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**Capital Area District**

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Baltimore 410.244.6299  
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Hartford 860.560.8674  
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215.923.5488

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305.672.7071

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914.328.3492

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617.523.6150

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973.824.3225

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412.471.0690

[www.seiu32bj.org](http://www.seiu32bj.org)

**Senate Finance Committee**

**SB0062 – Labor and Employment - Secure Maryland Wage Act**

**Testimony of Jaime Contreras, Vice President and Director, Capital Area District, 32BJ SEIU**

**February 6, 2020**

Good afternoon Committee Chair Kelley, Vice-Chair Feldman and Committee Members. My name is Jaime Contreras, Vice President of SEIU 32BJ.

Thank you for the opportunity to testify here today on behalf of the union’s 20,000 members in Maryland and the D.C. Metropolitan Area.

This bill will help to make the state safer by working to ensure that experienced employees continue to be employed at heightened security interest locations, all while making a transformational difference in the lives of hard working men and women.

Getting a job at an airport is not a simple proposition; there are numerous security regulations<sup>i</sup> and employees are consistently monitored by government agencies to ensure they’re upholding safety and security standards.

Work at the Port of Baltimore is similarly intense. Given it is a major shipping terminal, the threat of illegal activity must be constantly defended against. This means extensive training for workers who are the eyes and ears of the Port.

Security incidents of note at these locations in recent years include a man in 2017 driving through a fence at BWI and boarding an empty plane,<sup>ii</sup> and another individual in 2018 clearing security with knife and no boarding pass, only to be stopped by an airport employee. In regards to the later incident a TSA spokeswoman described airport employees as being one of the “multiple layers of security to protect the traveling public.”<sup>iii</sup>

Despite this, wages for many workers at these locations are woefully inadequate. Workers at BWI and Pennsylvania Station are assured of only the state minimum wage of \$11 an hour. Many workers at the Port are covered by a “living wage” requirement under state law, but the rate,<sup>iv</sup> is barely sufficient to keep a family above the federal poverty line,<sup>v</sup> and can leave workers and their children eligible for public benefits.<sup>vi</sup>

Research has shown that higher wages correlate to reduced employee turnover. In security and safety roles this is shown to have a measurable impact on security outcomes. A study of security screenings at US Airports found that for every 1% increase in turnover there was a correlation of 0.62% decrease in breach detections.<sup>vii</sup>

Jurisdictions across the country have recognized this correlation. Similar policies to that proposed here are in place at LAX, Oakland Airport, the Port of Oakland, and the three Port Authority of New York and New Jersey airports.<sup>viii</sup> In our immediate region, Dulles and Reagan National, passed a wage program in 2017.

SB0062 would set minimum wage and benefit rates based on the prevailing area standard for security guards determined by the DOL. These wage and benefit rates are currently \$14.27 and \$4.54 for Baltimore City and Anne Arundel County.<sup>ix</sup> There should be no mistake that this will mean luxury for workers.<sup>x</sup> These rates are by definition the accepted standard in the area for security guards, but for many workers it could mean access to meaningful health insurance outside of public programs for the first time.

In the tight current labor market,<sup>xi</sup> this increase could help further ensure the competitiveness and safety of the three covered locations. .

On behalf of the thousands of workers and local communities who stand to gain, I urge you to support this bill, and help make Maryland safer while improving the lives of thousands of workers.

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<sup>i</sup> BWI, BWI Employee Identification Program, BALTIMORE WASHINGTON INTERNATIONAL AIRPORT, (August 12, 1993), [https://www.marylandaviation.com/\\_media/client/passur/bwitenantdirectives/TD-BWI-301.1.pdf](https://www.marylandaviation.com/_media/client/passur/bwitenantdirectives/TD-BWI-301.1.pdf)

<sup>ii</sup> Mike Hellgren, Authorities Investigate Man Who Drove Through Security Fence, CBS LOCAL (May 30, 2017) <https://baltimore.cbslocal.com/2017/05/30/authorities-investigates-man-who-drove-through-bwi-security-fence>

<sup>iii</sup> Colin Campbell, *Westminster man walked through TSA checkpoint at BWI with knife, no boarding pass*, THE BALTIMORE SUN (July 20, 2018), <https://www.baltimoresun.com/news/maryland/anne-arundel/bs-md-bwi-knife-20180713-story.html>

<sup>iv</sup> For current “living wage” rates see: <https://www.dllr.state.md.us/labor/prev/livingwagefaqs.shtml> and for the details on tier 1 and 2 areas see: <http://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gsf&section=18-101&enactments=False&archived=False>

<sup>v</sup> The 2020 Federal Poverty Guidelines threshold for a family of 4 is \$26,200 and \$30,680. The annual income for a fulltime worker at the living wage rate is \$29,619. For Poverty guidelines see: <https://www.govinfo.gov/content/pkg/FR-2020-01-17/pdf/2020-00858.pdf>

<sup>vi</sup> The Medicaid income threshold in Maryland for a household of three is \$29,976 while children in a single adult household qualify for the Maryland Children’s Health Program when household income is below \$36,384. For threshold rates see:

<https://www.marylandhealthconnection.gov/shop-and-compare/medicaid-basics-and-benefits/>

<sup>vii</sup> See: <http://laborcenter.berkeley.edu/pdf/2017/SFO-literature-review.pdf>

<sup>viii</sup> L.A., CAL., ORDINANCE 185321At 7-8 (Dec. 8, 2017),

<https://bca.lacity.org/Uploads/lwo/Amended%20Living%20Wage%20Ordinance%20%281%29.pdf>; see also L.A. ADMIN. CODE ch. 1, art. 11, div. 10 (2018);

Press Release, Port Auth. of N.Y. and N.J., Port Authority Board Approves Proposed Minimum Wage Increases for Thousands of Airport Workers, [https://nj.gov/governor/news/news/562018/approved/20180322b\\_min\\_wage\\_increase.shtml](https://nj.gov/governor/news/news/562018/approved/20180322b_min_wage_increase.shtml)

OAKLAND, CAL., CITY CHARTER, art. 7, § 728 (2004), [https://www.portofoakland.com/files/PDF/responsibility/livi\\_04.pdf](https://www.portofoakland.com/files/PDF/responsibility/livi_04.pdf); Press

<sup>ix</sup> For the current DOL SCA determinations see: [https://beta.sam.gov/wage-determination/2015-4266/12?index=wd&keywords=&is\\_active=true&sort=-modifiedDate&date\\_filter\\_index=0&date\\_rad\\_selection=date&wdType=sca&state=MD&county=15405&page=1](https://beta.sam.gov/wage-determination/2015-4266/12?index=wd&keywords=&is_active=true&sort=-modifiedDate&date_filter_index=0&date_rad_selection=date&wdType=sca&state=MD&county=15405&page=1)

and for an overview of the Service Contract Act see: <https://www.dol.gov/agencies/whd/government-contracts/service-contracts>

<sup>x</sup> The EPI budget calculator estimates that two earners working full time would both need to earn \$21.28 in order to afford a “modest yet adequate” standard of living for two adults and two children in the Baltimore metro area. This is above the relevant combined SCA wage and benefit rates (\$18.81).

<sup>xi</sup> The Baltimore metropolitan area is currently experiencing a period of historically low unemployment. The rate of 3.2% is lowest records since at least 1990. See data available at <https://data.bls.gov/pdq/SurveyOutputServlet>