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Joint Committee on Labor and Public Employees
Legislative Office Building, Room 3800
300 Capitol Avenue
Hartford, CT 06106

March 3, 2025

RE: Oppose SB 831 – An Act Concerning Advanced Notice of an Employee’s Work Schedule to Certain Employees

Dear Chairs Kushner and Sanchez, Vice Chairs Cabrera and Wilson and Members of the Committee:

On behalf of the International Franchise Association (IFA), representing thousands of franchise establishments and thousands of jobs in Connecticut, **I write to express our strong opposition to SB 831, a proposed predictive scheduling law.**

The IFA respectfully requests all businesses, whether large or small, be treated equally. Unfortunately, as currently written, SB 831 treats franchise businesses differently by limiting their application to only those businesses in a specific sector of the franchise industry, while not applying to similarly situated non-franchised businesses. Why does SB 831 require a locally owned franchise to schedule its employees differently than the non-franchised business next door? Both businesses compete for the same workers and the same consumers and may in fact be providing similar products. However, one is burdened with an inflexible government mandate, while the other is not.

We respectfully request franchise businesses be treated the same as non-franchise businesses. Franchises are in fact locally owned and operated small businesses allowing hundreds of thousands of Americans to participate in the American dream. **Under the franchise model, it is the franchisees who own the stores, not the corporate entities. These franchisees make the same day-to-day business decisions as their non-franchised neighbors, including employee scheduling. SB 831 offers no premises to require locally owned franchise businesses to schedule their employees under a government mandate, while other similar situated businesses do not.**

Franchisees are small business owners. These independently-owned and operated businesses employ tens of thousands of people in a range of jobs – from those just entering the workforce to managers to specialized professionals. In fact, growing numbers of women and minorities own franchise establishments, and **preserving the small business franchise model is critical to promoting minority and female entrepreneurship.** In fact, nearly 26 percent of all franchises across the country are owned by minorities, compared to just 17 percent of non-franchise businesses. Franchising – and franchise ownership – is a path toward increased job creation and economic growth among people from all walks of life and socioeconomic backgrounds and should not be singled out for disparate governmental regulations.

That potential for growth is threatened by a common misconception of the franchise business model. This misconception, which clearly serves as an underpinning of certain provisions proposed in SB 831 is that the owner of the franchise brands – the “franchisors” – own and operate the stores and make employment decisions for them.

Franchise establishments across the state are locally owned small businesses operating under a national brand or identity. The local business owners oversee all employment decisions, including scheduling, hiring, firing, wages and benefits. It is the local franchisee who owns and operates the establishment, not the franchisor owner of the brand. **In fact, the national brands have no role whatsoever in determining the scheduling of a franchisee's employees and/or employment practices of a franchisee.**

Franchisees and franchisors are in no way employment partners with each other. No franchisor has any authority over how their franchisees choose to manage their employees on a day-to-day basis. Independent franchisees are no different than any other independent business owner, and despite what SB 831 is attempting to do, the legal, contractual, operational, and economic realities of the relationship will not change – the bill's limited application to a sector of the franchise model and disparate treatment of independently owned and operated businesses in the state is unfair and misguided.

Franchisees independently invest in their businesses and pay the operating costs of their businesses, as would any other small business owner in Connecticut. They pay rent, wages, employment-related and other taxes and debt service, and no other party, including the franchisor, shares in these small business obligations. Franchisees pay initial and continuing fees to the franchisor for the right to use the franchisor's brand and other intellectual property. Franchisors are merely the licensors of their brands and methods of doing business; they are not co-venturers in business affairs, as this proposal misrepresents.

On behalf of franchise businesses, **we are not asking for special treatment; we are asking for the same treatment.** One of the goals of any new policy should be to ensure a level playing field for all local business owners and not put some at an advantage at the expense of others.

For the reasons stated above, the IFA respectfully requests you not pick winners and losers among businesses and oppose SB 831.

Thank you for your time and consideration. If you have any questions, please contact me at mkagel@franchise.org or 202-662-4176.

Respectfully,



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ASSOCIATION