

The voice of Maine business

Testimony of
Peter M. Gore
Government Affairs Consultant
Maine Street Solutions
On behalf of the
Maine State Chamber of Commerce
Before the Joint Standing Committee on Labor and Housing
in opposition to
L.D. 1190, An Act to Ensure a Fair Workweek by Requiring Notice of Work Schedules

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Sen. Tipping, Rep. Roeder and members of the Joint Standing Committee on Labor and Housing, my name is Peter Gore, and I am a Government Affairs Consultant with Maine Street Solutions, and I am here on behalf of my client, the Maine State Chamber of Commerce, a statewide business association representing both large and small businesses speaking to you today in opposition to **L.D. 1190** An Act to Ensure a Fair Workweek by Requiring Notice of Work Schedules.

As drafted, LD 1190 applies to all private sector employers with more than 250 employees worldwide. Employers must provide an initial estimate of hours to new employees: "Prior to the start of a new employee's employment, an employer shall provide the employee with a good faith estimate in writing of the employee's expected minimum number of scheduled shifts per month, excluding on-call shifts, and the days and hours of those shifts."

In addition, employers must provide employees with at least two weeks' notice of work schedules, and if there is a change in schedule, the employer is required to provide notice through in-person conversation, by telephone call, <u>and</u> in writing, including by email, text message, or other electronic means of communication. If there are unexpected changes in the employee's schedule – i.e., due to the use of the relatively new earned paid leave law, which has only been in effect a little more than a year – then the employer must compensate the employee with additional pay according to the following schedule:

- With less than seven days' notice but 24 hours or more notice to the employee, one hour of pay at the employee's regular hourly rate;
- With less than 24 hours' notice to the employee, two hours of pay at the employee's regular hourly rate for each shift of four hours or less; and,
- With less than 24 hours' notice to the employee, four hours of pay at the employee's regular hourly rate for each shift of more than four hours.

Lastly, there are some exemptions in the bill for when work is impacted by an "act of God," civil emergency, or utility failure. However, there is no exemption for weather or other typical situations that exist in the retail or business world.



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It is important to note – because we have had inquiries by some of our manufacturing community members – that while the bill has traditionally been thought to specifically target the retail and restaurant economic sector, this bill will in fact impact every economic sector providing the employer has more than 250 employees worldwide and has workers who work on a scheduled basis.

When this bill was last heard in both 2015 and 2019, the Maine State Chamber joined a vast coalition of statewide business associations in opposition to the bill. The Maine State Chamber remains strongly oppose LD 1190. This bill seeks to impose significant wage-and-hour and scheduling restrictions on various employers in a wide variety of economic sector in our state. The result of which would be to place in statute the many business decisions employers make daily, or even hourly. Doing so would remove flexibility and sound management practices resulting in *an increase to the cost of doing business in this state significantly*. In addition, passage of LD 1190 would place Maine employers and the state's economy at a significant disadvantage relative to every other state in the country, as Maine would be one of only two states in the country to require compliance with such a law, with being the most restrictive in the nation.

What makes this proposal to galling to so many struggling small businesses is that, at the same time they are mandated to absorb and provide the higher cost of providing up to 40 hours of earned paid leave time, LD 1190 rubs salt in that wound by then requiring them to *pay up to double time* should they need to bring in an unscheduled employee to fill the shift left vacant by the worker using EPL time.

LD 1190 attempts to shoehorn different employers with different needs into a "one size fits all" approach to scheduling and workplace management. Such an approach is unrealistic and fails to consider the dynamics of each and every business and their employee team. More importantly, it sends a tremendous message outside the state of Maine with respect to our business environment, one that's improved considerably in the past several years. With 48 other states not imposing such onerous scheduling and management restrictions on their employers, why would investors bother to look to Maine when creating new jobs and opportunities? And for any business that is portable, why would it bother to stay here? The Maine State Chamber believes, in both cases, the state would lose its economic development competitiveness, employers, and jobs.

Because the passage of L.D. 1190 would make Maine and outliner from every other state in the nation, and because the bill will increase the cost and complexity of doing business here, the Maine State chamber is in firm opposition to the bill. Thank you for the opportunity to provide you with our concerns.