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HOUSE OF REPRESENTATIVES

LABOR AND INDUSTRY COMMITTEE
PUBLIC HEARING

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HARRISBURG, PA

MAIN CAPITOL BUILDING
ROOM 60, EAST WING

WEDNESDAY, JUNE 13, 2018
9:00 A.M.

PRESENTATION ON
HOUSE BILL 861
PREEMPTION OF LOCAL LABOR MANDATES

BEFORE:
HONORABLE ROB KAUFFMAN, MAJORITY CHAIRMAN
HONORABLE SHERYL DELOZIER
HONORABLE MARK GILLEN
HONORABLE SETH GROVE
HONORABLE FRED KELLER
HONORABLE DAVID MALONEY
HONORABLE ERIC NELSON
HONORABLE JESSE TOPPER
HONORABLE JOHN GALLOWAY, DEMOCRATIC CHAIRMAN
HONORABLE MORGAN CEPHAS
HONORABLE DANIEL DEASY
HONORABLE MARIA DONATUCCI
HONORABLE LEANNE KRUEGER-BRANEKY
HONORABLE JEANNE MCNEILL
HONORABLE DAN MILLER
HONORABLE GERALD MULLERY
HONORABLE ED NEILSON
HONORABLE ADAM RAVENSTAHL
HONORABLE PAM SNYDER

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Pennsylvania House of Representatives
Commonwealth of Pennsylvania
COMMITTEE STAFF PRESENT:
  JOHN SCARPATO
    MAJORITY EXECUTIVE DIRECTOR
SHANNON WALKER
    MAJORITY RESEARCH ANALYST
ELANA MAYNARD
    MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT II
VICKI DILEO
    DEMOCRATIC EXECUTIVE DIRECTOR
HALEY SALERA
    DEMOCRATIC RESEARCH ANALYST
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## Submitted Written Testimony

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(See submitted written testimony and handouts online.)
MAJORITY CHAIRMAN KAUFFMAN: Good morning, folks. I want to call this meeting of the House Labor and Industry Committee to order. And if we can all begin by standing for the Pledge of Allegiance.

(The Pledge of Allegiance was recited.)

MAJORITY CHAIRMAN KAUFFMAN: Thank you all for being here. I'd like to welcome everyone to this meeting today. Of course, the meeting is being recorded, and, Members and guests, if you could kindly silence your cell phones and electronic devices.

Would the Secretary please call the roll?

(Roll was taken.)

MAJORITY CHAIRMAN KAUFFMAN: Thank you. Representative Maloney is entering the room, so please add him to the roll today.

We will be discussing Representative Grove's legislation, House Bill 861, to preempt local ordinances governing employer policies and practices. At this time, I'd like to invite Representative Grove to address the
Committee briefly just to go over the background of the bill, and then we will proceed.

Representative Grove?

REPRESENTATIVE GROVE: Thank you, Mr. Chairman.

House Bill 861 is a preemption law that would bar local governments from passing labor law policies on private sector employees. It would not affect on their ability to manage their employees or govern their contracts with private employees or private employers.

The scope of this bill is ensure that local governments focus on what they should be focusing on. Primarily, local governments were created to focus on private safety, infrastructure, planning, zoning. Local labor laws is a new entity they've entered in, and it creates a patchwork of inconsistent rules and regulations throughout the Commonwealth, which hurts our ability to grow economically, and obviously businesses suffer, particularly ones that are in multiple jurisdictions.

So the scope of this bill is to provide consistent regulations throughout the Commonwealth of Pennsylvania, as well as provide a place in Pennsylvania that welcomes businesses so they can grow jobs and grow our economy and obviously grow our revenue through private sector job growth and not tax-and-spend policies.

Thank you, Mr. Chairman.
MAJORITY CHAIRMAN KAUFFMAN: Thank you, Representative Grove.

And Representative Gillen has entered the room, so please add him to the roll. Representative Galloway has entered the room. Please add him to the roll as well.

Now, I'd like to invite the first panel to join us by sitting at the desk right in front of us, and that is Jennifer White, Director of Training and Development, the Briad Group; Xavier Veliz, General Manager of Wendy's restaurants and the Briad Group; and Rebecca Oyler, who is Legislative Director of NFIB of Pennsylvania.

I would like to ask our witnesses here today to please summarize your testimony in a five-minute statement. We do have limited time today. The House convenes at 10 o'clock. And one of our legislative assistants, Shannon Walker to my right, will signal you when you have about 30 seconds remaining, so at that time you can begin concluding your remarks. So I will allow you all to begin however you like. You can do it in the order I announced you, or if you have an alternative order, I'm fine with that as well. So you may proceed.

MS. WHITE: Good morning. My name is Jennifer White. I'm the Director of Training for a company that operates a group of Wendy's in Pennsylvania, New Jersey, and New York. I am responsible for leading initiatives
that motivate and develop our people on a company level. I spend the majority of my time working in Wendy's kitchens with team members and managers, identifying restaurant opportunities and coaching the teams on best practices. I have a very unique perspective because I attend meetings with Directors and executives, while also working directly with our teams serving the guests.

I work directly with 22 Wendy's restaurants in New York City that are required to comply with New York City predictable scheduling laws. There are over 100 other Wendy's restaurants which I work with that are not subject to these laws. Today, I wanted to share with you what I have learned from my experience there because these experiences are why I support the State preemption bill H.B. 861.

Since these laws took effect in late November last year, my team has been tasked with the management of the documentation required to stay compliant with these laws. Each day, a full-time manager and myself review each restaurant's schedule from the day before and compare it to the time clock records. We look for any inconsistencies that could possibly result in premium pay under New York City law. Among the 22 restaurants, we find about 165 inconsistencies each day. Once this is done, we then collect documentation from every manager for each instance,
as required by law. In a little over six months, since the
laws were put into effect, we have processed over 30,000
documents. Due to the high volume of documents, this
process becomes incredibly time-consuming.

In addition to my assistance, we have a full-time
document manager, as well as two human resource managers
who coach managers and perform monthly internal audits. We
project that at the rate we are going year-to-date, we will
spend over $100,000 in processing documentation to remain
compliant with these laws, and over 1,400 labor hours have
been dedicated so far to managing documentation. This does
not include the administrative labor that the restaurant
teams will spend each day filling out, scanning, and filing
documentation.

These processes have become a reality for the
foreseeable future. Thus far, we have held 39 meetings on
compliance, as well as nine conference calls, with biweekly
calls scheduled every two weeks to review our practices,
coach our teams, and discuss results. Despite our best
efforts to enforce schedules as originally written, we have
spent over $100,000 in premium payments.

From a people perspective, I have worked in the
restaurant with the crews, and I have found that these laws
have put strain on the relationship between employee and
manager. In cities, we often experience a higher rate of
lateness, since many workers use mass transit to commute to work. Managers also use mass transit, so typically when an employee is running late due to trains or bus delays, it is a nonissue, but now that these laws are a reality, we must have each employee who is late sign documentation stating they were late so that we do not need to pay the $75 premium pay for working a shorter shift than originally scheduled.

In this situation, we have had numerous employees complain that they feel it is unfair they need to sign a document stating they were late, and that doing so makes them fear for their jobs. Some have even quit. When a mother needed to leave abruptly to go pick up her child, we used to be able to let her leave at the drop of a hat to take care of her family, but now we are forced to run and print a form that we are legally required for her to fill out and sign before she leaves to confirm, in the event of an audit, that she decided to end her shift early voluntarily to explain the schedule discrepancy. These moments happen in each restaurant every day, and it counteracts the trust and bond that our managers work so hard to build with our teams which, in my opinion, is invaluable.

One of the most attractive features of our industry is the flexibility of our scheduling. Many young
people seek employment in our industry for their first job simply because the shifts are flexible and schedules are easily changed at a moment's notice when things like a soccer game, school assignments, or school activities pop up at the last second. Predictable scheduling laws require that every day's schedule must be posted 14 days in advance. This means we have to have a minimum of three weeks of schedules up at any given time to ensure each day on the schedule until the end of the schedule has a minimum of 14 days ahead of it. Now, employees must know and communicate their exact availability four weeks in advance so that the manager can coordinate everyone's requests and make the schedule to have it posted in a timely manner.

Many interviewees are surprised and disappointed to hear this. Some even turn the job down on the spot once they've learned about the predictable scheduling laws. There have also been a great deal of new hires that haven't felt comfortable signing the good-faith estimate form required by law that asks the employer and employee to agree upon a certain availability and a number of hours to work each week. Most of them are surprised at how much commitment is now involved in a quick-service position.

We have also seen these laws cause turnover. The new scheduling practices have made it so that some employees who work more than one job are no longer able to
coordinate two jobs' schedules to work together, forcing them to choose between places of employment. One example is two nurses that were working at a restaurant on Utica Avenue in Brooklyn. Both were nurses working part-time for extra money at Wendy's. The entire time they worked with us, they had always called their manager on Thursday to give them their nursing schedules for the following week so that their hours could be coordinated between the two jobs. They are now unable to get their nursing schedules earlier. Unfortunately, due to this, they had to leave us to work in another industry.

On the surface, the laws sound helpful, but we have learned through these experiences that they are an obstacle and often feel like a penalty for our managers and our team members. I wish I could say that with all of this time, money, and effort that there has been a positive effect for the team members who this law was intended for, but unfortunately, every time I bring up these laws, I am met with phrases such as "What are you going to do about it? When are they going to stop the laws?" And I am never sure how to answer my teams in New York City, but I am hoping that by supporting this bill I can have an impact for my teams in Pennsylvania. Thank you.

MR. VELIZ: Good morning. As the General Manager of the Wendy's restaurant located in Queens Village, New
York, I have faced many challenges in our business regarding the new restrictive scheduling law. I work side by side daily with my entire team and management. Together, we have met our business goals and personal growth goals.

However, as of November 26, 2017, a date to remember, this new restrictive law was put in effect, and a lot of things have changed not only to harm the business, including the moral and the flexibility of our operation and entire team. Below, I will mention a few key points of what we have faced as a restaurant with our team.

I understand this new law was put in effect, and lawmakers thought it would help our crewmembers. Yet it does the opposite and has hurt our team and affected the moral of our working environment.

The first key point is flexibility of the scheduling; employee and management moral, being afraid; family culture piece destroyed little by little; employee crew turnover increases; excessive paperwork being processed; working in a tense atmosphere. Before this law, we had a flexible family culture and environment in our restaurant. If a crew member needed to change their schedule, they could call in advance speak to the manager, and the manager could make a change to their schedule or they could swap a shift with their crew members and advise
management of the change and management would update the schedule. Now, with this new law crew members cannot be flexible with their schedule and cannot make a change on the last minute. And in the case of an emergency, it will brings on more challenges regarding the scheduling and making sure that the crew members have their required hours for the week.

I recently had an incident where it broke my heart when a female employee came to work with a severe flu and with fever, taking transportation for minimum of one hour just because she was afraid of getting a write-up for not coming or sign required documentation.

Another example of how this restrictive law is hurting our employees in their personal life, an opener, Narinder, her schedule was 7:00 a.m. She lives like a mile away. She was running late and she was speeding up to get to the store on time. The police pull her over and gave her a speeding ticket, and she came crying because she was doing it for her not to clock in late and get a notation. My heart was broken to hear this incident again.

I really feel that this law, instead of protecting, is destroying our crew members' minds. As the manager in charge, that day, the lady with the severe flu, I sent her home I showed her that she was not going to get in trouble and to please take care of herself and go to the
doctor.

We have similar stories of high school students and crew members that don't know in advance when appointments or school activities will arise. Per the restrictive scheduling law, the schedules need to be made three weeks in advance, and sometimes, they have to miss these appointments or activities because they know that they are responsible to work the shifts that they are scheduled. Now my employees feel that they are working under obligation rather than be flexible.

My restaurant turnover last year was less than 10 percent for the entire year, and it has been six months with the restrictive scheduling law this year, and I forecast it to be more than 75 percent crew turnover. Flexible scheduling in a family environment boosts morale and limits turnover. Prior to this new law, I was able to hire part-time college students, part-time high school students. Now, that group of potential candidates are no longer available.

I sometimes feel bad for those high school/college students that we had working for us and that I know are academically doing well in school and they are trying to help their parents with putting in the Friday or Saturday day of work because those are the only days it can be done in order to maintain their grades. The New York
law has now limited our ability to keep those teammates previously hired employed.

I know when I was starting in this business, I was a student working part-time for three years while attending college. That was the only way for me to have extra cash to pay for books, clothes, and lunch money. The work environment is no longer a family fun place to work. Not only is the scheduling a concern, there is so much documentation and paperwork that has to be done on a day-to-day basis. Documentation is required for every situation, for lateness, for schedule changes, for staying past your scheduled time, for wanting to leave early due to bad weather or not being able to come in to work for bad weather, for being sick, for leaving due to an emergency.

Any changes to the crew member schedule require documentation and a signature from the crew member. More workload and pressure is added, and we are faced with the possibility of losing that great teammate. We now have a city that prevents employers from making the last-minute decisions for the well-being of their staff. Management will get penalized for adjusting or calling someone in order to relieve pressure or the stress from those that are being valued as loyal to their job.

The restricted scheduling has been extremely hard to manage. Teammates don't feel the need to work many
hours anymore, which has increased the numbers of call-outs and requests to leave early, and management has to document, which requires more paperwork. The crew members feel as though they are being targeted and their jobs are in jeopardy. Management has explained over and over the laws and how this is not a company policy; it is a New York law. However, the crew members do not see it that way. Our organization has a culture, and it is being jeopardized by this new law. My personal opinion is that business will not survive with this new restrictive law, and so our crew members working on this tense atmosphere will seek other employment.

MS. OYLER: Good morning. I'm Rebecca Oyler. I'm Legislative Director for NFIB Pennsylvania. NFIB represents 14,000 small and independent businesses in the Commonwealth in virtually every sector of the economy. We appreciate the opportunity to come and discuss House Bill 861, which we believe would prevent local micromanagement of labor laws to the detriment of business and economic development here in Pennsylvania.

Businesses depend on a certain amount of uniformity across boundaries to ensure predictability and to stay competitive. Local labor mandates create an uneven playing field and stack the deck against businesses located inside the affected municipalities. Businesses with
locations in and out of the affected municipality find it hard to manage their workforce policies when dealing with labor rules that differ across multiple jurisdictions.

Outside of those covered by Federal law, labor rules are the purview of State Government. They should apply equally to all workers in the State. It is impractical to expect Pennsylvania's over-2,500 municipalities to have expertise to research and evaluate full impacts of local labor ordinances and their effects on local businesses and economies. In fact, labor rules adopted in our larger cities have regional impacts affecting Pennsylvania's economy as a whole: unemployment, State wage and tax collection, and even whether businesses choose to locate here in Pennsylvania. They can undermine policies set at the State level and even hamper the overall business climate here.

Small businesses are especially vulnerable to the impact of local labor mandates. Small-business owners typically have no administrative staff, little human resources experience, and certainly no regular access to legal counsel. They often struggle to decipher the mysteries of overlapping, sometimes even conflicting, Federal, State, and local laws.

Understanding and complying with these mandates is expensive, both in terms of time and money, as you heard
from my fellow panelists. Workplace compliance costs small businesses 36 percent more per employee than it costs large businesses. Overlapping layers of mandates also divert owners from their primary function, which is providing goods and services and jobs to local economies.

You have heard from my fellow co-panelists about the importance of flexibility. The vast majority of small-business owners treat their employees and customers like their extended family. They work hard to do what is right, but their informal and unstructured nature and more limited financial resources require greater flexibility in creating policies and solutions that work for their business.

Burdensome and duplicative labor mandates shut off an avenue through which small businesses can find flexibility and really shine.

There is one business that will benefit from a patchwork of costly labor mandates across the State, and that is the litigation industry. Where confusion and conflicting rules arise, lawsuits abound. Honest paperwork or accounting mistakes by hardworking and well-meaning business owners often turn into lawsuits that can put an entrepreneur completely out of business. Even the threat of a lawsuit can lead to a costly settlements that threaten these businesses.

Given the detrimental impact to small businesses
of a myriad of local labor laws across the State, NFIB is pleased the Committee is considering this bill as a remedy. We have a few minor suggestions which are included in our testimony.

Overall, Pennsylvania has not fared well in the economic competition among the States. Being the sixth-largest economy in the Nation, it ranks 48th in creating new jobs. Passing House Bill 861 would signal that the State is not willing to becoming a complex and burdensome patchwork of local labor ordinances. It ensures consistency and predictability for businesses looking to keep and create jobs in local communities.

Thank you. We will be happy to answer questions.

MAJORITY CHAIRMAN KAUFFMAN: Thank you very much. I appreciate the panel's input.

Since we last recognized folks, Representative Keller, Representative Nelson, and Representative Donatucci have entered the room and should be added to the roll.

We have about 10 to 15 minutes for questions, and so I will recognize those who'd like to address the panel. Who would like to be first?

Representative Grove?

REPRESENTATIVE GROVE: Thank you, Mr. Chairman. I really appreciate the testifiers, particularly our friends from New York coming down and testifying on the
implications of local labor law compliance up in New York.

I am going to start with Ms. Oyler. Part of this is also the regulatory backbone to actually implement all of these little patchwork effects, right? So the local government has these requirements. They have to beef up all their bureaucracy, so taxpayers are on the hook for a higher bill. The businesses are on the hook for thousands of documentations of paperwork. Have you looked at the cost of these? Particularly Philadelphia has done some of these prior to and after the amount of new paperwork required in those entities, as well as the cost to taxpayers on a bigger, more bloated bureaucracy doing central planning for private business?

MS. OYLER: I don't have a specific number with me here today. We might be able to provide that for you in the future. But you're absolutely right, Representative Grove. Those overlapping and duplicative layers of bureaucracy and paperwork absolutely increase cost of doing business. They create a competitive disadvantage for the businesses who are affected by them, and ultimately, they do result in higher prices for consumers, fewer jobs in those local municipalities, and less benefits for workers and, as you heard, a loss of flexibility, which really is a benefit for many businesses and especially small businesses that can use flexibility. So increasing costs and the
complexity of the regulatory environment absolutely will have a detrimental impact on local economies. And we may be able to provide some more specific impact numbers for you.

REPRESENTATIVE GROVE: Okay. Mr. Veliz, with all the new mandates that you have in New York, I assume you spend more time doing paperwork. Did you have to hire new people to help you handle that paperwork? And I assume it's to the detriment of your employees. Instead of giving them a pay raise, providing any other kind of financial support to your current employees or hiring new people that you might actually need to operate your business, you're shifting more cost over to your regulatory side, to your paperwork side, which obviously doesn't provide more customer service, more job training, or even more pay to your employees. Have you seen that with these mandates?

MR. VELIZ: That's correct, yes. Well, Jennifer can talk about, you know -- because our organization have hired someone special for that, for this new restricted law to audit and keep us on track, so I just manage one restaurant. So just managing one restaurant, it's very hard for me to come in every day and just see so much papers, red flags, emails, so, yes, it's very difficult to manage that on a daily basis.

MS. WHITE: In the typical restaurant, you may
need to -- like in his restaurant, we may need an extra
shift supervisor just because we need somebody to watch the
floor while there is a more administrative and manager in
the back filing paperwork, filling out paperwork, printing
forms, figuring out who needs to fill out those forms,
reviewing those forms. We tried to take as much stress off
the restaurant as possible and do that as an organization
by having a full-time document manager who coordinates with
whatever manager is in the restaurant that day.

REPRESENTATIVE GROVE: So you're kind of blessed
because you have a franchise --

MS. WHITE: Yes.

REPRESENTATIVE GROVE: I have got to imagine a
lot of small businesses don't have the ability of having
that corporate hub. And probably your big, big
corporations easily can handle those calls within their
entire system. Obviously, it's increase cost but small
mom-and-pop businesses, the regulatory burden probably just
is devastating to them I would imagine.

MS. WHITE: Even other Wendy's, there are some
owners who only own one Wendy's restaurant or two Wendy's
restaurants. They are their own H.R. department, their own
payroll department, and they're always asking us what kind
of forms do you use, how do you process all this? Well, we
have somebody to do that, and they just have to add that
their list of things to do as they manage their business.

REPRESENTATIVE GROVE: All right. Thank you.

Thank you, Mr. Chairman.

MAJORITY CHAIRMAN KAUFFMAN: Representative

Krueger-Braneky.

REPRESENTATIVE KRUEGER-BRANEKY. Thank you,

Mr. Chairman.

Thank you, all three of you, for testifying here today.

For Mr. Veliz and Ms. White, so your testimony today, your written testimony focuses primarily on the challenges that you face with documentation and excessive paperwork due to New York's fair scheduling law. And yet your proposed solution here today would actually preempt all local labor laws in Pennsylvania, including paid sick leave, pay equity, "ban the box," nondiscrimination ordinances, sexual harassment, et cetera. So I'm wondering, isn't there an easier route for you to solve what seems to be a documentation issue than to preempt every single local labor law here in Pennsylvania?

MS. WHITE: We're kind of just reacting to specifically what we're seeing with our own restaurants in Philadelphia, so we would like to see a broader resolution that works for everybody because we have restaurants both in and out of Philadelphia, some of them very close
together, and we have employees who move back and forth. 
If there's a restaurant that's very busy in the city, we 
might bring some employees from outside the city. And if 
there are different laws in and out of the city, that's 
going to make everything very confusing and cumbersome to 
deal with.

REPRESENTATIVE KRUEGER-BRANEKY. So I noticed 
neither of you in your testimony talked about the impact of 
paid sick leave, and there's about 2,000 workers in 
Philadelphia that would actually lose access to paid sick 
leave if this bill were enacted. Can you talk about the 
impact of workers coming to work sick in the fast food 
industry? What's the impact on public health if that 
happens?

MS. WHITE: Generally, we don't have employees 
who come in sick. We have policies against that. If 
you're feeling sick, there are certain symptoms we're told 
to ask about, and if you have those symptoms, we ask you to 
stay home.

REPRESENTATIVE KRUEGER-BRANEKY. In Pennsylvania 
do your workers currently get paid sick leave?

MS. WHITE: To be honest, I'm not a payroll 
person, I'm a trainer, so I'm here because I asked to be 
here because the crewmembers in New York City asked me to 
represent what they're going through. And I don't know a
REPRESENTATIVE KRUEGER-BRANEKY. It would be helpful to get some information from your company about whether -- if those workers are told to stay home because they're sick, whether they would be paid for that.

Second question for Ms. Oyler, so you talk about small businesses, yet I note that the two businesses that are testifying here today are from a publicly traded company that's from outside of Pennsylvania. And in your testimony you say that it's impractical to expect that Pennsylvania's over 2,500 municipal governments will have the expertise to research and evaluate the full impact of local labor ordinances on their local businesses and economies. I want to point out the testimony from the Pennsylvania Municipal League, which represents 98 of those municipalities, actually coming out in opposition to this bill.

And we do have some constitutionality questions on it actually because of the preemption statute. So I guess my question for you is do you believe that this bill is in compliance with the Pennsylvania State Constitution?

MS. OYLER: I don't have any information to believe otherwise. I can tell you, Representative, that we strongly believe in consistency of labor laws across the State because it's important for our businesses to have
that consistency for predicting their business climate and
for managing, as we talked about earlier, the multitude of
regulations that businesses already deal with. So it's
difficult for them to understand and manage the regulations
that they already have, so insuring some consistency across
the State I think is absolutely essential for ensuring that
they can deal with the labor regulations as they currently
exist.

REPRESENTATIVE KRUEGER-BRANEKY. Well, I believe
there's a number of places where our State Government is
currently failing workers, failing our citizens by failing
to give them equal pay, paid sick leave, benefits, and
support for nursing mothers. All three of those are
eamples of legislation that have been held up in this
Legislature and not enacted. And in places where State
Government is failing, local government has the ability to
come up with local solutions to those problems. I believe
this bill would actually impede their right to do that. So
thank you, Mr. Chairman.

MAJORITY CHAIRMAN KAUFFMAN: Thank you.
Representative Ravenstahl, Representative Neilson, and
Representative Cephas have entered the room. And we're
moving on to Representative Nelson.

REPRESENTATIVE NELSON: Thank you, Mr. Chairman,
and thank you for your testimony, both the empathy and the
pain you feel from having employees that are crying and concerned about losing their positions or, you know, the challenges of operations.

Ms. White, would having, you know, as you touched on, employees shifting between business locations that may cross municipal lines and the difficulty that this presents both for the employees in understanding the laws in those areas and then as a business, part of the opposition against preemption is the concept of local control versus a State-level control and, you know, what could be considered a well-framed illusion that providing local control improves situations for businesses and the people that are inside those businesses, you know, versus the consistency argument.

So, first, if you could touch on some of those challenges that you see from employees or prohibitions for employees to cross a county line and maybe have different work rules, and then if from an NFIB perspective, you know, NFIB normally is a proponent of, you know, local control and independent businesses and how this illusion of having local control over this is actually creating greater hardship.

MS. WHITE: So we operate restaurants, 31 of them in Pennsylvania, some of them right inside the city, some of them right out. Some of them they're right across the
street from the city. It's very close. So it's oftentimes that crewmembers and managers will want to pick up a shift, oh, that restaurant is understaffed, can I go help there? And if the laws don't match, it's just going to make it harder to manage paperwork and they are not going to understand when I go there, what time do I have to be there, I have to be there, I can't come 30 minutes late, I had to pick up my kid, oh, well, just so you know, there's going to be a law in effect, and just having to train them and have them understand what's going to be expected of them, you know, a few blocks away from where they typically work.

REPRESENTATIVE NELSON: And do you anticipate that, you know, with the onset of a documentation manager in one county and another, is that going to impact pricing from one store on this township line and one store over here?

MS. WHITE: I would imagine. It has in New York.

REPRESENTATIVE NELSON: Okay.

MS. OYLER: Thank you, Representative Nelson. You are right. Managing the inconsistencies between local labor regulations is really a problem for especially those businesses, like you say, who cross boundaries. We've heard some concern about -- as I think we've already mentioned. So if you have two separate business locations,
one located inside and one outside a municipality, how do you, for example, count hours worked in one municipality versus the other when the employee is based in one and not the other and one is subject to labor rules that the other is not? So that is one thing that the small businesses are particularly concerned about tracking those types of requirements across municipal boundaries.

And, as I also mentioned, these types of rules also create competitive disadvantage for the businesses that are located in that municipality, and that's an issue and a big concern for us as well.

REPRESENTATIVE NELSON: And, Mr. Chairman, if I can, one last question?

MAJORITY CHAIRMAN KAUFFMAN: I'm sorry, we need to move on.

REPRESENTATIVE NELSON: Okay. Well --

MAJORITY CHAIRMAN KAUFFMAN: I have a list here. Thank you. Representative Keller.

REPRESENTATIVE KELLER: Thank you, Mr. Chairman.

I guess I have a question for the people in the restaurant that came to testify. When you open another store or another restaurant, do you sometimes move employees for training purposes, you know, to help the new store get up and running?

MS. WHITE: All the time.
REPRESENTATIVE KELLER: Okay. So not understanding the laws or having different laws from one municipality to another is a problem for doing that at --

MS. WHITE: It discourages us to do things like that in the future.

REPRESENTATIVE KELLER: So it would discourage you maybe to open up a restaurant in another area because of the restrictions, so then you would not employ people in that area that might need jobs?

MS. WHITE: Yes.

REPRESENTATIVE KELLER: Okay. The other question I have is for the NFIB. The question I have is in Philadelphia, you represent restaurants in Philadelphia?

MS. OYLER: Yes, we have some members in Philadelphia who already deal with, as Representative Krueger-Braneky mentioned, paid sick leave ordinances.

REPRESENTATIVE KELLER: Yes. And again, your employers care about their employees. I mean, they want them to do well because then they're successful.

MS. OYLER: Absolutely.

REPRESENTATIVE KELLER: What have your businesses seen since the soda tax in Philadelphia? Have they seen a problem with that?

MS. OYLER: Yes. Yes. We have seen an impact from the soda tax in Philadelphia, and that is one of the
concerns that we have. We've seen businesses actually
leave Philadelphia and go to the outer rim of the city to
purchase the soda and sweetened drinks. And unfortunately,
for the businesses in the city, they're not just buying the
drinks, so they're losing quite a bit of business from
those customers that are going outside the city because of
the increased cost involved with the soda tax. So although
that's a separate issue than what we're --

MAJORITY CHAIRMAN KAUFFMAN: That is definitely a
separate issue. We need to move along.

REPRESENTATIVE KELLER: I'd like to make the
point that when municipalities go and make individual
mandates on businesses, it creates an uneven -- it makes
competition between our municipalities and makes it
difficult for businesses to be able to do things, and
that's just one example how something that sounded very
well to raise revenue in Philadelphia and it's having the
exact opposite effect. And I think this is a preemption
bill which would, you know, be the same thing, trying to
make things uniform so our businesses know how to behave in
the Commonwealth.

MS. OYLER: Yes.

MAJORITY CHAIRMAN KAUFFMAN: Point well taken.

MS. OYLER: Thank you.

MAJORITY CHAIRMAN KAUFFMAN: Thank you.
Representative Donatucci.

REPRESENTATIVE DONATUCCI: Thank you, Mr. Chairman.

So I see again we're visiting a slippery slope with local control. A bill like this would ultimately negate home rule charters. I mean, that's what you're basically doing here. You know, we try to solve our own problems. That's what the State tells us to do, and everybody just wants to go at us, bill after bill after bill with preemptions. You know, I think the whole State has more than just 36 restaurants that you're talking about.

I'm the Chairwoman of the Philadelphia Delegation. Not one person has come to talk to me about this to see if there was anything to do or any kind of negotiations with a bill like this. So my question is: would this legislation also preempt local governments' discrimination laws?

MS. OYLER: I'm not the best person to answer that question, but I'm looking at the language in the bill, and it does apply to policies or practices, including but not limited to, and there's a list of items. So we'd have to look at the specific situation --

REPRESENTATIVE DONATUCCI: Right.

MS. OYLER: -- to see whether specific --
REPRESENTATIVE DONATUCCI: Because I know the LGBT community is very concerned with this bill.

MAJORITY CHAIRMAN KAUFFMAN: It does grandfather anything in prior to I think January 1st of 2015, so there is a grandfather -- so if it was after January 1st, 2015, then it wouldn't be grandfathered.

MS. OYLER: That's true. Thank you.

REPRESENTATIVE DONATUCCI: We'll take a look.

Thank you.

MAJORITY CHAIRMAN KAUFFMAN: All right. Moving on, Representative Delozier.

REPRESENTATIVE DELOZIER: Thanks. I have just some quick number questions, and it might be directed to the folks that have the restaurants, as well as Rebecca. Do you have more full-time or part-time employees?

MS. WHITE: Are you talking in Philadelphia or New York City?

REPRESENTATIVE DELOZIER: In general with your company.

MS. WHITE: It's about an even split depending --

REPRESENTATIVE DELOZIER: Okay. Full-time --

MS. WHITE: -- on the area.

REPRESENTATIVE DELOZIER: -- and part-time?

MS. WHITE: Right.

REPRESENTATIVE DELOZIER: Okay. So with the
part-time employees that you have, I have a constituent
that owns Papa John's and they have 12 stores in six
municipalities in the central Pennsylvania area. He's very
classified about the fact of having to deal with more
administrative work to try and balance out his employees
because he shifts them around quite a bit.

My question goes to the point that we have part-
time employees that are working to try and get more and
more hours. I know in my own household I have a 17-year-
old that can't get enough hours, and so they are shifting
him around for his work. My question goes to the point
that I think it would be very hard for that small-business
owner because he's doing the admin and not having the big
corporation to help versus that many part-time employees
that do want to get more hours and do want to shift around.

Have you seen the ability for them not to get the hours
that they're looking for because they can't necessarily go
across the border?

MS. WHITE: So when we first hire somebody, we
have to fill out a good-faith estimate where the employer
and employee decide what number of hours that we can offer
to that employee --

REPRESENTATIVE DELOZIER: Okay.

MS. WHITE: -- so if we were to say, look, I can
only offer you about 20 hours --
REPRESENTATIVE DELOZIER: Okay.

MS. WHITE: -- we would sign that, and I cannot deviate from that more than 20 percent. So if an extra shift opened up but it was a six-hour shift and that's going to take you from 20 to 26 hours, that's in violation of your good-faith estimate, so I can't ask you to take that.

REPRESENTATIVE DELOZIER: But you can't go higher?

MS. WHITE: Higher or lower.

REPRESENTATIVE DELOZIER: Oh, okay. And my question goes to the fact of a lot of times we have young people that are in part-time positions that are trying to earn money and trying to get more hours. If we had more and more laws that stipulate that you can only work in the Lemoyne store, that Lemoyne store may not need you for more hours and everything else. So I think it will pull back on the earning capability of a lot of our people that are trying to help their families out and everything else.

So I disagree that this would be a problem for our workers because I think in having the ability for them to cross boundaries easily, that would establish the ability to earn more money. So the ability for us -- how many hours -- so then it varies as to how many a person can earn, like you're saying, 20 hours, so somebody else might
have had that in an agreement for 30 hours or 15 hours more or less, so it's just a matter of --

MS. WHITE: Right.

REPRESENTATIVE DELOZIER: Okay. So not everybody gets 25 hours a week guaranteed?

MS. WHITE: Right, it depends. It's an agreement made when the person is hired.

REPRESENTATIVE DELOZIER: The individual, okay, and their ability to move around. So I would just put out there the fact that having the most common ground and having employees that can shift around because they want to work, they want to get more hours, and they want to have that ability to have that flexibility, and I think the owners do as well. I don't know if -- Rebecca, do you have any more?

MS. OYLER: Yes, thank you, Representative Delozier. I just wanted to add that that flexibility that you mentioned is a benefit not only for the worker but also particularly small businesses who might not have many employees and really need the ability to add additional hours where necessary or, you know, flex some time around or use different employees across different locations.

And this, like I said, is particularly important for small businesses who might be limited in their number of employees. So we see that as a major issue with this
sort of patchwork quilt idea, and that's part of the reason why the bill is so important because it would provide the flexibility that small businesses really value.

REPRESENTATIVE DELOZIER: Okay. Thank you.

MAJORITY CHAIRMAN KAUFFMAN: Thank you.

REPRESENTATIVE DELOZIER: And I think it's a Catch-22 because I've talked to a lot of small businesses that can't find enough employees, and then others are saying, okay, well, we need to generate more, you know, sales in order to balance out the employees that they need, so I'm seeing both in our central Pennsylvania. So thank you.

MS. OYLER: Yes.

MAJORITY CHAIRMAN KAUFFMAN: Thank you, Representative Delozier.

Representative Cephas.

REPRESENTATIVE CEPHAS: Thank you, Chairman.

So I just have a series of questions. Being a Representative from Philadelphia and being relatively new, I had an opportunity to travel throughout the State, and just kind of reinforces the differences within the 67 counties that exist in Pennsylvania.

So when we look at the series of differences, I mean, you can look at racial makeup, you look at cost of living, you look at property taxes, you look at the way
Philadelphia attracts businesses versus, you know, Lackawanna County. You also look at crime rates, you look at, you know, workforce development opportunities, again, what businesses are attracted to where in Pennsylvania based on their geography. And essentially, it just reinforces that, you know, one size does not fit all. Even how we look at our funding formula or do our education funding, we realize one size does not fit all.

As we're having our gun violence conversation, we realize gun violence in Philadelphia is not the same type of gun violence experienced again in Lackawanna County. And we recognize that we have to examine the differences in the series of counties.

And I know we're constantly bringing up the soda tax issue, but we all know that this preemption bill will impact more than that. When we are having the criminal justice conversation, it will impact the issues that we have been gaining traction on around "ban the box." It will again have issues as it relates to family sick leave.

We also just had an opportunity, thankful to one of our powerful unions in the City of Philadelphia, to negotiate a living wage for our workers down at the airport, which I'm assuming will impact this as well, and please correct me if I'm wrong.

Also, when it comes to the sexual harassment or
harassment or discrimination laws that we're currently examining and trying to enforce on a lot of our businesses in Philadelphia with Starbucks and now with Lowe's -- again, correct me if I'm wrong -- that this will also impact that.

But, you know, I just stress again that this one-size approach does not fit all. And I know again we keep bringing up paid sick leave and family sick leave. Have we done a full examination -- and this might not be a question that you can answer but the maker of the bill. Have we done a full examination of the series of laws since we're putting a magnifying glass on Philadelphia on what this would impact, how many residents this would impact?

Because, as you know, Philadelphia doesn't just only serve Philadelphians but also serves residents in the surrounding counties in Pennsylvania. So have we done a deeper dive, looked at how, again, this will impact not just Philadelphians but those in southeastern Pennsylvania, as well as, you know, what this would essentially cost residents in the County of Philadelphia?

MAJORITY CHAIRMAN KAUFFMAN: We are having this hearing today, and I will let you know. You'll see the list of testifiers, but we invited the City of Philadelphia. We invited the Pennsylvania Municipalities League. We worked very hard to try to get folks who oppose
this bill to come and talk about it --

REPRESENTATIVE CEPHAS: No, I know.

MAJORITY CHAIRMAN KAUFFMAN: -- and a lot of them did not come to help us with this study. So we're trying to get a full picture of this. I don't know if --

REPRESENTATIVE CEPHAS: So outside of Philadelphia -- and I'm aware that they declined to testify. But have we examined what the impact would be beyond Philadelphia? I mean, we have 67 counties, which I'm assuming other counties have similar local legislation that governs, you know, the workplace. So have we done anything beyond Philadelphia?

MAJORITY CHAIRMAN KAUFFMAN: Yes. That was one thing we encourage the municipal league to speak to. So I guess we're not going to go to session today because that's not important, but sure, go ahead, Mr. Chairman.

DEMOCRATIC CHAIRMAN GALLOWAY: I just want to point out that everybody that was not able to be here today submitted written testimony.

MAJORITY CHAIRMAN KAUFFMAN: Yes, it's in the packet.

All right. We have got to move on to the next panel. If you have questions that you were not able to address, please forward them to my office and we will submit them in writing.
Representative Neilson and Representative Mullery both had questions they wanted to address.

REPRESENTATIVE NEILSON: Mr. Chairman, since we were unable to ask some questions and we are running out of time, could I ask you to have another hearing on this same bill so we can get some more time?

MAJORITY CHAIRMAN KAUFFMAN: You can ask, but I don't know that we're going to get to that. We've spent two months trying to get to this date. This was scheduled once, scheduled again, scheduled a third time, so I accept your request.

REPRESENTATIVE NEILSON: I'm open all summer long, Mr. Chairman. I'll be around --

MAJORITY CHAIRMAN KAUFFMAN: Yes, I'm sure everybody will be here during the summer. You and I will be the only ones.

REPRESENTATIVE NEILSON: No doubt.

MAJORITY CHAIRMAN KAUFFMAN: Thank you.

REPRESENTATIVE NEILSON: Thank you, Chairman.

MAJORITY CHAIRMAN KAUFFMAN: We're going to move on to the next panel. Secretary Oleksiak from the Pennsylvania Department of Labor and Industry and Amal Bass, a staff attorney with the Women's Law Project, I'll invite you both to step forward and give your testimony. If you can just summarize your testimony in about five
minutes so we can move on to questions, I would appreciate it.

I'm certain that you both are friendly, but you're sitting on opposite sides here. It's where the microphone was, I'm sorry.

MS. BASS: Sorry. Can everybody hear me?

MAJORITY CHAIRMAN KAUFFMAN: It's just an interesting picture from this angle. Mr. Secretary, if you would like to start, I would appreciate it.

SECRETARY OLEKSIAK: Sure. Good morning, Chairman Kauffmann, Chairman Galloway, Members of the Committee. Thanks for the opportunity to be here. As many of you know, the Department of Labor and Industry's Bureau of Labor Law Compliance enforces and administers 12 State labor laws. The Department does not enforce, oversee, or monitor workplace-related ordinance approved by local governments, which are obviously the subject of the bill being discussed today. However, we believe it's important to convey how State preemption efforts can stall progress and harm workers.

In 2006, Pennsylvania's Minimum Wage Act was amended to include a preemption clause that prevents local municipalities from raising the minimum wage above the statewide rate. Under that law, our State minimum wage rate remains at $7.25 per hour, the lowest allowable rate
under Federal law, and it is the lowest of all surrounding States. About two-thirds of Pennsylvania minimum-wage earners are adults over the age of 20. These are just some of the reasons why the Governor strongly supports a minimum wage increase to $12 an hour.

But House Bill 861 goes much further by preventing local governments from regulating any employer practices or procedures. We are concerned that, if passed, it would have far-reaching applications on not only workers and businesses but on overall economic and job growth.

Local governments have taken steps to modernize and improve labor standards, including preventing discrimination on the basis of sexual orientation or gender identity and promoting opportunities for individuals reentering the workforce after incarceration, programs like "ban the box." This bill would roll back many of those local protections that already exist, and instead of encouraging economic activity, could reduce family-sustaining jobs. It would also undermine local authority. The role of State Government has been to set minimum standards for workplace protections, not maximums. A common argument is that the so-called patchwork employment rules are a burden on business, but businesses have long operated under a system in which rules differ across towns, cities, and States.
As this bill retroactively nullifies all local ordinances passed after January 1st, 2015, House Bill 861 seems designed in large measure to negate the City of Philadelphia's employment ordinances, including paid sick leave, "ban the box," and equal pay. If House Bill 861 passes, nearly 200,000 -- 200,000 -- workers may be stripped of paid sick leave they are already earning under a law enacted three years ago. Rollbacks of local leave time measures would be particularly hard on low-wage workers and people of color because access to sick leave is not evenly distributed across the income scale. The Wolf Administration would like to help even more workers receive access to earned sick time, not less. This is time which they need to care for themselves and their families.

Philadelphia also approved an equal pay measure in 2016 that was subject to court rulings but ultimately prohibits employers from using prior salary history as the sole basis of a job offer. The Wolf Administration is supportive of these kinds of efforts to close the gender pay gap and, consistent with the Governor's recent executive order, it supports legislation in both the House and Senate that would modernize our equal pay law.

The bill could also drive away jobs and businesses seeking to locate here. Regrettably, Pennsylvania has no statewide LGBTQ antidiscrimination
laws, so at least 46 local governments have chosen to enact their own protections. This bill will rollback many of those ordinances and prevent new ones.

Such an action may imperil Pennsylvania's attempts to attract major Fortune 500 companies. Last year, PayPal canceled plans to build its headquarters in North Carolina because of legislation that discriminated against LGBTQ citizens, which cost North Carolina more than $2.5 billion in lost economic activity, including canceling a Bruce Springsteen concert, which really upset me.

Amazon, which is currently considering two Pennsylvania cities for its second headquarters, has been a strong supporter of LGBTQ protections. In 2017, State officials in Texas considered a bathroom bill. Amazon was one of dozens of companies that opposed the bill, joined by other large corporations, including AT&T, ExxonMobil, Halliburton, and Apple. By stripping municipalities of the ability to protect workers, House Bill 1861 may undercut Pennsylvania's reputation and our ability to recruit top companies like Amazon from around the world, harming our ability to compete for new jobs and new businesses.

To make it in the 21st-century economy we want and need a 21st-century workforce. The companies mentioned here have realized that competent and qualified employees are attracted to a fair workplace. Good corporate citizens
are attracted to areas that promote these policies.

In closing, I urge you to carefully consider the implications of this bill on both residents and businesses. I also encourage you to vet this bill with additional State agencies and local governments to more accurately determine its impact on our social and economic development goals. I value the opportunity to speak before you today. I've read this pretty quickly, and I and my department are certainly glad to continue the conversation after the hearing. So thank you, Chairman.

MAJORITY CHAIRMAN KAUFFMAN: Thank you, Mr. Secretary.

And just so folks know so you don't have to rush off, I did receive permission from the Speaker's office to run into session, so you can have your testimony and we'll have a few minutes for questions, so I don't want anyone to rush off thinking they're going to miss session. The Speaker is, I don't believe, holding votes immediately upon the 10 o'clock convening, so, Amal, please proceed. Thank you.

MS. BASS: Thank you. Good morning, everyone.

Thank you to Chairpersons Kauffman and Galloway and Members of the Committee for inviting me to present this testimony. I'm Amal Bass. I'm a staff attorney at the Women's Law Project, a nonprofit legal advocacy organization based in
Pennsylvania, in Philadelphia and Pittsburgh, and we seek
to advance the status of women and girls through impact
litigation, public policy advocacy, community education,
and individual counseling.

The Women's Law Project strongly opposes House
Bill 861. This bill would prohibit local governments from
passing laws to meet the needs of communities and would
decrease the quality of life of working people and their
families across the Commonwealth, including in
Philadelphia, where House Bill 861 would retroactively
strip workers of their right to paid sick days.

The Women's Law Project testified in support of
Philadelphia's paid sick days ordinance, which City Council
passed and the Mayor signed on February 12th, 2015, after a
multiyear process that drew upon the recommendations of the
task force representing many perspectives on this issue,
including employers. The ordinance that resulted from this
process is vital to the health and well-being of
individuals and families in Philadelphia and the
surrounding counties, giving paid sick leave to more than
200,000 workers.

The benefits of paid sick leave are clear.
Access to paid sick days not only gives workers the ability
to take care of themselves and their families, but it also
helps businesses by improving employee morale, increasing
productivity, and reducing turnover at work. People with paid sick days visit emergency rooms less often and utilize health screenings and preventive care more often, reducing medical costs in the future.

Access to paid sick days also saves lives. The American Public Health Association estimates that 7 million influenza infections and 1,500 deaths during the 2009-2010 H1N1 pandemic were the result of people working while sick. Recently, my colleagues from the Women’s Law Project and attorneys from the Partnership for Working Families discuss these benefits in a friend-of-the-court brief that they filed with the Pennsylvania Supreme Court in support of Pittsburgh’s paid sick leave ordinance, which hasn’t yet gone into effect.

In this brief, they discuss how a lack of paid sick leave disproportionately harms low-wage women workers and people of color, saying "The lack of paid sick days protection inflicts severe distress on low-wage workers who cannot afford to lose even a single day's pay." These workers are disproportionately women and people of color. For families confronted with a cancer diagnosis, a sudden disabling condition, or the onset of an addiction where caregiving responsibilities are immediate and a matter of life or death, paid sick leave is a compelling necessity.

While Pittsburgh continues to fight for this
compelling necessity for its workers, House Bill 861 threatens to take it away from Philadelphia's workers, paid sick leave that has already gone into effect, three years. If passed, House Bill 861 will force Philadelphia's workers to work while sick; to pass contagious illnesses to coworkers and customers; to forego necessary relief to address domestic violence, sexual assault, or stalking; to skip health screenings and medical appointments; and to sacrifice taking care of their sick loved ones who need them.

Local paid sick days ordinances are not the only local laws that House Bill 861 threatens. It is a very broad bill that aims to preempt a wide range of workplace-related laws not only in Philadelphia and Pittsburgh but in municipalities across the Commonwealth. More than 40 municipalities, for example, have local ordinances prohibiting discrimination on the basis of many protected characteristics, including sexual orientation, which our employment laws at the State and Federal levels do not explicitly cover.

Several municipalities, including Ambler Borough, Bridgeport Borough, Carlisle, Dickson City, Mount Lebanon, Kennett Square, Narberth, Phoenixville, Royersford, Stroudsburg, and Wilkes-Barre have passed antidiscrimination laws after 2015 and could trigger House
Bill 861's retroactive preemption. The bill could also prohibit every municipality from altering their antidiscrimination laws in the future and could subject these municipalities to liability for having passed legislation to help their communities.

House Bill 861 removes decision-making authority from local governments, which are closely connected to their communities, and prohibits local innovation that keeps communities healthy and allows local economies to thrive. House Bill 861 would prohibit local efforts to respond to urgent problems, such as sexual harassment in the workplace or the opioid crisis.

In the first panel, we heard from people who claim that the problem with local authority is that it results in a patchwork of regulations that is difficult for businesses to navigate the paperwork problem, but it's always been the case and businesses have continued to thrive despite having to deal with different local, State, and Federal standards. And paid sick leave, for example, is not new to Philadelphia or Pittsburgh. It's been passed in many other municipalities, and where it started in municipalities, it then spread to States. San Francisco was the first, and California passed it shortly thereafter. So this is not an issue where the paperwork was so problematic that the laws weren't otherwise justified.
House Bill 861 would undo and prohibit progress at the local level, taking rights away from citizens of Pennsylvania without filling the void with statewide legislation. Justice Louis Brandeis said that States are the "laboratories of democracy," which can experiment with social and economic policies for the benefit of the country as a whole. Similarly, municipalities are the laboratories of democracy for the State.

While we wait for the Pennsylvania General Assembly to pass legislation that uniformly raises labor and employment standards for everyone, it is important for our local governments to retain the power to respond to the needs of their people. Thank you.

MAJORITY CHAIRMAN KAUFFMAN: Thank you very much for your testimony, and we're going to move on to questions. Representative Neilson, you are first.

REPRESENTATIVE NEILSON: Thank you, Chairman. Amal, thank you for your testimony. I've heard it once before at City Council, and I appreciate it. And as a disclaimer, I was one of the votes that passed the paid sick leave in Philadelphia as a councilman. And I appreciate your hard work.

We heard earlier testimony about how laws in and out of the city are prohibited, and they talked about if we have a different labor law here -- I know you mentioned --
almost City Line Ave. is what we would call it because that's right where that goes where Montgomery County is on one side, Philadelphia is on the other. They said these different labor laws in different municipalities were hurting their businesses and they couldn't grow. Do you see a difference with the different taxing in different municipalities? Because I would think that taxing would be an issue because on one side of the street they had to pay one tax if they have city wage on one.

I mean, it's more about lack of computer programming is what I saw. I didn't get to ask the question because it seems like a keystroke away. We're in 2018 now. My person is in Philadelphia, my person is in Montgomery, Bucks, wherever it is, and it came up Philadelphia. Do you have anybody that complains about that kind of different issues? Because there's taxes, business taxes in every municipality, in every little township across licensing and all that, but we didn't hear any of that testimony. It's just about the labor law it seems they're --

MS. BASS: Yes.

REPRESENTATIVE NEILSON: -- focusing on.

MS. BASS: Yes, thank you for your question. I do not hear from people who complain, businesses who complain about the different regulations, but you make a
good point that there are lots of different laws that have always been around, and taxes are one of them. Zoning laws are different as well in different places and all kinds of different things that you have to deal with because local governments have local authority and pass different laws on a variety of different areas. And, you know, it is not a new thing. In Philadelphia, paid sick leave is not new either at this point, and Philadelphia continues to thrive as well. So you make a really good point.

I don't hear from the businesses, though. I hear from employees in other parts of the State, for example, who really need paid sick leave, who need the kinds of laws Philadelphia has.

REPRESENTATIVE NEILSON: Mr. Secretary, thank you. And I wanted to -- don't you see this as a slippery slope for PA to take? I mean, I know you said it a little bit in your testimony. Could you give us a little more now? I mean, we just talked about taxes a little bit. I mean once we start, we don't start. This is preemption for everybody, I mean, you know, everybody. Most people want to focus on what they call soda tax, but we know it's not a soda tax. It's a sugary syrup tax. And it just so happens they keep on putting it on there as a soda tax but that's for the Mayor's plate.

And while I have the microphone, last question,
Mr. Chairman, is I want to make sure, the Mayor of Philadelphia does have written testimony in there. I'm sure you read it, Mr. Secretary. You met him on quite a few occasions on this issue and much more.

SECRETARY OLEKSIAK: Right, I think the question I heard, and tell me if this is not the question, it is a slippery slope. You know, North Carolina is the perfect cautionary tale. I made some reference to that when the City of Charlotte recently passed the antidiscrimination policy regarding sexual orientation and gender identity in 2016, that was preempted by the State Legislature.

And shortly after that, PayPal canceled a facility they were ready to build, CoStar, Deutsche Bank, Adidas all backed out of plans to build facilities in North Carolina. The NBA opted not to host the All-Star game, the NCAA refused to schedule tournament games there, and I mentioned Springsteen, among others, canceled concerts there. So there are similar examples of what happened in Texas in 2017 when the bills were passed that were considered a bathroom bill. AT&T, ExxonMobil, Halliburton, Apple all expressed their opposition to the bill.

So this is a slippery slope, and it does prohibit our local communities from making decisions for their local communities.

REPRESENTATIVE NEILSON: So like right now, we're
trying to get Amazon --

SECRETARY OLEKSIAK: Right.

REPRESENTATIVE NEILSON: -- and we know Amazon is very inclusive, and that could be 50,000 to 100,000 on the offshoot jobs in Pennsylvania. Do you feel that a law like this being passed may hurt those chances?

SECRETARY OLEKSIAK: I think we can only go by the experience we've seen from Apple in other States, and my answer would be yes, it would have an impact.

REPRESENTATIVE NEILSON: Thank you. Thank you, Mr. Chairman.

MAJORITY CHAIRMAN KAUFFMAN: Thank you. I wasn't sure if you were done yet, so I just paused there a moment. I've was giving you a lot of latitude there, Ed. Oh, all right. We'll go onto Representative Grove.

REPRESENTATIVE GROVE: Thank you both for your testimony.

Mr. Secretary, what is the economic growth in North Carolina and Texas compared to Pennsylvania's jobs, revenue, et cetera?

SECRETARY OLEKSIAK: I couldn't answer that question right now, but I'd be happy to get that information for you.

REPRESENTATIVE GROVE: Okay. And while you look at those two, Michigan, Iowa, Indiana, Kansas, Tennessee,
Alabama, Florida all have broad-based preemption laws on their local governments. They have the most broad. Can you do a comparison of those? And I'll send it to you in writing so you don't have to write it down now. And I am giving you homework because you were a schoolteacher.

SECRETARY OLEKSIAK: I can do that.

REPRESENTATIVE GROVE: And then Wisconsin, Ohio, Montana, Kentucky, Arkansas, Mississippi, and Georgia all also have broad local preemption, not as much as the first rung, but I would like to see an economic comparison between them in Pennsylvania on job growth, all the economic statistics.

SECRETARY OLEKSIAK: We will certainly provide that for you, Representative.

REPRESENTATIVE GROVE: Yes.

SECRETARY OLEKSIAK: I can't guarantee how quickly.

REPRESENTATIVE GROVE: Yes.

SECRETARY OLEKSIAK: That's a broad-based task but we will --

REPRESENTATIVE GROVE: But I also do know that North Carolina and Texas have seen huge economic job growth. Just from population shifts, Texas is looking at actually gaining Congressional seats because people want to move there, same thing with North Carolina. They're both
looking at gaining. Pennsylvania will once again is looking at losing another Congressional seat because we have net migration out of this State. One of the reasons is local labor laws and just the business climate in Pennsylvania is still atrocious.

When we hear from actual businesses that say they have to spend more time on regulatory burdens by government than they need to instead of hiring increasing wages unilaterally I think puts us at a huge disadvantage compared to other States, and we're seeing it. I'm pretty sure when you run the demographic models of economics of those States' job growth, all the economic indicators, you're going to see how far advanced many of those States are compared to us. So I would appreciate it. And I'll send it to you in writing.

SECRETARY OLEKSIAK: Thank you.

REPRESENTATIVE GROVE: Thank you.

MAJORITY CHAIRMAN KAUFFMAN: Representative Donatucci.

REPRESENTATIVE DONATUCCI: Thank you, Mr. Chairman, and thank you for your testimony.

Okay. So I'm going to go back to sick leave in Philadelphia. It would be preempted under this rule. A few years back in the Senate there was a preemption bill for Philadelphia sick leave, so I offered a statewide bill.
I talked to Senators, the Pennsylvania Restaurant and Lodging Association. I went as far as to ask them to give me language that would make it better and what they could live with.

You know, I don't know how far we go. I've offered it every session since I've been here. And I don't know about anybody else in this room, but I do not want the flu served with my meal in a restaurant, and I think it's important. I think it's also important that if somebody has a life-changing disease or a heart attack, that sometimes those few days of sick leave keep them from sinking. And I think this is something that everybody needs to think about because it affects our constituents greatly, and I think they deserve better than that.

And now I'm going to go back to the discrimination question. So we're protected in Philadelphia because it's before the date. If we wanted to amend one of those laws, would we be able to, or would this not allow it?

MS. BASS: That's a very good question. This is such a broad preemption bill I think it would make it very difficult to amend it and possibly impossible.

REPRESENTATIVE DONATUCCI: Okay. And then nowhere else in the State could they come up with a new law?
MS. BASS: They couldn't.

REPRESENTATIVE DONATUCCI: I'm sorry.

SECRETARY OLEKSIAK: No, I'm sorry. I'm just agreeing --

MS. BASS: Yes.

SECRETARY OLEKSIAK: -- with the answer.

REPRESENTATIVE DONATUCCI: I mean, and the questions could go on and on, but I think everybody knows what direction I'm going into, so thank you, Mr. Chairman.

MS. BASS: Right. And --

MAJORITY CHAIRMAN KAUFFMAN: Representative --

MS. BASS: -- I think --

MAJORITY CHAIRMAN KAUFFMAN: Oh, I'm sorry. I'm sorry.

MS. BASS: -- part of the point of that is that while we do talk a lot about Philadelphia, and paid sick leave is obviously a huge piece of this and a clear law that will be affected very clearly, this preemption bill affects the entire Commonwealth of Pennsylvania. This is not just about Philadelphia and it's not just about Pittsburgh. This is about everywhere.

SECRETARY OLEKSIAK: And if I could add, another question came up where else there are ordinances that could have an impact. I have a list that I would be happy to share with the Committee as well.
MAJORITY CHAIRMAN KAUFFMAN: Thank you, Mr. Secretary.

And Representative Cephas.

REPRESENTATIVE CEPHAS: And both of you two just geared up my last question. Again, as a Nation, we are grappling with a lot of issues as it comes from a society perspective and how we treat workers, how we treat, you know, everyday citizens. I mean, again, when we are now having a conversation about discrimination laws and the laundry list of ordinances that this would impact, I forgot to mention the discrimination laws for the LGBTQ community.

When we talk about the five African-American women that were discriminated against on the golf course in York, it again raises the question how would this preemption bill impact York's ability to handle discrimination when it comes to those types of businesses?

So, again, as we like to put an hourglass or a magnifying glass on the City of Philadelphia, I want to look at all of our counties and what issues this will impact. Again, we talk about equal pay for women, so we know that this will impact the pay equity bills. We constantly talk about paid sick leave, but again, I can't stress more than enough, but when we had the conversation around criminal justice reform as it relates to "ban the box," it will impact that. So we have to take a deeper
dive and, you know, that's one of the great things about
this bill and this legislative body is that we have the
opportunity, we have the brainpower to take a deeper dive
into these issues.

So I just feel before we, you know, move forward
with this effort, we as a general body, as well as our
departments, need to take a deeper dive into the 67
counties to see what legislation will be impacted, how that
will impact the constituents that we all serve before we,
you know, move forward on a measure like this because I
myself did not know that 46 other counties had laws related
to LGBTQ discrimination, which has been bubbling up as an
issue. So I just would hope that we would take that deeper
dive, get a better understanding outside of Philadelphia.
I know we always like to talk about my home city, but as
people expressed throughout their testimony, this will
impact the entire Commonwealth of Pennsylvania. So thank
you.

SECRETARY OLEKSIAK: If I could comment briefly?
One of the things I had the opportunity to be a part of
since I have become Secretary of Labor is being a member of
the Middle Class Task Force with Secretary Davin from DCD,
Secretary Rivera from the Department of Education.
Business leaders of the Chamber was there, industry folks,
local businesses, labor, education. We were able to tour,
do exactly what you suggest, Representative Cephas. We met I think six or seven times at various areas around the State and looking at what are the barriers to entering the middle class and the issues that we're talking about, equal pay for equal work, paid sick leave, "ban the box," transportation issues, healthcare issues, childcare issues. These were all the things that came up that were impediments to folks who are looking to enter the middle class. And a lot of the things we learn from that Middle Class Task Force are part of what the Governor is proposing in his budget.

REPRESENTATIVE CEPHAS: No, I appreciate that. And I think as of course the State of Pennsylvania, as we sit between New York and Washington, D.C., we have to always recognize that we need to be competitive, but we also want to make sure that we balance that priority with ensuring that businesses aren't picking and choosing their workers or picking and choosing how they protect them. So, again, as we move forward with this legislation, we need to ensure that we look at what the impact will be beyond the City of Philadelphia.

MAJORITY CHAIRMAN KAUFFMAN: Thank you very much. Representative McNeill, I'll go to you. I thought we were done, but if you could please keep it brief.
REPRESENTATIVE MCNEILL: Thank you, Mr. Chairman.

One of my concerns about this bill, one of many, is that my own county in Lehigh County just recently a few months ago past antidiscrimination laws, and apparently with this 2015 grandfather law, my county would be going backwards instead of forward.

MAJORITY CHAIRMAN KAUFFMAN: Thank you very much.

Well, I can see the overwhelming support for local municipal control, and with that in mind, I'll let the Committee know I'm in possession of a bill that would allow municipalities to opt out of prevailing wage in Pennsylvania, so I'm sure we'll have great bipartisan support for that.

With that, this meeting stands adjourned.

SECRETARY OLEKSIAK: Thank you.

(The hearing concluded at 10:17 a.m.)
I hereby certify that the foregoing proceedings are a true and accurate transcription produced from audio on the said proceedings and that this is a correct transcript of the same.

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