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Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 6, 2020

**Testimony of Senator Antonio Hayes in Support of SB 62:
Secure Maryland Wage Act**

Chairman Kelley and Members of the Finance Committee,

Transportation infrastructure continues to be a major focus for the state. **Senate Bill 62** is an additional step in this effort by investing in a trained and experienced workforce for some of our transportation hubs. This bill aims to ensure that a strong workforce is attracted and retained at three “heightened security interest locations”: Baltimore/Washington International Thurgood Marshall Airport (BWI), the Port of Baltimore, and Baltimore Penn Station.

Because of the low wages paid to employees at these sites, employees may be uncertain about their future and stressed about their finances; some even take second jobs to make ends meet and care for their families. By increasing the wages of low-paid direct employees and contracted employees, this bill advances economic justice and provides economic development benefits. This is an opportunity to secure higher pay for workers who are crucial to the functioning of some of the most important components of our state’s infrastructure.

Higher wages policies at heightened security locations already exist in hubs like Los Angeles International Airport (LAX), Oakland Airport, the Port of Oakland, Newark Liberty International Airport (EWR), John F. Kennedy International Airport (JFK), and LaGuardia Airport (LGA). Notably, Dulles International Airport and Reagan National Airport in our backyard adopted wage policies because they concluded it would improve safety and security.

It has been well documented that increases in compensation reduce worker turnover and enable employers to retain employees. A review of the literature exploring the impact of wages and turnover on safety and security at airports has demonstrated the connections between increased wages, worker motivation, higher productivity and improved quality of services. When wages are higher, workers are less likely to quit, are willing to work harder, and are more

committed to their work. Subsequent reduced turnover and less absenteeism often more than make up for the wage increase.

Maryland's minimum wage increased to \$11.00 per hour as of Jan. 1, 2020, and will rise to \$15.00 in 2025. While the minimum wage increase is a significant victory for workers, we need a higher standard for key transportation infrastructure facilities to attract and maintain quality staffing to protect our public investment and maintain these sites as drivers of the state's and local economies.

Wages and benefits are tied to the Guard I classification for the applicable county under the McNamara-O'Hara Service Contract Act. Because the classification is based on the area wage determination, developed by the Federal Department of Labor, it will always be equal to or higher than the Maryland minimum wage. Thus, it will fulfill **Senate Bill 62's** purpose of reducing turnover and its associated deleterious effects on performance and security.

Though determinations are revised periodically, the current prevailing compensation is \$12.97 + \$4.48 (supplements) = \$17.45 for Anne Arundel County (BWI) and Baltimore City (Penn Station and the Port). Workers covered by the Secure Maryland Wage Act would therefore earn a higher wage faster than provided for under the minimum wage law.

I urge a favorable report on SB 62.

Respectfully,

A handwritten signature in black ink, appearing to read "Antonio L. Hayes".

Senator Antonio L. Hayes
40th Legislative District - MD