

State of the Industry: Federal Labor Update

February 16, 2024



Who We Are

Advocating, Promoting, Uniting



AHLA is the Voice of the U.S. Hotel Industry



ADVOCATING

Fighting for responsible public policies that support your business and ensure the future growth of our industry



PROMOTING

Representing our industry & telling your story where it matters most - in the press and among policymakers



UNITING

Rallying all segments of our industry to tackle key industry-wide initiatives, such as workforce development and safety and security

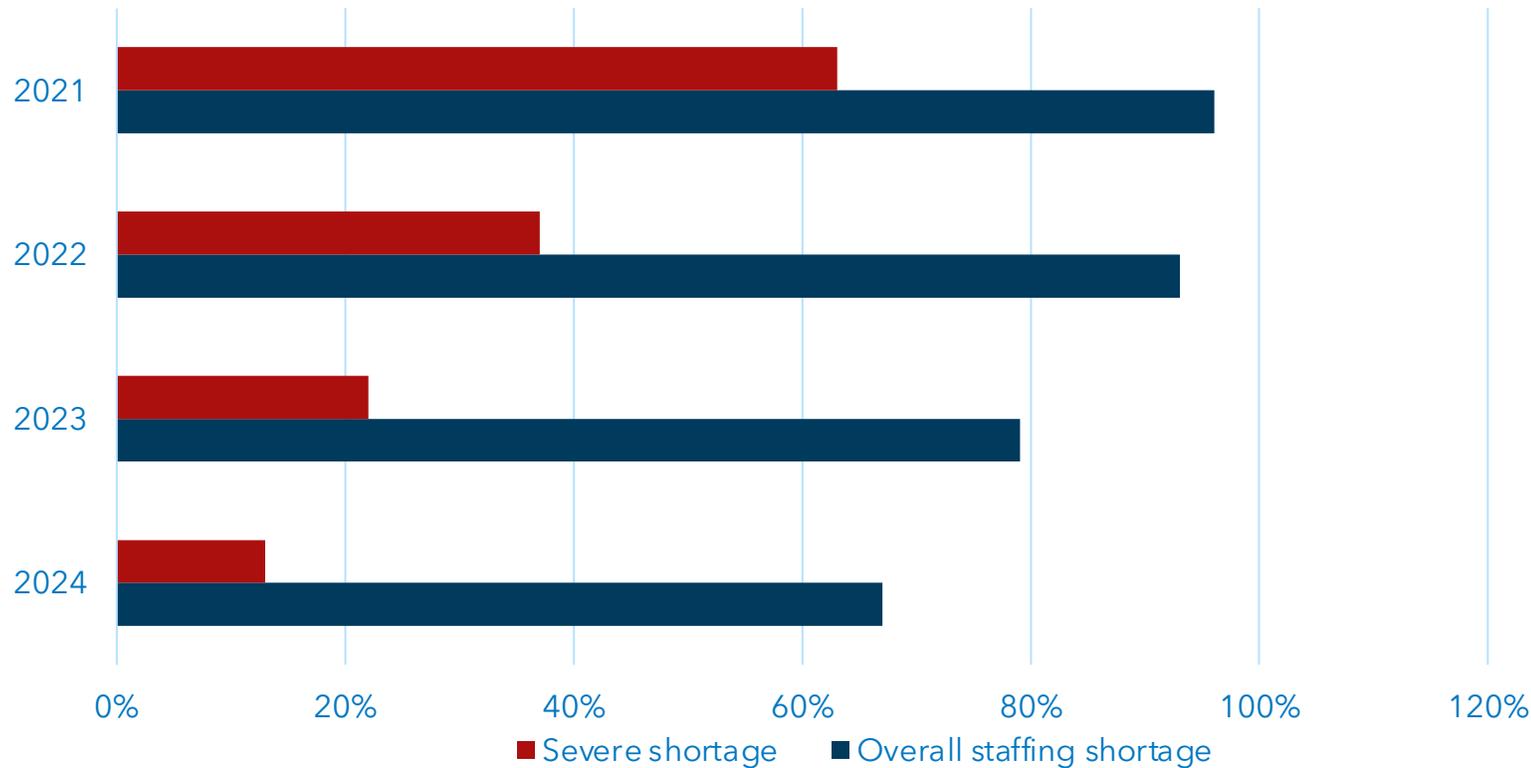
2024 Workforce Priorities

Where We're Focused



Front Desk Feedback Survey

HOTEL STAFFING SHORTAGES



- U.S. hotels lost **680,000** direct employees from 2019-2020.
- Since then, only **~400,000** have been added back.

The most critical staffing need has stayed the same: **housekeeping**.

Doubling Available H-2B Visas

AHLA SECURED AN ADDITIONAL **64,716** H-2B VISAS FOR FY24

- 66,000 visas already available, for a total of **130,716** H-2B Visas now available
- AHLA chairs the H-2B Coalition and leads legislative efforts to increase H-2B visas

H-2B

WORKFORCE COALITION

Protecting American Workers Through a Stable and Reliable Seasonal Workforce

Federal Labor Regulations

Playing Defense



NLRB: Joint Employer Final Rule



Travel AND **Tour**
WORLD

House votes to repeal job-killing joint-employer rule, AHLA applauds move for economic growth

BACKGROUND

- NLRB final rule issued October 26th
- Effective date now February 26, 2024 to resolve legal challenges
- Changes standard from direct and exercised control to indirect or reserved control
- Pulls both into collective bargaining
- AHLA leading litigation efforts with industry partners (U.S. Chamber, NRA, IFA, and others)

IMPACTS

- Minimizes franchisee's control over their own businesses, disrupting the franchise model
- Reduces support for franchisees (e.g. best practices, training, guidance)
- Creates uncertainty for contract labor

Take Action:



DOL: Overtime Rule

PROPOSED RULE

- Changes salary threshold from \$35,568 to an estimated \$60,209 in 2024
- Automatic increases every 3 years
- Increases Highly Compensated Employee from \$107,432 to \$143,988
- No changes to duties test



"Biden admin's overtime rule would hurt small businesses, trade groups warn"



IMPACTS

- Costs for hoteliers (labor, tax, insurance, benefits, etc.)
- Impacts on workforce shortage
- Consolidation
- Hourly vs. salaried
- Regional considerations

NEXT STEPS

- Formal comments submitted to DOL
- Congressional testimony, weighing litigation options, Congressional Review Act
- Final rule scheduled for April 2024



DOL: Independent Contractor Final Rule

BACKGROUND

- Final rule posted January 9th
- **Current Definition:** followed **two core-factor determination** for classification
- **New Rule: any of six different factors** could be determinative of employee status

IMPACTS

- Increased liability
- Lessens opportunity for independent contractors
- Costly increases for hoteliers already facing staffing shortages

NEXT STEPS

- Considering litigation options
- Congressional Review Act forthcoming
- Final rule effective on March 11, 2024



DOL: Independent Contractor Final Rule

TWO CORE TEST

- Nature and degree of control over work
- Worker's opportunity for profit and loss

ECONOMIC REALITIES TEST

- Opportunity for profit or loss depending on managerial skill
- Investments by the worker and the potential employer
- The degree of permanence of the work relationship
- The nature and degree of control
- The extent to which the work performed is an integral part of the potential employer's business
- The worker's skill and initiative

Additional Labor Resources



Get Involved

Attend Our Events & Join Our Networks



Join the GM Network – it's Free!

Connect with fellow General Managers



- Network and share best practices with property leaders across the country.
- Open to general managers of hotel properties of all service levels and property types.
- GM Network members gain access to exclusive AHLA content and resources such as webinars and best practices.

More Upcoming Events

**COMING
TO A CITY
NEAR YOU
IN 2024!**



On The Road

Visit [AHLA.com/OTR](https://www.ahla.com/OTR)

AHEAD
AHLA ON THE ROAD

2/8 Honolulu, HI	5/16 Kansas City, MO
2/15 Atlanta, GA	5/23 Salt Lake City, UT
2/29 Miami, FL	5/30 Las Vegas, NV
3/14 San Francisco, CA	9/5 Philadelphia, PA
4/3 Nashville, TN	10/3 Chicago, IL
4/9 Columbus, OH	10/17 Orange County, CA
4/23 Columbia, SC	10/22 Boston, MA
5/2 Washington D.C.	11/7 Seattle, WA
5/7 Phoenix, AZ	11/12 Dallas, TX
5/14 New York City, NY	11/19 Detroit, MI





Save The Date!

September 24-25,
2024

Royal Sonesta Hotel
Capitol Hill





THE
HOSPITALITY
SHOW

Sign up
for our
[newsletter](#)

SAVE THE DATE!

2024

October 28-30

San Antonio, TX



Questions?

Shreya Kanal, skanal@ahla.com

