Oregon businesses brace for fight over employee scheduling: Editorial Agenda 2016



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State lawmakers have thrown a lot at Oregon businesses lately. Last year, they required all but the smallest businesses **to provide paid sick leave** to employees. Earlier this year, **they hiked the state's minimum wage**, which already was among the nation's highest. Looming on the horizon, meanwhile, is a public vote on a tax hike that would cost big businesses — **and small businesses and consumers, too** — billions of dollars every year.

Having been forced to swallow so much so quickly — and in anticipation of a potential megatax — you can understand the fear with which businesses look forward to the 2017 legislative session and the possible consideration of additional mandates. Of particular concern to many is something called predictive scheduling. Never heard of it? You will.

Generally speaking, predictive scheduling refers to regulations that compel businesses to provide greater certainty about the hours their employees are expected to work. The movement springs from a desire to help people for whom last-minute shift adjustments present big problems: parents struggling with child care, students with rigid class schedules, people with second jobs, and so on. But good intentions don't necessarily lead to good policy, as numerous business groups explained to lawmakers considering predictive-scheduling legislation last year.

One of last year's proposals, **House Bill 3377**, received a public hearing and work session before dying in committee. Among other things, it would have penalized employers for adjusting schedules less than three weeks in advance. For each shift changed, a business would have had to pay an employee for one additional hour in addition to the compensation for time worked. And for each shift changed with less than 24 hours' notice, a business would have had to pay an employee for four extra hours in addition to the compensation for time worked.

The bill covered various other aspects of scheduling as well, including the management of "on call" shifts and employee requests for flexible schedules. For employers, its prescriptions were either overtly punitive — extra pay — or rigid and burdensome, involving lots of extra process, posting and written justification.

All of this probably sounds great to employees. But it largely ignores the economic reality in which many businesses — particularly those in the hospitality and retail industries — operate, as a parade of industry representatives explained last year during a public hearing. A restaurant or golf course, for instance, may need to adjust its staffing levels at the last minute in response to



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weather-related fluctuations in customer numbers — not an uncommon occurrence in Oregon. Reservations for banquet rooms can disappear only days in advance; product deliveries may not arrive at the time for which staffing has been arranged; and sometimes people just don't show up for work, requiring last-second juggling.

Certain kinds of businesses are more prone to such uncertainty than others, and the consequences for employees, as unpleasant as they may be, aren't necessarily the result of insensitive management. That isn't to say that all managers do everything they reasonably should to accommodate the schedules of employees. But punishing businesses for matters beyond their control is unfair.

HB3377 did go belly up, fortunately, but the push for predictive scheduling did not. Rather, lawmakers hit "pause," enacting a moratorium on local scheduling mandates that expires in 2017.

This was done as part of a compromise to pass the paid sick-leave mandate. Lawmakers focused on the minimum wage this year, of course. Now, predictive scheduling is back, and with it controversy.

A work group on "schedules that work," led by **Sen. Michael Dembrow, D-Portland**, and **Rep. Paul Holvey, D-Eugene**, met for the first time late last month. Shortly afterward, a half dozen industry stakeholders, including Associated Oregon Industries and the Portland Business Alliance, dropped out. Advocacy groups on the panel "preferred broad generalized attacks on Oregon employers, rather than a reasonable discussion based on facts and circumstances unique to the reality Oregon's employers are facing," the business groups explained in **a June 1 letter**.

They also alluded to the recent piling on of mandates, including the minimum wage, paid sick leave and an employee retirement program. Saying they simply couldn't take any more, the industry groups said they'd ask lawmakers to extend the 2015 preemption of local work-schedule requirements. Lawmakers should do so.

The Legislature has not been particularly sympathetic to businesses in recent years, to be sure. But that's exactly why it should be now. Pushing any discussion of predictive scheduling to 2019, or later, will give businesses a chance to adjust both to recent mandates and to whatever response November's vote on Initiative Petition 28 requires. To press on with predictive scheduling in 2017, on the other hand, will do more harm to employers — and, inevitably, to their employees — while further degrading Oregon's reputation as a place to do business. As much as lawmakers might like to improve conditions for workers, surely they don't want that.

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