

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6383

Title: AN ACT CONCERNING CALL CENTERS AND NOTICE OF CLOSURES.

Vote Date: 2/18/2021

Vote Action: Joint Favorable

PH Date: 2/9/2021

File No.: 29

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SPONSORS OF BILL:

Labor and Public Employees Committee

REASONS FOR BILL:

Call centers were moving off shore which ended jobs for many CT employees.

RESPONSE FROM ADMINISTRATION/AGENCY:

None submitted

NATURE AND SOURCES OF SUPPORT:

[STEPHEN ANDERSON, PRESIDENT, CSEA SEIU Local 2110](#)

This bill is a matter of stability and fairness to workers. It should not be too much to expect companies to notify their workers when they intend to move locations.

[JAMES CASE, CWA Local 1298](#)

Call centers are an important economic lifeline for many communities, but thousands of workers at these facilities have lost their jobs in recent years as major corporations have offshored customer service operations. This makes call center jobs very vulnerable to relocation. Before the session ended prematurely last year, the bill had garnered 40 co-sponsors. No State taxpayer money should be used for companies that ship our jobs out of state. Responsible businesses will not be adversely affected by this bill, and it is good for CT because it would require companies to give 100 days' notice when planning to move 30% or more of call volume out of state or be subject to a fine. A list of the bad actors will be created and distributed to all State agencies, making them ineligible for grants, loans, tax benefits and state contracts. The state can "claw back" the outstanding value of any taxpayer money or benefits the company received, and the bill will require all CT-based call centers have the

work performed in the State. Because the federal tax bill that passed in 2017 incentivizes outsourcing by taxing offshore profits at a lower rate than domestic profits, we have lost numerous call center jobs to offshoring. This bill shows the public that CT legislators are willing to deliver to working people.

CARL CHISEM, PRESIDENT, CEUI, SEIU Local 511

There are over 31,000 call center workers in our state. This bill would prevent outsourcing of jobs to other states by requiring employers with over 50 employees that move 30% or more of their operations out of state to no longer qualify for tax breaks or other incentives. A business would be required to notify the State 100 days prior to relocation or face a fine, and state agencies would be required to use state call centers for their customer service. It creates transparency.

SAL LUCIANO, PRESIDENT, CT AFL-CIO

This bill prevents call center employers that have relocated out of the state from accessing direct or indirect grants, guaranteed loans, tax benefits or other state financial support for a period of five years. Taxpayer funds should not act as a backdoor subsidy for companies to export customer service jobs.

MICHAEL PASSERO, MAYOR, NEW LONDON

Call centers are important economic engines for the New London community as well as many others throughout the state. Due to the nature of the work, it is an easy job to relocate. Many jobs have been lost in recent years as major corporations have offshored customer service operations overseas. This bill would provide an incentive to stay here. We can't afford to lose these jobs. Jobs also support local businesses such as restaurants and shops. If they do decide to ship their jobs to lower paying countries, they should not receive any taxpayer support.

SEIU HEALTHCARE, UNION DISTRICT 1199

This bill creates much needed protections for call center employees against the unethical practices of their employers who have routinely closed large portions of facilities without giving their employees any notice and leaving them scrambling to find new employment. This can result in hardships, including the loss of their homes or having to go on state assistance. This bill discourages call centers from closing by creating a process that employers must hold to.

STACY ZIMMERMAN, SERVICE EMPLOYEES INTERNATIONAL UNION

This union supported all the bills on the agenda. They offer the ability to stabilize work places and addresses both longstanding and COVID-19 related employment issues.

NATURE AND SOURCES OF OPPOSITION:

ERIC GJEDE, VICE PRESIDENT, GOVERNMENT AFFAIRS, CBIA

It is indisputable that CT ranks as one of the costliest states to run a business. To remain competitive, businesses must go to great lengths to ensure their quality and productivity outpaces national and international competitors. This means adopting technological advances for consolidating functions across state lines. Small businesses especially need the

flexibility to adapt to changing market or economic conditions. The provisions in this bill are duplicative of requirements already imposed under federal law that require covered employers to provide employees with 60 day' notice of mass layoffs or plant closures. The increase in telecommuting, likely a permanent result of the pandemic, has made this bill even less practical for today's workforce. He cited problems such as a small business with only one employee providing customer service. Should that company hire one fulltime individual from out of state to split call center duties while working out of their home office? The business would be subject to the financial penalties under the bill and be forced to repay any state tax credits received within the last five years. If the state forces workers to perform entirely within the state, this may trigger surrounding state reciprocity laws that will result in fewer choices of contractors and more expensive contracts for taxpayers. Wouldn't it make more sense to continue to improve our business climate so they can afford to stay and grow here? This bill does nothing to stop businesses from leaving the state or encourage new ones from coming here. This is a misguided attempt to prevent job losses in CT.

TIM WILKERSON, PRESIDENT, NEW ENGLAND CABLE AND TELECOMMUNICATIONS ASSOCIATION

While the intent of the bill is to keep call center jobs in the state, this legislation will disincentivize companies from opening or further investing in existing call centers. The definition of "call center" appears to encompass not only physical call centers, but also employees who may be working virtually in the State or elsewhere. Any employee working from home could qualify even if their employer is in another state. It fails to recognize the dynamic nature of this job making it nearly impossible to respond to the changing nature of businesses and customer expectations for quality and speed of service. Conversely, these regulations would impact entities that have chosen to locate call centers here and is likely to threaten both current and future jobs. The cable industry faces competition in every aspect. In a service economy, it is fundamentally necessary to support those services with great customer care. The ability to respond quickly is synonymous with being good and is the bedrock of the relationship and commitment to customers. This bill is at odds with this critical goal. The skills of call center employees to handle the wide range of inquiries requires constant training and operational flexibility and adaptation. This bill eliminates this flexibility to the ever-changing customer needs.

Reported by: Marie Knudsen, Assistant Clerk

Date: March 12, 2021