

Future of Work Task Force

Meeting 5 Minutes

January 31, 2022

- I. Call to Order
Meeting is called to order at 9:04 am by Rep. Will Guzzardi.
- II. Welcoming remarks from Rep. Guzzardi. Rep. Guzzardi briefly summarized meeting agenda and reminded task force that there will be two more meetings to discuss content for the task force in February and March, followed by a meeting in April to review the report.
- III. Roll Call
Rep. Guzzardi requests to call the roll. The following task force members were present:
 - Senator Ram Villivalam
 - Representative Will Guzzardi
 - Representative Ryan Spain
 - Erica Bland
 - Dalene Bramer
 - Robert Bruno
 - Stephen Campbell
 - Michael Ciaccio
 - John Cusick
 - Magda Derisma
 - Tyler Diers
 - Julian Federle
 - John Gedney
 - Delmar Gillus
 - Sarah Hartwick
 - Clark Kaericher
 - Alec Laird
 - Ai-jen Poo
 - Marsha Prater
 - Sean Stott
 - Brad Tietz
 - David Tovar
 - Director Kristin Richards
 - Brian Durham
 - Anna Koeppel
 - Marci Johnson
- IV. Approval of minutes from December 20 meeting
Senator Villivalam moves to approve the minutes. Seconded by Stephen Campbell.
- V. Approval of Agenda
Anna Koeppel moves to approve the agenda. Seconded by Delmar Gillus.

- VI. Rep. Guzzardi introduced Misuzu Schexnider of the Inclusive Economy Lab at the University of Chicago to provide an update on the task force report. Ms. Schexnider discusses how topics from this and next meeting will be directly incorporated into the report. The Lab has been meeting one-on-one with stakeholders and task force members for the report and will propose initial policy recommendations at the next meeting. Ms. Schexnider reminded task force members that they have sent out a survey to task force members to see how they would like to contribute to the report, and they are still awaiting further participation from members.
- VII. Rep. Guzzardi introduced the first presenter, Professor Nik Theodore from the University of Illinois at Chicago.
- Researchers have documented widespread violations of labor standards, particularly in lower wage sectors.
 - Published a series of papers on a large survey of workers 10 years prior that found that a quarter of workers were paid below minimum wage, and well over half had experienced inadequate compensation for overtime or break time violations. Only a fifth of workers had tried to file a complaint, and nearly half of those experienced some form of illegal retaliation.
 - Immigrants and people of color had experienced higher violations, particularly among women and undocumented immigrants.
 - Workplace “fissuring” results in greater pressure on employers in competitive markets to cut corners to remain competitive, and results in more difficulty in enforcing labor laws.
 - When violations of employment laws become more commonplace, it affects employers in addition to employees, making it more difficult for compliant employers to remain competitive.
- VIII. Rep. Guzzardi introduced the second presenter, Jane Flanagan, Deputy General Counsel for the IL Governor’s Office.
- State minimum wage law mirrors the federal FLSA. It requires payment for all hours worked, and a right to overtime pay at 1.5 times the regular rate.
 - The One Day Rest in Seven Act (ODRISA) requires at least one day off per week and a 20-minute meal per 7.5-hour shift.
 - The IL Wage Payment and Collection Act establishes right to payment of promised wages and benefits. It also regulates form and frequency of wage payment, requires notices of all deductions, and a right to promised wages upon termination.
 - IL Day and Temporary Labor Services Act regulates temp agencies. This act requires certain protections for temp workers, including right to know where they’re being sent, the nature and structure of their payment, and joint liability for wages.
 - Employee Classification Act identifies who is an employee, and therefore who is protected by the laws listed above. While any employee who is misclassified can file a claim for a violation above, the only industry where this results in a penalty is the landscaping and construction industries.

Task force members had a brief discussion following these two presentations.

- Bob Bruno asked whether the model of an employee under these laws is an anachronism given the state of employment today, and perhaps the standards should be attached to the person and work as opposed to under given employment classification or conditions. Ms. Flanagan responded that much of this framework was innovated in the 1920s and 30s, when employment was different. So it's a good question as to whether that framework does address the situations we find in modern employment. However, the key questions used to enforce the current framework should still be able to apply in current employment situations and therefore can still be enforced.
- Bob Bruno asked what put workers in greatest vulnerability to experience labor violations. Professor Theodore said there are multiple intersecting vulnerabilities, including financial need, need to maintain a job, and dynamics within certain industries like reliance on informal references or networks.
- Alec Laird asked what year the main study was conducted. Prof. Theodore responded it was 10 years ago. Alec Laird noted that it wouldn't take into account the minimum wage law and other statutes that established new standards that were passed in recent years.
- Erica Bland asks if the speakers have seen better examples of implementation and dispersal of information on worker rights. Prof. Theodore highlighted a process USDOL took to bring in investigators with expertise in specific industries to proactively enforce laws. Ms. Flanagan highlighted work that needs to be done on community partnership and that the ILDOL just received a grant to provide funds to community organizations to raise awareness of worker rights in impacted communities.
- Ai-jen Poo asks whether the current environment of low unemployment during pandemic recovery presents unique opportunity to enforce standards. Ms. Flanagan notes there has been a lot of new organizing activity perhaps in part due to tighter labor markets; also that there is a lot of new federal and state investment in capital, and those can be used to increase labor standards. Prof. Theodore has noticed an increase in awareness among workers of violations during the pandemic, and that could result in more reporting of grievances and more organizing. Ai-jen Poo also remarked that DHS had made changes to focus more on abuses of employers as opposed to targeting undocumented workers.

IX. Senator Villivalam introduced the next presenters, Harish Patel of the Economic Security Project of Illinois and Alison Dickson from the University of Illinois.

- Goal of presentation and ensuing breakout is to see if task force can land on some value statements that can be used to define a "quality" job.
- Harish Patel shared a range of different frameworks and approaches that had been put together by researchers to define a good job.
- Using those frameworks and original research, Alison Dickson's research team at the Project for Middle Class Renewal at UI had assembled the Employment Quality for Illinois (EQ-IL) index.
- Index includes both subjective measures – as reported by workers on surveys – as well as objective measures across nine fundamental components of job quality.

The task force broke out into small groups for discussion on the following three questions:

- How do you think that creating a “Good Jobs Framework” based on job quality index could be useful for this task force and for our state?
- What is missing from this list of criteria that you find is very important as we consider a “Good Jobs Framework” for Illinois?
- What are the three most important criteria to you from this list?

Each small group had a designated note-taker for the conversation and reported out a brief summary.

- X. Senator Villivalam introduced the next series of four speakers, who had come to the task force to discuss experiences, solutions, or policy ideas related to the future of work.
- First of the four speakers was Scott Weiner, owner of Chicago restaurant group Fifty/50
 - Mr. Weiner shares that his company provides subsidized insurance and directly hires delivery drivers and offers them the same benefits as everyone else.
 - There is an unlevel playing field for businesses that take care of their people as margins shrink or – during the pandemic when there are no margins – people are either bad operators or just do the wrong thing out of a need to survive, and there needs to be better enforcement.
 - There has been a proliferation of independent contractors due to new technology and need to adapt during pandemic. Our biggest opportunity is to enforce current labor standards but also create very specific rule/law on what an independent contractor really is. How many independent contractors are really business owners, and what kind of financial security do they have?
 - We’ve incentivized companies to structure their businesses to employ gig workers, and a lot of the companies that benefit are companies whose shareholders are located out of state.
 - This also undermines minimum standards for operations of a facility.
 - Second speaker was Terri Gerstein, Director of State and Local Enforcement Project at Harvard Labor and Work-Life Program
 - Some states have passed laws to address fissured workplace by making it easier to go up the chain to hold a higher entity accountable, such as through joint employer (NY, DE) or client employer (CA) laws.
 - Other examples of local enforcement include strong anti-retaliation protections (NY), making wage theft a felony in certain conditions (MN, CA), and stronger workplace safety and health requirements (NY’s HERO Act).
 - For methods of enforcement, sufficient resources are more important than ever because of the fissured workplace and because of growing use of forced arbitration. Best model is to drive compliance and deter violations before they happen, using an industry approach for high-risk industries and using the media to raise awareness of issues.
 - Workers do not always come to government on their own, so need to rely on worker organizations to raise awareness about workplace safety and health issues, as well as required standards. Furthermore, effective enforcement requires ongoing routine structures for workers to have input into their government.

- Third speaker was Susan Lambert, Professor at the University of Chicago.
 - Work schedules are important for several reasons: compensation and therefore financial security depends on hours worked; PTO and public benefits often tied to hours worked; and unpredictable and unstable hours create a range of hardships related to child care, adult education, and more.
 - Work hour fluctuations or employee lack of control in work hours are very widespread, and are a source of racial and gender disparities, as well.
 - A team of UChicago researchers performed a stable schedule study and found that setting more predictable schedules actually improved productivity (higher sales and lower labor costs). This occurred through better employee performance, better adherence to schedules (lower tardiness), and improved store management.
 - Since 2015, six municipalities and one state have enacted work scheduling legislation, including Chicago.
 - These laws are relatively new and there is a range in enforcement and implementation. Active enforcement is required.
- Fourth speaker was Chasse Rehwinkel, Acting Illinois Banking Director.
 - About a fifth of US households are under- or unbanked, resulting in additional fees to access their paycheck. Since these are low-income households that tend to consume more of their paycheck, it hurts their financial condition but also hurts the economy by reducing consumption.
 - While many community banks are working on this problem, and Illinois has low- or no-fee bank account options, still more can be done to help people feel more comfortable using them. Some solutions include the national push to have banks in post offices, and in Kane County, a credit union operating out of the public library system.
 - Banking has a big issue with diversity in ownership and employment. If the people that minority-owned businesses work with at banks don't have their same background or cultural understanding, this can make access to capital more difficult. One potential solution is apprenticeships to get credit toward becoming loan officers (MA has a pilot).

The task force had a discussion with the four presenters.

- Tyler Diers remarked that not every restaurant has the financial wherewithal to hire delivery drivers directly. Many platforms that offer delivery help restaurants gain access to new customers and with marketing and essential back-end operations. Also, wanted to make clear that food delivery drivers do not touch food so would not want to see any additional requirement for licensing for food handling for drivers. Scott Weiner responded that bus boys, food runners have minimum requirements. Mr. Weiner agreed it is very challenging at times to manage a fleet of drivers, and he had worked with third-party delivery services, but that while they may have once been more supportive, that has changed.
- Bob Bruno asks – if good working conditions are good for performance and profitability and productivity – what are we missing in communicating this to employers to encourage more employers to take these steps? Scott Weiner points

out that increasingly bad actors are now called out publicly on social media and workers in the industry hear about it. But many companies are just thinking of it in terms of, What is the penalty if I break the law? Perhaps we should have a QR code to make it easy for employees to file complaints. Thinks it's a matter of enforcement and getting rid of the 2-year backlog on complaints at the state. Terri Gerstein mentions the book "The Good Job Strategy," which spells out in depth how certain companies have used the strategy of creating good jobs to great success. Many of the gig companies have various kinds of integration and monopoly power, and in some cases, the best solution may be antitrust laws and enforcement. Susan Lambert describes a potential culprit as accountability mechanisms that don't reward employee satisfaction or reduced turnover, but rather keeping outlays for labor lower, resulting in unpredictable scheduling and outsourcing.

- Marci Johnson asks Chasse Rehwinkel about how they are marketing the idea of apprenticeships to get people involved in banking professions. Mr. Rehwinkel responds that this was a pilot in MA, but the Division of Banking in IL is studying the pilot and some community banks are eager to get involved. He invites anyone who wants more information to contact him directly via e-mail.
- John Cusick shares that there has been a societal change in expectation of teachers' availability around the clock, which has been exacerbated by the pandemic. In some cases, this is made more difficult by technology that allows for remote work but also increases the amount of work required from teachers. Dr. Lambert agrees that it affects a wide range of occupations. In addition to expectations to take home work, workers have less control to say no when they are called in on short notice because, for example, they have a cell phone where managers know they received a text. Terri Gerstein pointed out that one of the issues related to overtime-exempt workers and gig workers is the extent of uncompensated time for tasks they need to do for their job. Truck workers, as well, are paid by the mile, and not compensated for time waiting to load or unload, gas up, in traffic, etc.

- XI. Kady McFadden provided an update on upcoming meetings. In February, we will be continuing our conversation on worker benefits, as well as a discussion of the care economy. In March, we will be digging into industrial policy, transportation, and climate/green jobs. In the April meeting, the task force will be reviewing and discussing the final report.
- XII. Public Comment
There was no public comment.
- XIII. Sean Stott moved to adjourn, and John Gedney seconded. Meeting adjourned at 11:59 am.