017), <u>http://www.aspenepic.org/responses-</u> <u>repercussions-income-volatility-low-moderate-income-households-results-national-survey</u>; Daniel Schneider & Kristen Harknett, Hard Times: Routine Schedule Unpredictability and Material Hardship Among Service Sector Workers, WASH. CTR. FOR EQUITABLE GROWTH (Oct. 2019), <u>https://equitablegrowth.org/working-papers/hard-times-routine-</u> <u>schedule-unpredictability-and-material-hardship-among-service-sector-workers</u>.

⁷ See generally Collateral Damage, supra note 1; Daniel Schneider & Kristen Harknett, Parental Exposure to Routine Work Schedule Uncertainty and Child Behavior, WASH. CTR. FOR EQUITABLE GROWTH (Oct. 2019),

https://equitablegrowth.org/working-papers/parental-exposure-to-routine-work-schedule-uncertainty-andchildbehavior: Julie Vogtman & Karen Schulman, Set Up to Fail: When Low-Wage Work Jeopardizes Parents' and Children's Success, NWLC (Jan. 2016), https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-

content/uploads/2016/01/FINAL-Set-Up-To-Fail-When-Low-Wage-Work-Jeopardizes-Parents%E2%80%99-and-Children%E2%80%99s-Success.pdf.

⁸ See generally Zundl et al., supra note 4.

⁹ See, e.g., Vogtman & Schulman, *supra* note 7, at 18; Dani Carillo et al., *On-call Job, On-Call Family: The Necessity* of Family Support Among Retail Workers with Unstable Work Schedules (Wash. Ctr. for Equitable Growth Working Paper 110116, Nov. 2016), <u>http://equitablegrowth.org/wp-content/uploads/2016/10/110116-WP-retail-workers-with-unstable-schedules.pdf;</u> Kristen Harknett, Daniel Schneider & Kristen Luhr, *Who Cares If Parents Have Unpredictable* Work Schedules?: Just-in-Time Work Schedules and Child Care Arrangements, Soc. PROBLEMS (Sept. 2020), https://doi.org/10.1093/socpro/spaa020.

¹⁰ See generally Jasmine Tucker & Julie Vogtman, *When Hard Work Is Not Enough: Women in Low-Paid Jobs* (July 2023), <u>https://nwlc.org/resource/when-hard-work-is-not-enough-women-in-low-paid-jobs</u>.

¹¹ Id.

¹² See Bureau of Labor Statistics, *American Time Use Survey, Table A-1: Time spent in detailed primary activities and percent of the civilian population engaging in each activity, averages per day by sex, 2022 annual averages*, U.S. DEP'T OF LABOR (2023), <u>https://www.bls.gov/news.release/atus.t01.htm</u>.

¹³ See Sarah Jane Glynn, *Breadwinning Mothers Are Critical to Families' Economic Security*, CTR. FOR AM. PROGRESS (Mar. 2021), <u>https://www.americanprogress.org/article/breadwinning-mothers-critical-familys-economic-security</u>.

¹⁴ See Adam Storer, Daniel Schneider & Kristen Harknett, *What Explains Race/Ethnic Inequality in Job Quality in the Service Sector?*, 85 Am. Soc. Rev. 537 (2020), <u>https://journals.sagepub.com/doi/pdf/10.1177/0003122420930018</u>.

¹ See generally, e.g., Collateral Damage: Scheduling Challenges for Workers in Low-Wage Jobs and Their Consequences, NAT'L WOMEN'S LAW CTR. (NWLC) (Sept. 2023), <u>https://nwlc.org/resource/collateral-damage-scheduling-challenges-workers-low-wage-jobs-and-their-consequences</u>; Daniel Schneider & Kristen Harknett, Consequences of Routine Work-Schedule Instability for Worker Health and Well-Being, 84 AM. Soc. Rev. 82 (Feb. 2019).

¹⁵ See Valentin Bolotnyy and Natalia Emanuel, *How Unpredictable Schedules Widen the Gender Pay Gap*, HARV. BUS. REV. (July 1, 2022), <u>https://hbr.org/2022/07/how-unpredictable-schedules-widen-the-gender-pay-gap</u>.

¹⁶ See The Wage Gap, State by State, NWLC (Oct. 2023), <u>https://nwlc.org/resource/wage-gap-state-state/</u>.

¹⁷ See The Wage Gap for Mothers by Race, State by State Tables, NWLC (Aug. 2023),

https://nwlc.org/resource/wage-gap-for-mothers-by-race-state-by-state.

¹⁸ Id.

¹⁹ See, e.g., Sarah Javaid, A Window Into the Wage Gap: What's Behind It and How to Close It, NWLC (Jan. 2024), <u>https://nwlc.org/wp-content/uploads/2023/01/2023-Wage-Gap-Factsheet.pdf</u>

²⁰ See, e.g., Brooke LePage, *Part-Time Workers Are Facing Heightened Uncertainty During COVID—And Most Are Women*, NWLC (Feb. 2022), <u>https://nwlc.org/resource/part-time-workers-factsheet</u>; Lonnie Golden, *Part-Time Workers Pay a Big-Time Penalty*, ECON. POLICY INST. (Feb. 2020), https://files.epi.org/pdf/179038.pdf.

²¹ See State & Local Laws Advancing Fair Work Schedules, NWLC (Sept. 2023), <u>https://nwlc.org/resource/state-and-local-laws-advancing-fair-work-schedules</u>.

²² See Scheduling Away Our Health: How Unpredictable Work Hours Affect Health and Well-Being, HUMAN IMPACT PARTNERS 7-8 (2016), <u>https://humanimpact.org/wp-content/uploads/Scheduling-Away-Our-Health_rev3.pdf</u>.
²³ See State & Local Laws Advancing Fair Work Schedules, supra note 23.

²⁴ Communication from Krista Hardwick, legal counsel, Deputy (Jan. 28, 2020). Ms. Hardwick reports that fair workweek laws generally result in a 14 percent increase in hours for workers; absences and tardiness have gone down by over 30 percent; and covered employers in fair workweek jurisdictions have seen a 3 percent decrease in labor costs.

²⁵ See, e.g., Joshua Choper, Daniel Schneider & Kristen Harknett, Uncertain Time: Precarious Schedules and Job Turnover in the U.S. Service Sector, 75 ILR REV. 1088 (Oct. 2022), <u>https://doi.org/10.1177/00197939211048484</u>; David Fuller et al., *How Retailers Can Attract and Retain Frontline Talent Amid the Great Attrition*, McKINSEY & Co. (Aug. 17, 2022), <u>https://www.mckinsey.com/industries/retail/our-insights/how-retailers-can-attract-and-retain-frontline-talent-amid-the-great-attrition</u> (reporting that front-line retail employees most frequently named lack of control over their workplace schedules—including unpredictable hours and rigid start/stop times—as the reason for leaving their jobs); Sarah Kalloch, Amanda Silver & Zeynep Ton, *Give Service Workers Stable Schedules*, HARV. BUS. REV. (March 29, 2022), <u>https://hbr.org/2022/03/give-service-workers-stable-schedules</u>; Liz Ben-Ishai, *Job Schedules that Work for Businesses*, CTR. FOR LAW & SOCIAL POL'Y 1 (Nov. 2014), <u>http://www.clasp.org/resources-and-publications/publication-1/Job-Schedules-that-Work-for-Businesses.pdf</u>
²⁶ See, e.g., Joan C. Williams et al., *The Stable Scheduling Study: Stable Scheduling Increases Productivity and*

²⁶ See, e.g., Joan C. Williams et al., The Stable Scheduling Study: Stable Scheduling Increases Productivity and Sales, CTR. FOR WORKLIFE LAW 38 (Mar. 2018), <u>https://worklifelaw.org/wp-content/uploads/2019/02/Stable-</u> <u>Scheduling-Health-Outcomes-Report.pdf</u>; Katherine Guyot & Richard V. Reeves, *Unpredictable Work Hours and Volatile Incomes Are Long-Term Risks for American Workers*, BROOKINGS INST. (Aug. 2020),

https://www.brookings.edu/blog/up-front/2020/08/18/unpredictablework-hours-and-volatile-incomes-are-long-termrisks-for-american-workers.

²⁷ Elizabeth O. Ananat, Anna Gassman-Pines & John A. Fitz-Henley II, *The Effects of the Emeryville Fair Workweek* Ordinance on the Daily Lives of Low-Wage Workers and Their Families, 8 RUSSELL SAGE FOUND. J. Soc. SCIENCES 45 (2022), <u>https://doi.org/10.7758/RSF.2022.8.5.03</u>.

²⁸ Kristen Harknett, Daniel Schneider & Veronique Irwin, *Seattle's Secure Scheduling Ordinance: Year 2 Impact Report*, SHIFT PROJECT (Feb. 2021), <u>https://shift.hks.harvard.edu/seattles-secure-scheduling-ordinance-year-2-worker-impact-report/</u>.

MD Rise - SB994 - Fair Scheduling - FAV.pdf Uploaded by: Lisa Klingenmaier

Position: FAV



Testimony in Support of Senate Bill 994 Maryland Predictable Scheduling Act

Senate Finance Committee March 12, 2024

Maryland Rise strongly supports SB 994, the Maryland Predictable Scheduling Act, which requires certain businesses to guarantee workers a minimum payment for shifts canceled or shortened at the last minute, as well as allow workers to decline schedules that do not permit sufficient rest time between shifts. These important changes allow working Marylanders to plan both their work and personal lives.

Unpredictable work schedules—common in low-wage service jobs—make it harder for workers to balance their work, family, and personal responsibilities. When workers are only given their shift schedules days in advance, it is a challenge to arrange childcare, plan transportation, address health care needs for themselves and other family members, hold down an additional job, or take classes to advance their career opportunities. Moreover, workers who cannot predict their hours in advance cannot ensure they will take home enough money to make ends meet. It also prevents workers from resting, taking part in religious communities, and having the time and space to plan for the near future and set longer term goals.

SB 994 provides covered workers with two weeks' notice of shift schedules, compensation when shifts are changed at the last minute, and time between shifts to commute, eat, and rest. Predictable scheduling protects workers from unfair, dangerous shift scheduling practices that make it a challenge for workers to build economic security. SB 994 is a just approach that ensures workers – particularly those working in hourly jobs and on the lower end of the wage scale – can schedule their work time, meet family and other obligations, and rest.

Many service-sector employers use "just in time" scheduling to adjust work schedules week-by-week, day-by-day, and even hour-by-hour, as they seek to have just enough workers to meet immediate needs. While this works for employers, it is disruptive to workers, their families, and others who rely on those workers.

Maryland Rise works to promote economic opportunity for all Marylanders. The ability to control one's own time at work and otherwise is foundational for all people and ensures that people can be fully present in their work and personal lives.

Maryland Rise urges a favorable report on SB 994. Thank you for your consideration.

Submitted by: Lisa Klingenmaier, Executive Director

Maryland Rise works to promote economic opportunity for all Marylanders.

SB994_Fugiel_FAV.pdf Uploaded by: Peter Fugiel Position: FAV



School of Management and Labor Relations Rutgers, The State University of New Jersey Labor Education Center, Ste. 134 50 Labor Center Way New Brunswick, NJ 08901-8553

March 11, 2024

Dear Chair Beidle, Vice Chair Klausmeier, and members of the Finance Committee:

I am writing in support of Senate Bill 994, the *Maryland Predictable Scheduling Act*. As an academic researcher with expertise in labor scheduling practices and policies, I believe this legislation would improve the wellbeing and economic security of retail, hospitality, and food service workers in the state of Maryland.

I am currently conducting research on similar scheduling laws that have been in effect for years in Chicago, New York City, Oregon, Philadelphia, San Francisco, and Seattle, among other jurisdictions. These laws originate with worker demands for adequate hours and predictable shifts, both to earn a decent income and to plan their lives outside of work. Maryland has followed many states in enacting paid sick time and raising the minimum wage to \$15/hour, but these laws do not guarantee a livable income for workers with too few hours or unpredictable schedules at work. SB 994 would bolster the state's commitment to hourly service workers by requiring their employers to provide 14 days' advance notice and compensation for employerdriven changes to the schedule.

SB 994 promotes the goal of predictable scheduling while making reasonable provisions for employers to adapt to unforeseen market conditions. In consumer services, as in many businesses, things don't always go according to plan. Under the draft bill, covered employers would still be able to change the schedule on short notice so long as they compensate affected workers with additional pay or, in the case of hours reductions, half the pay they would have received for the scheduled hours. If schedule flexibility is truly valuable to a business, an extra hour is a modest premium to pay workers who agree to a change for the employer's benefit. By the same token, SB 994 provides a disincentive for employers cutting hours as a way of offloading business risk onto workers. Research by Susan Lambert and colleagues shows that managers in many retail and food service establishments are able to provide 14 days' advance notice.¹ Lambert's research also establishes that, when there is a business need for schedule changes, premium pay for workers who accept these changes can be offset through increased productivity and retention.

Opponents such as the Maryland Hotel Lodging Association (MHLA) claim that extra pay for schedule changes is not necessary because workers already benefit from greater flexibility or opportunities for advancement. These claims are not supported by prior research I conducted using data from the Bureau of Labor Statistics.² Studying a cohort of employees born in the early 1980s, I find that these early-career workers are penalized rather than rewarded for schedule instability. Compared with more stable but otherwise similar jobs, workers with unpredictable schedules report lower job satisfaction and are less likely to have access to beneficial flexibility. They are also more likely to leave jobs with unstable schedules, contributing to problems with worker retention in retail, food service, and other sectors where unstable scheduling is common. SB 994 would help Maryland employers to attract and retain hourly workers in covered sectors

¹ Lambert, Susan, and Anna Haley. 2021. "Implementing Work Scheduling Regulation: Compliance and Enforcement Challenges at the Local Level." *ILR Review*, 74(5), 1231-1257. <u>https://doi.org/10.1177/00197939211031227</u> ² Fugiel, Peter. 2022. "Compensation for Unstable and Unpredictable Work Schedules: Evidence from the National Longitudinal Survey of Youth, 1997 Cohort." Washington Center for Equitable Growth working paper. <u>https://equitablegrowth.org/wp-content/uploads/2022/04/041522-WP-Compensation-for-Unstable-and-Unpredictable-Work-Schedules-Fugiel.pdf</u>

either by making schedules more predictable or compensating workers for the risks that come with unpredictable schedules. Rather than an impediment to addressing staffing shortages cited by the MHLA, this bill can be part of a solution that benefits employers as well as workers.

Maryland can learn from the example of other jurisdictions where similar legislation has been implemented with more or less success. As shown in research by Kristen Harknett and colleagues, the Seattle Secure Scheduling Ordinance has been effective in improving schedule predictability, resulting in better sleep quality and greater economic security for covered workers.³ By contrast, the Oregon Fair Workweek Act has had limited success in increasing predictability or compensation for schedule changes, according to research by Larissa Petrucci and coauthors.⁴ The different outcomes of these scheduling laws stem from differences in how these jurisdictions handled rulemaking, outreach, and enforcement. Seattle made significant investments in outreach to employers, workers, and community organizations as well as expanding its own Office of Labor Standards. Meanwhile, Oregon's law has been undermined by language allowing many if not most employers to exempt workers on a "standby list" from premium pay under the presumption that they have consented in advance to uncompensated schedule changes. I urge a favorable report on SB 994 and careful consideration of the conditions for its successful implementation, specifically by avoiding a standby list loophole and investing in outreach and enforcement capacity on the model of Seattle or New York City.

I would be happy to answer questions about this testimony and recommend other experts whom you could consult regarding implementation and enforcement of fair workweek standards. I can be reached by phone at 260-468-8528 and by email at <u>peter.fugiel@rutgers.edu</u>. Thank you for your consideration of this important issue.

Sincerely,

Peter J. Fuzil

Peter J. Fugiel, Ph.D.

³ Harknett, Kristen, Daniel Schneider, and Véronique Irwin. 2021. "Improving Health and Economic Security by Reducing Work Schedule Uncertainty." *Proceedings of the National Academy of Sciences* 118, no. 42. https://doi.org/10.1073/pnas.2107828118

⁴ Petrucci, Larissa, Lola Loustaunau, Ellen Scott, and Lina Stepick. 2021. "Persistent Unpredictability: Analyzing Experiences with the First Statewide Scheduling Legislation in Oregon." *ILR Review 75* (5), 1133-1158 https://doi.org/10.1177/00197939211064902.

03.11 - SB 994 - Maryland Predictable Scheduling A Uploaded by: Robin McKinney

Position: FAV



Chair Beidle, Vice-Chair Klausmeier and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 994. This bill will ensure low-income workers have more stability in their work schedules.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.

CASH's clients often face unpredictable changes or cuts to their working hours that throw them into financial instability. CASH is the nonprofit administrator of Baltimore City's guaranteed income program- The Baltimore Young Family Success Fund. This program provides \$1,000 a month for 24 months to young parents living in Baltimore City. One participant reached out to us because she was having trouble paying rent. Her employer unexpectedly cut her hours, and she did not have time to adjust or react to the change in her schedule. This example shows how employees need more time and notification about significant changes in their schedules.

According to Prosperity Now's most recent scorecard for Maryland, 20.2% of Maryland households experience income volatility, 26.7% have difficulty paying for usual household expenses, and 39% of Marylanders are in liquid asset poverty¹. This means that many Marylanders cannot afford to cover a single \$400 emergency. Things like car repairs, medical emergencies, or other unexpected bills can cause families to become caught in a cycle that is difficult for them to escape. Gaining predictability in their work schedule also allows for families to have predictability in their paychecks. They will have more control over how they budget and can prepare for future dips in their paychecks.

SB 994 will help low-income families by ensuring fair scheduling practices. It will help low-income families mitigate problems scheduling changes have on finding childcare, planning transportation, and making enough in the pay period to cover their household needs.

Thus, we strongly urge a favorable report for SB 994.

Creating Assets, Savings and Hope

Oral Testimony for SB994.pdf Uploaded by: Sheva Spangler Position: FAV

Oral Testimony for SB994 Finance Committee Sheva Spangler Tuesday, May 12, 2024

Thank you Chair Beidle, Vice-Chair Klausmeier, and members of the Finance Committee for the opportunity to testify today in favor of Senate Bill 994. My name is Sheva Spangler, I am a Harford County resident and a parent of a teen who has been negatively impacted by the just-in time scheduling practices at his part- time job.

My son obtained his first job last summer at a fast food chain restaurant. His schedule is released one week at a time and to this day he has yet to receive his schedule with more than 2 days' notice. More often than not he is given his schedule on Saturday, providing less than 24 hour notice of when his shift begins on Sunday. My son is a cadet in the Civil Air Patrol. He has missed out on several trainings and orientation flights because he was not sure if he had to work. He is not comfortable calling off work last minute, so he sacrificed his time outside of work to ensure availability. He has more concern and respect for his employer than they have for him. He has been asked to come in early and stay late, which he typical says yes because he feels obligated, sometimes working more hours than legally allowed. My son does not have any bills or a family to care for and yet he still feels pressure to assent to these unreasonable work conditions. These just-in-time scheduling practices impact a lot of workers, up to the 60-70% low-wage workers. I can only imagine the struggles and difficult choices they have to make. It was hard not to get emotional hearing the testimony last week in the House.

I also listened to the concerns from the business community. I understand where they are coming from, but research has shown that predictable scheduling practices benefits both the employees and the employers. And as a person who previously worked in fast food and retail establishments and never experienced these just-in-time practices, I believe the requirements in this bill are achievable.

I would like to thank Senator Benson for supporting this issue and I urge you to give SB994 a favorable report and support workers so they no longer have to work under these unreasonable conditions. Thank you!

Tracy Lingo Testimony Favorable SB994.pdf Uploaded by: Tracy Lingo

Position: FAV



Hearing of the Senate Finance Committee, March 12, 2024

Position: FAVORABLE

Good afternoon Chairwoman Beidle and members of the Senate Finance committee. My name is Tracy Lingo. I am the Presidents of UNITE HERE Local 7, our Union represents over 2,000 workers who work in hotels, university food service, casinos , events centers and stadiums throughout Maryland. Hospitality workers, including our members, often have unpredictable schedules. Many do not know what hours or days they will be working until days before a new pay period begins. Our members have trouble finding childcare or planning other necessary life activities like doctors appointments because they don't know when they will be working. Even things as simple as planning transportation to work become a problem when you don't know when you will be working until the last minute. In the hospitality industry, hours are often cut unexpectedly at the last minute. This not only makes it difficult for our members to plan a budget but often means that our members need to work more than one job to survive. This makes unpredictable scheduling even more of an issue when you are waiting to hear from one employer before you can tell another employer what days you will be available. Sometimes are members lose second jobs they depend on because their hours on their first job unexpectedly conflict.

You'll hear today from one of our members Caroline Easley Brooks who works for Fanatics running the Team store at Camden Yards. Through two pervious Union operators Caroline had a predictable Monday through Friday set schedule with extra work available on game days. Although the team store is still open year round, at least five days per week, the new operator Fanatics, has chosen to break up the five day schedule into less predictable segments of three days one week and two days another week because they say their business model does not include full time work. As a result of this loss of income and stability Caroline must now juggle less predictable schedules at Fanatics and the Baltimore Convention Center, waiting to get a schedule at one job, to let the other job know when she is available.

SB 994 would create life changing stability for thousands of hospitality workers including our members. For this reason we urge you to give SB 994 a favorable report.

SWASC Testimony SB994.pdf Uploaded by: UM SWASC Position: FAV



TESTIMONY IN SUPPORT OF SENATE BILL 994 Maryland Predictable Scheduling Act *Finance Committee* March 12, 2024

Social Work Advocates for Social Change strongly supports SB994, which will require food service, retail, and hospitality employers to provide advanced notice of work schedules, provide compensation for last minute scheduling changes, and require rest between shifts. This bill will provide predictability and stability to eligible employees in this industry. Studies tracking cities who have passed similar legislation have found that predictable scheduling ordinances have improved working conditions and well-being for employees.

Unpredictable scheduling has been shown to negatively impact income stability, causing a variety of hardships – material and otherwise.ⁱ Recent decades have seen increasing precarity in lower wage jobs including precarity in scheduling, with many workers in retail and food service jobs having regular uncertainly and instability in their work schedules from day-to-day and week-to-week. More than 60% of low-wage workers receive less than two weeks' notice of their schedules, and more than 70% report recent changes to scheduled shifts.ⁱⁱ This limits a worker's ability to plan ahead, manage healthcare, provide for childcare, work multiple jobs, or take classes to advance their careers. It also leads to wage instability – and so instability in a household's ability to pay for basic needs like housing and food, both directly and because of the benefits to which the household might be eligible.ⁱⁱⁱ Such material instability has significant implications for one's health and wellness^{iv, v, vi, vii} - and on one's family and children.^{viii}

Legislation like SB994 has been implemented successfully elsewhere with positive results. Administrative data in Chicago has shown that employers provided advanced notice of schedules without negatively impacting the number of shifts and minutes allocated to workers.^{ix} They also noted that the companies reviewed showed no change to hiring or turnover. A worker impact study conducted in Seattle after the passage of their Secure Scheduling Ordinance found an increase in two week's advanced notice and compensation for scheduling changes at the last minute lead to increased well-being and job satisfaction.^x They found that the predictable scheduling increased job satisfaction. Workers reported improved sleep quality and a reduction in material hardships like hunger and housing instability compared to worker's in other cities.

Because of the many potential benefits of predictable scheduling, we believe it is time for Maryland to provide predictability and stability for its food service, retail, and hospitality employees. Social Work Advocates for Social Change urges a favorable report on SB994.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.



ⁱ Schneider, D., & Harknett, K. <u>Hard times: routine schedule unpredictability and material hardship among service</u> <u>sector workers</u>. *Social Forces*, 99(4), June 2021, 1682–1709.

^{III} Hill, H., and Ybarra, M. 2014. "Less-educated Workers' Unstable Employment: Can the Safety Net Help?" In *Fast Focus*. Madison: Institute for Research on Poverty, University of Wisconsin.

^{iv} Heflin, C. M. & Iceland, J. (2009). Poverty, material hardship, and depression." *Social Science Quarterly* 90(5): 1051–1071.

^v McCarthy, B.,Carter, A., Jansson, M., Benoit, C., & Finnigan, R. (2018). Poverty, material hardship, and mental health among workers in three front-line service occupations. *Journal of Poverty* 22(4): 334–354.

^{vi} Li Donni, P. (2019). The unobserved pattern of material hardship and health among older Americans. *Journal of Health Economics* 65: 31-42.

^{vii} Tucker-Seeley, R.D., Li, Y., Subramanian, S.V., & Sorensen, G. (2009). Financial hardship and mortality among older adults using the 1996-2004 health and retirement study." *Annals of Epidemiology* 19(12): 850–857.

^{viii} Schneider, D. & Harknett, K. (October 16, 2019). Parental exposure to routine work schedule uncertainty and child behavior. Washington Center for Equitable Growth.

^{ix} Kwon, C. & Raman, A. (2023, August 16) The effects of fair workweek laws on worker schedules: Evidence from Chicago. SSRN. <u>https://ssrn.com/abstract=4542956</u>.

^{*} Harknett, K., Schneider, D., & Irwin, V. (2021). Seattle's secure scheduling ordinance: Year 2 worker impact report. Accessed at <u>https://shift.hks.harvard.edu/wp-content/uploads/2021/02/Seattle-Year-2-Evaluation.pdf</u>.

ⁱⁱ Ibid.

WDC 2024 Testimony_SB994_FINAL.pdf Uploaded by: Virginia Macomber

Position: FAV



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www.womensdemocraticclub.org

Senate Bill 994 - Maryland Predictable Scheduling Act Senate Finance Committee – March 12, 2024 SUPPORT

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2024 legislative session. WDC is one of Maryland's largest and most active Democratic clubs with hundreds of politically active members, including many elected officials.

WDC urges the passage of <u>SB 994</u> *Maryland Predictable Scheduling Act.* This bill will require a food service facility, hospitality establishment, or retail establishment that employs at least 500 employees nationally or worldwide, or is part of a chain of at least 30 restaurants, or a franchisee, to provide written notice to employees of their consecutive 7-day work schedule at least fourteen days in advance, and to pay an employee 50 percent of their regular pay for shifts that are canceled or reduced. An employee may decline to work hours not included in the original work schedule. An employee may also decline to work a shift that begins 11 hours after the end of the previous shift unless the employee agrees in writing and is paid 1.5 times the employee's regular pay rate. An employer is required to post Notice of the employees' rights and keep specific compliance records for at least three years. This bill also includes anti-retaliation provisions, establishes procedures for investigating complaints by the Maryland Department of Labor, and sets forth penalties, including financial penalties, for non-compliance.

The food and retail service industry – especially chains and franchises – are among the most common users of just-in-time scheduling. In general, retail workers are more likely to be women and/or Black and Hispanic, who are employed in the lower-paid job categories that are most frequently subject to just-in-time scheduling. When workers' schedules are unstable and <u>unpredictable</u>, they struggle to pay rent, hold a second job to make ends meet, or take classes to improve their work prospects. They are also more likely to suffer untreated stress and health issues, skip meals or rely on food pantries, move in with others, and place their children in unstable, last-minute childcare arrangements. One <u>study</u> found that 80 percent of hourly workers had little or no input into their schedules, and one in three received their schedule less than one week in advance. Another <u>study</u> found that fair schedules reduced employee turnover.

We ask for your support for SB 994 and strongly urge a favorable Committee report. Passage of this legislation will ensure that shift workers have schedules that will enable them to provide more stability and predictability for themselves and their families.

Tazeen Ahmad WDC President Ginger Macomber WDC Working Families Committee Cynthia Rubenstein Co-Chair, WDC Advocacy

SB994 Written - Favorable 2024.pdf Uploaded by: Zoe Gallagher Position: FAV



Testimony to the Senate Finance Committee SB994 - The Maryland Predictable Scheduling Act Position: Favorable

3/11/2024 The Honorable Pam Beidle, Chair Senate Finance Committee 3 East, Miller Senate Office Building Annapolis, MD 21401 cc: Members, Senate Finance

Chair Beidle and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

I am writing to urge your favorable report on SB994, the Maryland Predictable Scheduling Act, which would provide stability and reliable wages for workers of large companies, require employers to compensate their employees for altering their schedule at the benefit of the company, and establish practices that allow workers to more easily demonstrate their rights in the workplace.

Unpredictable scheduling takes a tremendous toll on both the personal and financial lives of employees. Large companies are able to prioritize profit over their employees in the short run through "just-in-time scheduling" and cutting hours last minute. <u>Nearly one in five</u> wage and salary workers over the age of 15 know their schedules less than one week in advance. Although it might seem arbitrary to some, unpredictable scheduling makes it impossible for many workers to make plans in advance, impacting their familial and social lives. This leads to disparities in mental health outcomes. One <u>study</u> found that employees with the most unpredictable schedules were twice as likely to report psychological distress than employees with stable schedules.

Unpredictable scheduling also impacts the financial stability of workers. <u>Three in four</u> hourly wage workers between the ages of 26 and 32 report that their hours fluctuate from week to week, which means that, not only are their hours unpredictable, but their income is too. Additionally, the fluctuation of hours often means that workers can lose access to social safety net programs like SNAP and TANF due to hourly work requirements. For example, for most workers to qualify for SNAP in Maryland, they need to work at <u>least</u> 20 hours every week, with no averaging. So, if an employer decides to cut hours for just one week without an employee's consent, they lose access to both wages *and* SNAP benefits. This is especially problematic considering the racial disparities within this issue, with Black and Hispanic women being the <u>most likely</u> groups to face unpredictable scheduling.

The pandemic made it clear that essential workers keep our country running. They should be treated with respect and adequately compensated for their time and dedication to the companies they work for. This first fiscal quarter alone, Starbucks has made over <u>\$1 billion in profit</u>, yet they consistently practice



"just-in-time" scheduling and cut hours last minute to ensure profit maximization. The employers that this bill targets are not mom and pop small businesses, they are companies with over 500 workers that can afford to compensate their employees for these kinds of scheduling adjustments.

Lastly, I just want to share a story from my older brother who has worked in retail for over a decade. When my older brother Kevin worked at Teavana at the Towson mall, the working environment was so bad that all of the key holders except for my brother left. Kevin, who was at the time making \$12 an hour as an assistant manager, needed to keep his job to pay his way through school at Towson. As the only keyholder left, he had to open and close the store every day for three consecutive weeks. However, because he was a part time employee limited to 35 hours a week, and because upper management did not want to pay him overtime, he was scheduled to come in and open every morning, work for a few hours, get off, and then come back at night to close the store. He did not receive any additional compensation for this work. This is not an uncommon occurrence, in fact it happened to my other older brother who worked at a Starbucks. He was the only keyholder left after mass quitting and missed my dad's birthday dinner despite requesting off because he was the only person who could close the store. These stories might seem arbitrary to some, but everyone should be allowed some semblance of work-life balance, or at least be compensated when that balance is uneven. Business practices like these allow multi million dollar companies to pinch pennies at the cost of employee mental health.

For these reasons, I urge a favorable report on SB994.

Best, Zoe Gallagher, Policy Associate



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SB 994 - UNF - MHLA.pdf Uploaded by: Amy Rohrer Position: UNF



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



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 of 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.



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 <u>Unfavorable Report</u> on <u>SB 994.</u>

Respectfully submitted,

Amy Rohrer President & CEO Maryland Hotel Lodging Association

2024 GBCC SB 994 Predictive Scheduling.pdf Uploaded by: Ashlie Bagwell

Position: UNF



Testimony on behalf of the Greater Bethesda Chamber of Commerce

In Opposition to Senate Bill 994—Maryland Predictive Scheduling Act

> March 12, 2024 Senate Finance Committee

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 570 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 994—Maryland Predictive Scheduling Act.

Senate Bill 994 prescribes how employers of some retail, hospitality and restaurant establishments manage employees' work schedules. While we appreciate the intent of Senate Bill 994, we do not believe such legislation has the intended impact for workers. In the hospitality and retail industry, generally speaking, work demand can shift without advanced notice. That remains the case as these industries continue to adjust post-COVID pandemic. Few retail and hospitality businesses have predictable staffing needs, making predictive scheduling complicated. Measures like this often mean employers are left to guess when it comes to scheduling, focusing on not over-staffing. This can result in fewer shifts for workers and, thus, smaller paychecks.

For these reasons, we would respectfully request an unfavorable vote on Senate Bill 994. Thank you for the opportunity to provide written comments.

SB 0994 - Maryland Predictable Scheduling Act- Opp Uploaded by: Danna Blum

Position: UNF



February 15, 2024

Senate Finance Committee Senator Pamela Beidle 3 East Miller Senate Office Building Annapolis, Maryland 21401

RE: SB 0994 - Maryland Predictable Scheduling Act - Oppose

Dear Senator Beidle:

SB 0994 dictates many provisions that will be unworkable for the industries this bill targets. These businesses provide products and services that consumers demand at all hours, on all days and at all times of the year. This bill will fundamentally prevent an employer from responding to business or staffing needs in a timely fashion, which can mean the difference between gaining or losing customers. Consumer demand changes, customers have needs that result in changes to the provision of services and goods and are not always "predictable".

In addition to the restrictions and penalties included for scheduling and changing of schedules, this bill also seeks to prohibit a business from requiring overtime or additional work hours without "permission" from employees. Furthermore, the bill's definition of "on-call shift" is not the definition under the federal Fair Labor Standards Act, which already details restrictions and when employees must be paid. This bill would nullify that definition and impose its own.

Legitimate, real world business needs and practices virtually guarantee that employers will be penalized for simply trying to run their business and succeed. Currently, under post- pandemic and also general economic conditions, food service and retail businesses are having great difficulty in finding employees. Given the lack of staff, changes in hours/shifts, etc. are virtually guaranteed.

While this bill seeks to penalize employers for what it implies is unpredictable scheduling, it does not address nor give employers the right to manage employees and require them to be more reliable or predictable in showing up to work. Human beings get sick, go on vacation, quit and get fired. These events are not always predictable. Therefore, penalizing a business for simply responding to this fact is wholly intrusive and unreasonable.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill and therefore requests that you give it an unfavorable report.

Sincerely,

mike McMallin

Mike McMullin President Carroll County Chamber of Commerce

CC: Senator Justin Ready Delegate April Rose

> Carroll County Chamber of Commerce • 9 East Main Street • Westminster, MD 21157 Phone: 410-848-9050 • Fax: 410-876-1023 • www.carrollcountychamber.org

SB 994_MDCC_Maryland Predictable Scheduling Act_UN Uploaded by: Hannah Allen

Position: UNF



SLEGISLATIVE POSITION: Unfavorable Senate Bill 994 - Maryland Predictable Scheduling Act Senate Finance Committee Tuesday, March 12, 2024

Dear Chairwoman Beidle 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 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

SB 994 requires food service, hospitality, and retail establishments to pay employees 1 hour at the employee's regular rate of pay each time the employer adds 1 or more hours of work to the employee's work schedule or changes the date, time or location of a shift. The bill also requires the employer pay an employee 50% of their regular rate of pay for all scheduled work hours the employee does not work due to the employer canceling or reducing the employee's work hours. Lastly, if an employee agrees to work a shift that falls within eleven hours after their most recent shift, the employer must pay them 1.5 times their normal wage rate, and if the total amount paid is less than what the employee would be paid for 4 hours worked at their regular wage rate, they must be paid an amount at least equivalent to 4 hours of work.

Currently, Oregon is the only state to have a restrictive scheduling law in place that impacts retail, hospitality and foodservice. While scheduling laws are intended to create more predictable schedules for workers in targeted industries, they almost always result in unnecessary burdens for both employers and employees. Retail and foodservice establishments are heavily reliant on foot traffic, which results in unpredictable demand. For example, a snowstorm would decrease foot traffic and keep people at home, reducing the number of employees needed that day. Conversely, an unseasonably warm winter day would increase foot traffic and the employer would need additional staff on hand. SB 994 would prohibit employers from being able to respond to these changes in demand.

Evidence from San Francisco, who has a similar scheduling mandate, has shown that twenty percent of impacted businesses reduced the number of part-time hires they made, and a similar proportion reduced the number of employees they scheduled per shift. The Washington Post also reported that many employees in San Francisco were unhappy with the mandate as it limited the employers' ability to offer last minute extra shifts.

Lastly, the COVID-19 pandemic has proven just how flexible retail and foodservice employers need to be when it comes to scheduling. Many employers faced significant staffing shortages due to employees testing positive or having to enter quarantine due to exposure. An employer's

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ability to reach out to other employees when faced with a scenario like this is critical to them being able to stay open and serve the community.

The Maryland Chamber of Commerce respectfully requests an **<u>unfavorable report</u>** on **SB 994**.

SB994 testimony.pdf Uploaded by: Kirk McCauley Position: UNF



Chair: Pamela Beidle, Vice Chair Katherine Klausmeier Members of Senate Finance Committee

RE: SB994 – Maryland Predictable Scheduling Act

Position: Oppose

My name is Kirk McCauley, my employer is WMDA/CAR, as a trade association we represent service stations, convenience stores and repair facilities across the state.

SB994 is filled with changes to Maryland overtime law, more record keeping and penalties, unreasonable burdens on employers and hurts employees who want flexible work schedules for school, and childcare.

- Casting a wide net by including business owners who are franchisees with a limited number of employees. The franchiser has no input on payroll, hours worked, scheduling or professional help. How do you go from 500 employees to a retailer that employees 10 20 people and holds them to the same standard?
- Changing the law on what constitutes overtime (11 hour rule) will hurt employees who want to work and get 40 hours in, might be scheduled for 32 hours and adding 8 hours at time and half would be a no go.
- SB994 would require an employer to pay an employee 4 hour regular pay when employee worked ½ hour overtime because another employee was late. page 9 lines 2-5. Instead of that ½ hour costing \$13.50 for \$18.00 an hour employee, cost to employer would be \$72.00.
- Invites litigation by employees, time consuming and very costly. Hurts employeeemployer relationship. Retaining records, written permission, rebuttable presumption. Labor costs are up along with benefits, this would only add another layer of costs.

For these reasons we ask for unfavorable report on SB994

Any questions, Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

Oppose MD SB0994.pdf Uploaded by: Matthew Kagel Position: UNF



March 12, 2024

Maryland Senate Finance Committee

RE: Oppose SB 0994

Dear Chairwoman Beidle, Vice Chair Klausmeier & Members of the Committee:

On behalf of the International Franchise Association (IFA), representing thousands of franchise establishments and hundreds of thousands of jobs in Maryland, I write to express our strong opposition to SB 0994, a proposed predictive scheduling law. The proposal unfairly and baselessly targets franchise business owners as compared to similarly situated non-franchised businesses. Moreover, why burden franchise business owners, especially small franchise owners, with more government mandates as they continue to deal with the same challenges as non-franchised and larger businesses related to high inflation and interest rates, supply chain struggles, and labor shortages?

The IFA respectfully requests all businesses, whether large or small, be treated equally. Unfortunately, as currently written, SB 0994 treats franchise businesses differently by limiting its application to only those businesses in a specific sector of the franchise industry, while not applying to similarly situated non-franchised businesses. Why does SB 0994 require a locally owned franchise to schedule its employees differently than the non-franchised business next door? Both businesses are competing for the same workers and same consumers and may in fact be providing similar products. However, one is burdened with an inflexible government mandate, while the other is not.

Franchises are in fact locally owned and operated small businesses allowing hundreds of thousands of Americans to participate in the American dream. Under the franchise model, it is the local franchisees who own the stores, not the corporate entities. These franchisees make the same day-to-day business decisions as their non-franchised neighbors, including employee scheduling. SB 0994 offers no premise to require locally owned franchise businesses to schedule their employees under a government mandate, while other similarly situated businesses do not. In Maryland, there are nearly 15,260 franchise establishments, providing over 162,000 jobs, and the franchise sector is projected to generate over \$17 billion in economic activity in 2024. In fact, a recent economic study conducted by IFA lists Maryland as a top ten state for franchising growth this year. SB 0994 would only hinder this growth.

The IFA respectfully requests you not pick winners and losers among Maryland businesses, especially as we see the promise of economic growth on the horizon. One of the goals of any new policy should be to ensure a level playing field for all local business owners and not put some at an advantage at the expense of others.

On behalf of the franchising industry in the state of Maryland, IFA requests you oppose SB 0994.

Respectfully,

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Matthew W. Kagel Director, State & Local Government Relations International Franchise Association