



March 16, 2023

TO: Members, Senate Labor, Public Employment and Retirement Committee

SUBJECT: **SB 703 (NIELLO) EMPLOYMENT: WORK HOURS: FLEXIBLE WORK SCHEDULES SUPPORT/JOB CREATOR – AS INTRODUCED FEBRUARY 16, 2023**

The California Chamber of Commerce and the organizations listed below are pleased to **SUPPORT** your **SB 703** as a **JOB CREATOR**. **SB 703** will allow employee-selected flexible work schedules.

California is one of the only states that requires employers to pay daily overtime after eight hours of work in addition to weekly overtime after 40 hours of work. Even other states that impose daily overtime requirements allow the employer and employee to essentially waive the daily eight-hour overtime requirement through a written agreement. California, however, provides no such common-sense alternative. Rather, California requires employers to navigate through a multi-step process to have employees elect an alternative workweek schedule that, once adopted, must be “regularly” scheduled. This process is filled with potential traps that could lead to costly litigation, as one misstep may render the entire alternative workweek schedule invalid and leave the employer on the hook for claims of unpaid overtime wages.

Currently, there are 44,837 reported alternative workweek schedules with the Division of Labor Standards Enforcement. According to the Employment Development Department, California has about 1.6 million employers. Therefore, about less than 3% of California employers utilize the alternative workweek schedule option. Further, more realistically, given that the information in the database is according to work unit instead of employer, it is likely that less than 1% of employers in California are utilizing this process.

Employees want flexibility in their work schedules. In a recent poll conducted by the California Chamber of Commerce, 88% of voters agreed (49% of them strongly) that the state’s overtime laws should be changed to make it easier for employees to work alternative schedules, such as four 10-hour days. A survey by the Society for Human Resource Management revealed that 91% of Human Resources professionals agree that flexible work arrangements positively influence employee engagement, job satisfaction, and retention. According to Corporate Voices for Working Families and WFD Consulting, an in-depth study of five organizations that allow their non-exempt employees to have flexibility in their schedules found that employee commitment was 55% higher and burnout and stress decreased by 57%. Women and low-income workers have suffered the most from the inability to have flexible schedules, feeling pressured to abandon career goals to care for children and fulfill household obligations. That pressure has been exacerbated by the COVID-19 pandemic. An article by NPR estimated that close to 900,000 women left the workforce in 2020 to keep up with the demands of childcare and household obligations. That rate is four times higher than men.

As our economy recovers from the pandemic, we should be doing everything possible to maximize opportunities for employers. California should allow employees to set hours that work for an employees’ personal and family obligations rather than continuously trying to impose new mandates on employers, which burden their ability to afford to hire. This way, workers can continue to be employed and support themselves and their families.

SB 703 would provide employees more flexibility because the employee could request an alternative workweek schedule on an individualized basis. It would also relieve employers of the administrative cost and burden of adopting an alternative workweek schedule per division. Pursuant to **SB 703**, at the ***request of the employee***, an employer would be able to implement a flexible work schedule that allows the employee to work up to ten hours in a day or 40 hours in a week, without the payment of overtime. Employers should be able to provide their employees more flexibility and negotiate through a written agreement, revocable by either party, a daily/weekly schedule that satisfies the needs of both the employee(s) and the employer.

Promoting flexible policies that allow employees to continue to be employed and earn income is needed now more than ever.

For these and other reasons, we are pleased to **SUPPORT** your **SB 703** as a **JOB CREATOR**.

Sincerely,



Ashley Hoffman
Policy Advocate
California Chamber of Commerce

Acclamation Insurance Management Services (AIMS)
Allied Managed Care (AMC)
Anaheim Chamber of Commerce
Building Owners and Managers Association
California Association for Health Services at Home
California Association of Health Facilities
California Beer and Beverage Distributors
California Building Industry Association
California Business Property Association
California Cattlemen's Association
California Farm Bureau
California New Car Dealers Association
California League of Food Producers
California Restaurant Association
California Trucking Association
California Lodging Industry Association
California Chamber of Commerce
Carlsbad Chamber of Commerce
Chino Valley Chamber of Commerce
Citrus Heights Chamber of Commerce
Coalition of Small and Disabled Veteran Businesses
Commercial Real Estate Development Association (NAIOP)
Danville Area Chamber of Commerce
Family Business Association of California
Flasher Barricade Association (FBA)
Fresno Chamber of Commerce
Gilroy Chamber of Commerce
Greater High Desert Chamber of Commerce
Greater San Fernando Valley Chamber of Commerce
Half Moon Bay Coastsides Chamber of Commerce
Hollywood Chamber of Commerce
Independent Lodging Industry Association
Industry Business Council
La Cañada Flintridge Chamber of Commerce
Laguna Niguel Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Los Angeles Area Chamber of Commerce
Mammoth Lakes Chamber of Commerce
Manteca Chamber of Commerce
Mariposa County Chamber of Commerce
Mission Viejo Chamber of Commerce
Murrieta Wildomar Chamber of Commerce
National Federation of Independent Business
Oceanside Chamber of Commerce
Official Police Garages Association of Los Angeles
Orange County Business Council
Pacific Grove Chamber of Commerce
Palos Verdes Peninsula Chamber of Commerce
Plumbing-Heating-Cooling Contractors Association of California (CAPHCC)
Rancho Cordova Area Chamber
Roseville Area Chamber of Commerce
Sacramento Metro Chamber of Commerce
San Gabriel Valley Economic Partnership
San Rafael Chamber of Commerce
Santa Ana Chamber of Commerce
Santa Barbara South Coast Chamber of Commerce
Santa Clarita Valley Chamber of Commerce

Santa Maria Valley Chamber of Commerce
Santee Chamber of Commerce
TriCounty Chamber Alliance
West Hollywood Chamber of Commerce
West Ventura County Business Alliance
Western Electrical Contractors Association (WECA)
Western United Dairies

cc: Legislative Affairs, Office of the Governor
Calvin Rusch, Office of Senator Niello
Dawn Clover, Senate Labor, Public Employment & Retirement Committee
Cory Botts, Senate Republican Caucus

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