# **Department of Legislative Services**

Maryland General Assembly 2025 Session

### FISCAL AND POLICY NOTE First Reader

Senate Bill 892

(Senator Zucker)

**Budget and Taxation** 

#### **Education - Minimum Wage for Education Support Professionals**

This bill requires local school boards to pay education support professionals a minimum wage of \$25 per hour, adjusted annually for inflation, as specified. "Education support professionals" are public school employees designated as part of a nonsupervisory bargaining unit. The State Board of Education (SBE) may adopt regulations to carry out the bill. **The bill takes effect June 1, 2025.** 

### **Fiscal Summary**

**State Effect:** None. SBE can adopt regulations, if necessary, with existing budgeted resources. The bill otherwise affects only local school systems.

**Local Effect:** Minimal increase in local school system expenditures in FY 2025. Local school system expenditures increase significantly, likely by at least tens of millions of dollars, beginning in FY 2026, but a more reliable estimate is not feasible, as discussed below. Costs increase in the out-years due to inflation adjustments to the mandated minimum wage. No effect on local revenues. **This bill imposes a mandate on a unit of local government.** 

Small Business Effect: None.

# **Analysis**

**Current Law:** The State minimum wage is \$15 per hour, which is not adjusted annually for inflation. There is no minimum wage rate for education support professionals.

A "public school employee" means a noncertificated individual who is employed for at least nine months per year on a full-time basis by a public school employer. In Baltimore City, a public school employee includes a noncertificated employee who does not work for at least nine months per year. A "noncertificated employee," in Montgomery County, means only a full-time employee, but is otherwise not defined in State law.

Public school employees may form, join, and participate in the activities of employee organizations of their own choice to be represented on all matters that relate to salaries, wages, hours, and other working conditions. In general, and subject to specified exceptions, each county may not have more than three bargaining units for public school employees, and each unit may not include both supervisory and nonsupervisory employees, as defined in statute.

Local Expenditures: The bill is expected to increase total local school system expenditures by at least tens of millions of dollars beginning in fiscal 2026, but a more precise estimate is not feasible for multiple reasons. First, the Department of Legislative Services (DLS) received estimates from only 4 of 24 local school systems (summarized below), and only 1 provided the current minimum salary for affected employees. Second, the bill's definition of "education support professionals" does not align with any job categories currently used by the Maryland State Department of Education (MSDE) in reporting the number or compensation of local school system employees. Third, DLS has no information regarding the number or wages of local school employees who are members of nonsupervisory employee bargaining units.

For illustrative purposes only, this analysis assumes that (1) affected employees currently earn the minimum wage of \$15 per hour and (2) the bill affects teacher aides, library aides, and other aides, as reported by MSDE for the 2024-2025 school year. This example, therefore, excludes other instructional and noninstructional professional personnel, bus drivers, secretaries, and more. Based on these assumptions, the bill affects approximately 17,000 employees who earn \$10 more per hour. Assuming these employees work 1,170 hours per year (six hours per day for a nine-month school year), total wages increase by \$198,900,000 in fiscal 2026. Those costs increase in the out-years based on inflationary increases to the minimum wage.

Adding all of the categories of employees excluded from the above example, MSDE estimates a total of almost 45,000 employees, of whom maybe 16,500, do not make \$25 per hour.

Specifically, Baltimore City Public Schools expects the bill to increase first-year costs by \$1.8 million; Montgomery County Public Schools expects first-year costs to increase by \$24.0 million; St. Mary's County Public Schools expects first-year costs to increase by SB 892/Page 2

\$23.2 million; and Wicomico County Public Schools expects first-year costs to increase by \$3.5 million. However, it is likely that each of these local school systems is using different criteria to count the number of affected employees.

#### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1369 (Delegate Wims) - Appropriations.

**Information Source(s):** Maryland State Department of Education; Department of Budget and Management; Maryland Department of Labor; Baltimore City Public Schools; Montgomery County Public Schools; St. Mary's County Public Schools; Wicomico County Public Schools; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2025

km/clb

Analysis by: Michael C. Rubenstein Direct Inquiries to: (410) 946-5510

(301) 970-5510