JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF SENATE BILL 721: Labor and Employment - State Minimum Wage Rate - Acceleration

TO: Hon. Delores G. Kelley, and Members of the Senate Finance Committee

FROM: Caleb Jasso, Policy Advocate

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The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-wage workers and job seekers in Maryland. JOTF supports Senate Bill 721 as a means to increase the speed at which the new state minimum wage of \$15 per hour is phased in so that thousands of Marylanders will have more income to combat the already exponentially increasing inflation.

According to official <u>sources</u>, the current **US inflation rate is 7.5%** – the highest rate since early 1984 (when it was 7.6%). The average price of food in the United States jumped 7.0% in the 12 months ended January, quickening from the previous 6.3% increase, according to the latest inflation data published February 10, 2022, by the U.S. Labor Department's Bureau of Labor Statistics (BLS). What this means is that every dollar is worth that much less; a truly terrifying prospect as the cost of most goods and services has continued to rise for other economic reasons.

Senate Bill 721, accelerates the phase-in start date of the increase in the State minimum wage to \$15.00 per hour to July 1, 2022, instead of January 1, 2025. Additionally, the bill accelerates the phase-in start date for employers with 14 or fewer employees to July 1, 2023, instead of July 1, 2026. Furthermore, the bill repeals the Board of Public Works' (BPW) authority to temporarily suspend a scheduled increase in the State minimum wage - a welcomed suspension as it will ensure that Marylanders, especially those low-wage workers, will have a scheduled trajectory for when they might expect further increases in the State minimum wage.

Accelerating the phase-in start date for the increase in the State minimum wage is imperative due to the continued economic hardships brought about by the COVID-19 pandemic and the accelerated inflation rate which has exacerbated these existing issues. For many Marylanders, an increase in their pay may very well mean the difference between feeding themselves and their families, keeping their homes warm, keeping their homes, and having a semblance of peace of mind in an increasingly chaotic world. We urge a favorable vote on SB 721.