

# **Well-Paid Maids Support Testimony SB 721 March 202**

Uploaded by: Aaron Seyedian

Position: FAV



**Testimony on Senate Bill 721  
Legislation on Maryland's Minimum Wage Before the Senate Finance Committee  
March 10, 2022**

**Aaron Seyedian, Owner, Well-Paid Maids  
Position: SUPPORT**

My name is Aaron Seyedian and I am the owner of Well-Paid Maids. We are a thriving living-wage home cleaning service, serving customers across Montgomery and Prince George's Counties, in addition to customers in D.C. and Northern Virginia. I'm also a member of Business for a Fair Minimum Wage. I support Senate Bill 721.

In an industry known for low wages, my business success is proof that paying fair wages is good for business. Paying fair wages was good for our business before the pandemic. It's been vital for business during the pandemic. And it will be good for business after the pandemic.

All employees at Well-Paid Maids make at least \$20/hour. They receive a full benefits package including health, dental, life and vision insurance, 22 days of paid time off per year, and various other benefits. Not only is this the right thing to do, it leads to a happier, healthier, and more productive workforce. And it leads to more customers.

Even though many of our competitors are complaining about a labor shortage, we are having no trouble finding qualified applicants to fill open positions. In addition, customers appreciate our living-wage business model so much that we have more business than we can keep up with. In roughly five years, we have grown to a staff of 22 full-time employees and are continuing to hire to meet growing customer demand.

Too often in the minimum wage debate, we struggle to see what's plainly in front of us. Why are some businesses and industries struggling to hire and retain workers? Why are so many working families struggling to make rent? Why are we facing a lopsided recovery from the pandemic, where many people are unable to make ends meet while others grow wealthier than ever? Too many working people are not getting paid enough to live on. That's not just bad for working people, it's bad for the economy and it's bad for business.

I've seen the difference a living wage makes for my own employees and my business. I've seen the difference it makes for a local economy when the wage floor is raised so that it better reflects the local cost of living. It's time for Maryland to accelerate its path to a \$15 minimum wage.

I respectfully urge the Committee to give a favorable report to Senate Bill 721. Thank you.

Aaron Seyedian  
Founder and Owner  
Well-Paid Maids LLC  
202-715-1646, aaron@wellpaidmaids.com

# **SB 721 Business for a Fair Minimum Wage SUPPORT Te**

Uploaded by: Alissa Barron-Menza

Position: FAV

# **BUSINESS** *for a* **FAIR MINIMUM WAGE**

## **TESTIMONY ON SB 721: “Labor and Employment - State Minimum Wage Rate – Acceleration”**

**TO: Hon. Delores Kelley, Chair, and members of the Senate Finance Committee**

**FROM: Alissa Barron-Menza, Vice President, Business for a Fair Minimum Wage**

**Hearing Date: March 10, 2022**

**POSITION: SUPPORT**

Thank you for the opportunity to testify in support of SB 721, raising Maryland’s minimum wage.

My name is Alissa Barron-Menza and I am the Vice President of Business for a Fair Minimum Wage, a national network of business owners, executives and business organizations that believe a fair minimum wage makes good business sense. I’ve been a District 20 resident for 18 years.

We support Maryland adopting a faster timeline for reaching a \$15 minimum wage and repealing the one-year pause allowed by current law.

We supported the passage of Maryland’s minimum wage increase in 2019, with two dozen of our member businesses and business groups testifying in support of raising the minimum wage to \$15. But we had hoped for a faster pace than the enacted compromise timeline of \$15 by January 2025 or July 2026 depending on the number of employees.

SB 721 is very timely given the pandemic and the rising cost of living. MIT’s Living Wage Calculator indicates that the basic needs wage for a single adult without children working full-time in Maryland is already \$17.25.

It makes sense to act now to increase faster to a \$15 minimum wage.

It’s too often forgotten when talking about minimum wage that workers are also customers. Raising the minimum wage puts money in the pockets of people who most need to spend it. It boosts the consumer buying power that businesses depend on to survive and grow.

Fair pay is good for business in many ways beyond increased consumer spending. Low pay typically means high employee turnover. Raising the minimum wage saves businesses money in lower turnover, reduced hiring and training costs, and lower error and accident rates. Businesses further benefit from better productivity, product quality and customer service.

The pandemic has made it clearer than ever that low-wage businesses have more trouble hiring and retaining workers. Raising the minimum wage faster to reflect current realities won’t hurt

small businesses. It raises the minimum wage floor under all businesses and encourages the better business practices that help them survive and compete.

Many businesses are already paying a \$15 minimum wage or higher. Costco pays starting wages of \$17. Target, Amazon, Best Buy and Wayfair, for example, already pay at least \$15. Many small businesses are paying \$15 or higher now because they know it helps them hire and retain workers and makes them more competitive.

For small businesses to succeed in competition with big chains and online companies with fast delivery, you need to give customers a reason to choose your business. That comes back to customer service and employees who can afford to stay and help you keep up with what customers want. Employees often make the difference between repeat customers or lost customers.

Many of our members supporting Senate Bill 721 are small businesses, such as Vigilante Coffee in Hyattsville and College Park; BA Auto Care in Columbia; Community Forklift in Edmonston; and A Few Cool Hardware Stores, with Waverly Ace Hardware & Garden Center and four other Ace Hardware stores in Baltimore City and Montgomery County – as well as bigger businesses like &pizza, with 15 locations in Anne Arundel, Baltimore, Harford, Montgomery and Prince George's Counties.

There is good precedent for Maryland moving faster to \$15. Montgomery County is already at \$15 for larger employers, and D.C. is at \$15.20 now and will reach \$16.10 on July 1. Howard County just passed an increase to \$16.

We applauded Maryland legislators in 2019 for passing a \$15 minimum wage. And we support this new effort that recognizes Maryland needs a faster pace to \$15 now. Raising the wage floor levels the playing field for businesses, helping those with lower wages to raise pay, decrease turnover, and increase competitiveness and customer satisfaction.

Maryland's minimum wage increases will help workers, businesses and communities continue to recover from the pandemic and build a stronger economy.

We respectfully urge a favorable report for SB 721. Thank you.

Alissa Barron-Menza  
Vice President  
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**BA Auto Care Testimony SUPPORT SB 721.pdf**

Uploaded by: Brian England

Position: FAV



**Testimony on Senate Bill 721 - Labor and Employment - State Minimum Wage Rate -  
Acceleration**

**Before the Senate Finance Committee**

**Honorable Delores Kelley, Chair**

**March 10, 2022**

**Brian England, Owner, BA Auto Care**

**Position: SUPPORT**

My name is Brian England. My wife and I own BA Auto Care, an auto service and repair facility in Columbia. I'm also on the board of the Howard County Citizens Association and a member of Business for a Fair Minimum Wage.

I support the effort to strengthen Maryland's minimum wage law via Senate Bill 721. I am a strong supporter of Maryland's minimum wage increase to \$15, and of efforts that ensure Maryland's minimum wage keeps up with the rising cost of living for the benefit of working people, businesses and our economy.

BA Auto Care has been in business since 1978 and I'm proud to say we see a strong future as a family business. My daughter is now our general manager.

We have won many awards, including Maryland Small Business of the Year and Howard County's Best Auto Care Facility this year and for nearly all of the other 44 years we have been in business.

Our employees are a big reason why we are successful. And that starts with us valuing our employees. As we see every day on the shop floor, fairly paid employees provide better service, work harder, and are more productive. They can focus their attention on their jobs and not be in a state of worry and fear about how they will make rent or heat their homes or afford school supplies and clothes for their growing kids.

Our employees stay with us for a long time and develop a rapport with customers, which is very good for business. We have employees who have been with us for 9, 11, 16, 21 and even 36 years!

Have you ever wondered why when you visit some businesses their staff is frequently changing? It's a good bet they are paying an inadequate wage.



It makes more sense to have a higher minimum wage and lower employee turnover than a low minimum wage with high turnover. High turnover costs a lot of time and money in continual hiring and training expenses. And it alienates customers.

When businesses pay so little their employees can't make ends meet, it hurts everyone. I see working people having to choose between replacing bald tires and putting in a new battery. I see working people struggling to keep their car on the road, delaying needed services to the point that their car has a major failure.

When businesses pay fair wages, it's good for all businesses because employees become consumers with more money to spend.

Raising the minimum wage lifts everyone up. Higher wages mean families can rely less on the social safety net just to keep a roof overhead and food on the table. Higher wages mean workers have more money to spend at all kinds of businesses. It's a win-win that results in a much stronger local economy and community.

I applaud our Senators for working to ensure our minimum wage is a wage that working people across Maryland can live on. That's essential if our state is going to grow and thrive together.

I respectfully urge your support for SB 721. Thank you for your time.

Brian England  
Owner and President  
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**SB 721\_FAV\_JOTF.pdf**

Uploaded by: Caleb Jasso

Position: FAV

# 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

**DATE:** March 10, 2022

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 [sources](#), 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.

**For more information, contact:**  
Caleb Jasso / Policy Advocate / [caleb@jotf.org](mailto:caleb@jotf.org) / 626-224-3543

**SB0721\_Chris\_Apple\_FAV.pdf**

Uploaded by: Chris Apple

Position: FAV

TESTIMONY IN SUPPORT OF BILL SB0721 - FAVORABLE  
Labor and Employment - State Minimum Wage Rate - Increase

TO: Chair Kelley, Vice Chair Feldman, and  
members of the Finance Committee

FROM: Chris Apple  
7001 Cradlerock Farm Court  
Columbia, MD 21045  
District 13

Mar 10, 2022

Income inequality has become a serious issue in this country over the last several decades. Many people want a stable job that can provide for their families, but that dream is increasingly out of reach for many Marylanders.

Over the past 44 years, the lowest 20% of incomes has grown at just 0.25% per year.<sup>1</sup> That rate has not kept pace with the fast-rising costs of healthcare or rent.<sup>2</sup> And because Maryland's cost of living is higher than the national average, there is often a higher financial burden on people earning minimum wage in this state.<sup>3</sup>

While Maryland has implemented an admirable policy of stepped increases to minimum wage, I believe we can and should do more. With inflation rising more quickly than expected, it's more important than ever to ensure all people's wages can keep up with the cost of living.

This bill will hasten relief to many Marylanders working minimum wage jobs. It will begin to close the income inequality gap, and ensure that more Marylanders can provide for their families and build wealth for the future. I respectfully urge a favorable report on SB 721.

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<sup>1</sup> Apple, Chris. "Real Wages Aren't Rising." <https://medium.com/@capwriting/real-wages-arent-rising-fccb3b320ffb>

<sup>2</sup> Apple, Chris. "Real Wages Aren't Realistic." <https://medium.com/@capwriting/real-wages-arent-realistic-ec60637d0850>

<sup>3</sup> "Cost of Living in Maryland." [https://www.bestplaces.net/cost\\_of\\_living/state/maryland](https://www.bestplaces.net/cost_of_living/state/maryland)

# **SB 721 Fight for \$15.pdf**

Uploaded by: Christianne Marguerite

Position: FAV



# PROGRESSIVE MARYLAND

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**Testimony in Support of Maryland SB 721  
Labor and Employment - State Minimum Wage Rate - Acceleration  
(Fight for Fifteen)**

TO: Sen. Kelley, Chair, and members of the Senate Finance Committee  
FROM: Jennifer Dwyer, Director of Policy and Development, Progressive Maryland  
DATE: March 10, 2022  
POSITION: Support

Thank you for the opportunity to testify on SB 721. Progressive Maryland is a grassroots, nonprofit organization with 9 regional chapters from Frederick to the Lower Shore and more than 100,000 members and supporters. They live in nearly every legislative district in the state. In addition, there are dozens of affiliated community, faith, and labor organizations across the state that stand behind our work. Our mission is to improve the lives of working families in Maryland. Please note our **strong support for SB 721**.

\$30,000 a year. That is how much a 40 hour work week with a wage of \$15.00 per hour amounts to before taxes. Cost of living studies has found that Maryland is the seventh most expensive state in the nation for standard necessities such as groceries, housing, utilities, transportation, and health. Not only is the cost of living already exorbitant, but the inflation rate is the highest it's been in 40 years. These factors mean that the acceleration of a living wage is imperative to support our state's vulnerable and hard-working people.

Nowhere in the entire State of Maryland can a person be self-supporting on a wage lower than \$15.00 an hour, according to a study by Maryland Community Action Partnership. As of now, the minimum wage will not reach \$15.00 per hour until 2026 for all minimum wage workers in Maryland. SB 721 would mean that all minimum wage workers will meet the \$15.00 per hour needed to survive by 2023 instead of 2026. This will have a massive impact on the lives of close to 1 million workers in the state who currently and will continue to make less than \$15.00 an hour until 2026. The economic reality and hardship are so blatantly apparent to residents that the majority of Marylanders support the acceleration of raising the minimum wage to \$15.00.

Maryland workers deserve better than to continue working in excess of forty hours per week just to meet their most basic needs. For these reasons, **we urge a favorable report on SB 721**.



**SB721\_AFSCME\_FAV.pdf**

Uploaded by: Denise Gilmore

Position: FAV





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Patrick Moran - President

**Testimony**  
**SB 721 – Labor and Employment - State Minimum Wage Rate - Increase**  
**Finance**  
**March 10, 2022**  
**Support**

AFSCME Council 3 stands in support of SB 721. This bill would accelerate the increase in the State’s minimum wage to \$15 per hour by July 1, 2022, as well as removing the Board of Public Works ability to suspend wage increases.

Accelerating the phasing in of a \$15.00 an hour minimum wage will be advantageous for the State. Inflation is undercutting any economic gains in the lower income tiers. The wage gap between the lowest and highest wage earners continues to be exacerbated, leading to a wholesale reconsideration of the “worth” of job sectors that have traditionally been able to rely on minimal wages and employee supports. This has led to numerous small businesses and retail outlets suffering from lack of staffing, harming their ability to generate economic activity and growth.

AFSCME Council 3, representing 30,000 employees in Maryland, strongly believes that by raising the minimum wage, you fortify and improve the living standards for all workers in Maryland. In addition to increasing the personal income, it would decrease employee turnover, increase local consumption, and decrease the number of persons receiving social welfare. Moreover, a \$15.00/hr wage floor would boost consumer spending. Council 3 and our labor siblings Council 67 and Local 2250 represent public employees working in our schools, in state and local governments – Marylanders that live paycheck-to-paycheck - existing too close to the poverty line, often folks who must hold down two or three jobs outside of their full-time government employment to make ends meet. Impoverished families are excessively burdened and by financial constraints increasing stress levels and decreasing the amount of time spent enjoying time with family and loved ones. All workers in Maryland deserve better.

Every AFSCME Maryland State and University contract guarantees a right to union representation.  
An employee has the right to a union representative if requested by the employee.  
800.492.1996

Some may suggest that small businesses are not in favor of a higher minimum wage, but in fact small businesses see first-hand the importance of paying decent wages and treating their workers fairly. They also know that low-wage workers will spend their increased wages in the communities where they live and are able to be better employees at work without dealing with the inevitable stresses of finances. In Maryland, we are seeing a trend - more and more small and large businesses are choosing Maryland as a place to grow their business. These companies realize the importance of paying workers a livable wage and many have publicly announced their commitment to doing so. Our state should follow suite.

Increasing Maryland's minimum wage to \$15 by July 2022 will help workers meet their basic needs and join the growing list of states, cities and counties across the country that have already enacted legislation increasing the state's minimum wage. It is time for Maryland to continue to once again lead by example.

For these reasons, AFSCME Council 3 supports this bill and requests a FAVORABLE report on SB 721.

# **SB 721 - State Minimum Wage Rate - Increase.pdf**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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*President*

Donna S. Edwards

*Secretary-Treasurer*

Gerald W. Jackson

**SB 721 – Labor and Employment – State Minimum Wage Rate - Increase  
Senate Finance Committee  
March 10, 2022**

**SUPPORT**

**Donna S. Edwards**

**President**

**Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 721 – Labor and Employment – State Minimum Wage Rate - Increase. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland’s 340,000 union members, I offer the following comments.

If Congress had continued to increase the minimum wage in line with productivity growth since 1968 (the historical high point of the minimum wage), today it would be over \$22 per hour<sup>1</sup>. Our lowest paid workers have not enjoyed the increase in wealth in this country, nor are they the recipients of the benefits of their increased productivity.

The General Assembly had the foresight to pass “Fight for \$15” in the 2019 Session with a slow phase-in of the minimum wage increase until we reached \$15 per hour by 2026. Additionally, The Board of Public Works was given the ability to stop the annual phase-in, should they determine that it was somehow having a deleterious effect on business in the State. This was groundbreaking legislation for Maryland, and a great start on the path toward honoring the dignity of workers. Workers, however, need the process to accelerate.

With SB 721 we have the opportunity to undo the unnecessary phase-in and bring up the minimum wage to \$15/hour starting this summer, to give more relief to low-paid workers and their families. The bill also removes the BPW from any ability to stop workers from getting the wages owed for their labor. SB 721 fixes “Fight for Fifteen” by bringing the wage up to where it should have been set in 2019 and removes unneeded bureaucracy from the process.

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<sup>1</sup> <https://www.epi.org/blog/the-minimum-wage-has-lost-21-of-its-value-since-congress-last-raised-the-wage/>

A common criticism of a minimum wage increase is that “these are jobs held by teenagers”. However, that is only true of 20% of those who are paid minimum wage. 80% of minimum wage workers are over the age of 18, with half of them being over the age of 25<sup>2</sup>. In fact, the typical worker who would benefit from a \$15 minimum wage is a *35-year-old woman with some college-level coursework who works full time*<sup>3</sup>. Low pay creates “the working poor” – those who hold down two, and sometimes three, jobs just to make ends meet.

The time to raise the minimum wage to \$15/hour is now.

**For frontline workers, for working families struggling to make ends meet, and for the good of Maryland’s entire economy, we ask for a favorable report on SB 721.**

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<sup>2</sup> Bureau of Labor Statistics

<sup>3</sup> Economic Policy Institute - <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

# **32BJ SEIU Jaime Contreras Testimony in Favor of SB**

Uploaded by: Enrique Calvo

Position: FAV



SERVICE EMPLOYEES  
INTERNATIONAL UNION  
CTW, CLC

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

**Capital Area District**

Jaime Contreras,  
Capital Area District Director



**Testimony of Jaime Contreras,**

**Executive Vice President and Capital Area District Director, SEIU Local 32BJ,  
to the Maryland Senate Finance Committee,**

**March 10, 2022**

Thank you to the Senate Finance Committee for holding today's hearing. My name is Jaime Contreras and I am the Capital Area District Director and an Executive Vice President of SEIU 32BJ. 32BJ represents over 9,000 workers in Maryland and has 175,000 members up and down the East Coast.

I want to ask you to stand with working Marylanders by voting for SB 721. Maryland is currently on a path to a \$15/hour minimum wage by 2025 for large employers and by 2026 for small employers – that is unless the Board of Public Works decides to delay the planned increases in the minimum wage. Unfortunately, due to rising inflation we cannot wait so long.

Inflation is soaring across the country and in particular in Maryland. According to the Bureau of Labor Statistics, inflation was at 7% for calendar year 2021 nationwide, but 8% in the Baltimore-Columbia-Towson area.<sup>1</sup> This rate of inflation is the highest in 40 years.<sup>2</sup> Moreover, we have seen inflation hit certain essentials such as groceries, utilities and housing particularly hard.<sup>3</sup> Because of the Russian invasion of Ukraine, inflation seems on track to worsen even further. These price increases will have a disproportionately harsh impact on low-income workers, many of whom were also frontline essential workers during the COVID-19 pandemic.

We are asking you to vote in favor of SB 721 in order to accelerate already planned wage increases and so ensure that Maryland's workers are able to adequately provide for themselves and their families.

Thank you for your consideration.

Sincerely,

Jaime Contreras

Executive Vice President and Capital Area District Director

SEIU Local 32BJ

<sup>1</sup> <https://www.bls.gov/opub/ted/2022/consumer-price-index-2021-in-review.htm>;  
[https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex\\_baltimore.htm](https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_baltimore.htm)

<sup>2</sup> Id.

<sup>3</sup> <https://www.wsj.com/articles/where-inflation-is-hitting-hardest-prices-of-groceries-utilities-rent-jump-11644519819>

# **A Few Cool Hardware Stores Support SB 721 March 10**

Uploaded by: Gina Schaefer

Position: FAV





**TESTIMONY ON SB 721 - “Labor and Employment - State Minimum Wage Rate – Acceleration”**

**TO:** Hon. Delores Kelley, Chair, and members of the Senate Finance Committee

**FROM:** Gina Schaefer, Owner, A Few Cool Hardware Stores

**DATE:** March 10, 2022

**POSITION:** SUPPORT

My name is Gina Schaefer, owner of A Few Cool Hardware Stores. Since opening our first store in 2003, A Few Cool Hardware Stores has grown to a company of 13 stores in Maryland, Washington, D.C. and Virginia. We have three stores in Baltimore, including Canton Ace Hardware, Federal Hill Ace Hardware and Waverly Ace Hardware & Garden Center, as well two stores in Montgomery County, Old Takoma Ace Hardware and Silver Spring Ace Hardware.

We strongly supported raising Maryland’s minimum wage to \$15. Given the rising cost of living in Maryland, affecting low-income workers and communities particularly hard, we support Senate Bill 721 to speed up implementation of the \$15 minimum wage that was passed in 2019.

We couldn’t have grown to 13 hardware stores without our dedicated employees and the customers they serve every day. We know from experience that raising pay at the bottom is good for the bottom line.

Our employee retention rates are higher than the industry average. That saves us time and money in hiring and training new employees due to needless turnover rather than intentional workforce expansion. Paying fair wages helps us attract and retain good employees, increase sales, expand our business, and hire more employees.

When employees earn a decent starting wage, they can concentrate on their job and our customers without continual stress over how they are going to afford basics like rent, groceries or transportation. They can focus on delivering great customer service, which is vital for local businesses like ours. We never forget our customers have a choice – and they choose us!

Fair pay has always been key to the great service that keeps our customers coming back. And paying better wages and benefits has been key to our ability to retain and hire staff throughout the pandemic. We filled over 120 positions last year in Maryland and our other locations, when many other retailers had difficulty with hiring and retention.

Our employees have shown tremendous dedication throughout the pandemic. They are the people responsible for upholding our reputation and interacting with our customers in good times and in bad. Satisfied customers don’t just keep coming back themselves, they tell their friends and families about us.

A few cool   
**Hardware Stores**

Raising the state minimum wage is an excellent way to boost the economy. Minimum wage increases don't go into workers' pockets and disappear. The money recirculates as spending at local businesses like ours. Whole communities are strengthened.

Improving Maryland's minimum wage will help businesses hire and retain workers, building more sustainable businesses for the long-term. It will make it more possible for all our communities to thrive.

I urge a favorable report on SB 721. Thank you.

Gina Schaefer  
Owner  
A Few Cool Hardware Stores  
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Gina@acehardwaredc.com  
(410) 327-0404

# **Vigilante Coffee Testimony SB 721 SUPPORT March 20**

Uploaded by: Glenn Roessler

Position: FAV



**Senate Bill 721: Labor and Employment - State Minimum Wage Rate - Acceleration  
Testimony from Glenn Roessler, Vigilante Coffee Company**

**Submitted to the Maryland Senate Finance Committee, Hon. Delores Kelley, Chair  
March 10, 2022**

**Position: SUPPORT**

Thank you for the opportunity to share Vigilante Coffee's support for Senate Bill 721. My name is Glenn Roessler and I am the business development coordinator of Vigilante and share our support on behalf of our founder and owner Christopher Vigilante.

This is our tenth year in business, with a roastery and cafe in Hyattsville and a café in College Park. Despite the pandemic, we are growing, opening a third location – a new roastery and café in California – last year. Fair pay is a cornerstone of our business success.

We strongly supported Maryland's minimum wage increase to \$15, and we support this new effort to reach \$15 faster. The cost of living in Maryland is outpacing the minimum wage. When people working full-time struggle to afford the basics, businesses and the economy suffer.

We've always paid higher wages in order to attract and retain good employees. Our workers are on the front lines, interacting with customers and acting as the face of our business. They are often the reason people come back again and again, and tell their friends about us. Without our dedicated team, we wouldn't have weathered the pandemic, nor won the numerous awards we have over the years, including U.S. Roaster Championship Top 5 and "Best Coffee" by the Washington Post Express, and many others.

But when working people still can't afford the basics, how can we expect them to frequent Vigilante cafes? Getting to a \$15 minimum wage faster will help businesses like ours by putting more money in the hands of those most likely to spend it locally. Businesses across Maryland will see increased consumer demand as workers have more money in their pockets.

Raising the minimum wage to \$15 faster will also raise more working people up and away from the social safety net. This will level the playing field for businesses like ours, while raising Maryland's wage floor will make it easier for lower wage businesses to raise pay together rather than individually.



Employers paying an increased minimum wage will find that employees stay longer with their companies, are more efficient, work harder and are more productive. I see many workers, especially in the food service industry, who have to work two or even three jobs to make ends meet.

The pandemic has made work in our industry even harder. If employees are exhausted because they're working numerous jobs just to pay the bills, or constantly worried about how they're going to clothe or feed their children, they're not able to put their best foot forward at work. And that hurts the bottom line.

We are in good company in supporting this legislation as a member of Business for a Fair Minimum Wage. Never has it been clearer that people are our most precious resources. When you invest in your employees, they invest in your business.

We urge your support for Senate Bill 721. Thank you for your time.

Glenn Roessler

Vigilante Coffee Company

Hyattsville Roastery & Cafe: 4327 Gallatin Street, Hyattsville, MD 20781

College Park Cafe: 8200 Baltimore Ave, College Park, MD 20740

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**SB721\_MD Center on Economic Policy\_FAV.pdf**

Uploaded by: Kali Schumitz

Position: FAV



MARCH 10, 2022

# A Faster Minimum Wage Phase-In Would Help Low-Wage Workers Who Need it Now

## Position Statement in Support of Senate Bill 721

*Given before the Senate Finance Committee*

The COVID-19 pandemic has highlighted Maryland communities' deep reliance on the workers who keep families fed, care for aging adults, and maintain sanitary public spaces. Yet these same workers too often take home wages that cannot support a family, let alone compensate for the daily risks their jobs require. The General Assembly's decision to pass the Fight For \$15 legislation in 2019 was major victory for low-wage workers but, since then, chaos in public health and our economy have made it harder for many to get by. **The Maryland Center on Economic Policy supports Senate Bill 721 because it would expedite Maryland's path to a \$15 minimum wage and prevent counterproductive delays.**

After decades of backsliding, we are finally bringing Maryland's minimum wage back to the purchasing power it had in the late 1960s. However, the phase-in schedule in the 2019 bill – especially after the delays added through amendments – does not do enough to keep up with the rising cost of living. Senate Bill 721 calls for a schedule that responds to today's economic conditions:

- The bill would bring the minimum wage for most workers to \$15 per hour by July of this year, rather than January 2025 under current law.
- The bill maintains a more gradual phase-in for small employers, bringing the minimum wage to \$15 in July 2023 rather than July 2026 under current law.
- The bill repeals a provision that would allow the Board of Public Works to further delay minimum wage increases during times of economic difficulty. The fact is, the minimum wage enables low-wage workers and their families to afford necessities, which supports sales at local businesses and can therefore cushion the blow of a recession.

Maryland workers simply cannot get by on low wages. Between housing, food, clothing, and other essentials, even a single adult, working full time and not caring for children, cannot afford a basic living standard anywhere in Maryland for less than \$15 per hour, according to the Economic Policy Institute.<sup>1</sup> That cost only increases for workers supporting a family.

A stronger minimum wage would benefit workers of every background, and would be especially meaningful for women and workers of color, who today are often held back by structural barriers built into our labor market.

A large body of research shows that when families earn enough to afford the basics, the benefits ripple out to nearly every part of their lives. A 2013 systematic review of academic literature linked higher family incomes to:<sup>ii</sup>

- Fewer families struggling to put food on the table
- Increased spending on children’s clothing, reading materials, and toys
- Fewer behavioral problems, less physical aggression, and less anxiety among children
- Improved academic and cognitive test results, and more years of schooling completed

Decent wages are also linked to individuals’ and families’ physical health, prompting the American Public Health Association to endorse a higher minimum wage, noting that “current metrics for setting minimum wages inadequately capture the basic necessities for living in full health.”<sup>iii</sup>

Senate Bill 721 would support Maryland’s economy:

- Family-supporting wages are a crucial tool to make Maryland an attractive place to live and work, and to draw people into the labor market. This leads to a deeper talent pool for employers.
- More than anyone else, families living paycheck to paycheck quickly cycle every dollar of income back into the local economy by buying essentials.<sup>iv</sup> A higher minimum wage means higher incomes for precisely the families who will spend that money fastest. This, in turn, means stronger sales at local businesses, which allows them to hire more workers.

Finally, the most rigorous economic research undermines catastrophic predictions about the effect of a higher minimum wage on the economy:

- A study published in 2019 examined 138 state minimum wage changes between 1979 and 2016. The study found no evidence of any reduction in the total number of jobs for low-wage workers and no evidence of reductions affecting workers without a college degree, workers of color, or young workers.<sup>v</sup>
- A 2016 meta-analysis of 37 studies on the minimum wage published since 2000 found minimal employment effects, particularly for the vast majority of affected workers who are at least 20 years old.<sup>vi</sup>

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Finance Committee make a favorable report on Senate Bill 721.**

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## Equity Impact Analysis: Senate Bill 721

### *Bill Summary*

Senate Bill 721 expedites the phase-in schedule for Maryland’s \$15 minimum wage:

- The bill would bring the minimum wage for most workers to \$15 per hour by July of this year, rather than January 2025 under current law.
- The bill maintains a more gradual phase-in for small employers, bringing the minimum wage to \$15 in July 2023 rather than July 2026 under current law.



Senate Bill 721 also repeals a provision that would allow the Board of Public Works to delay minimum wage increases when economic indicators suggest a possible recession.

### Background

The General Assembly passed legislation in 2019 to increase the statewide minimum wage to \$15 per hour by 2026 (with most workers reaching \$15 by 2025). However, this law was the product of a series of compromises that delayed wage increases for most workers and left some out entirely.

Current wage standards are not sufficient to ensure Maryland workers can afford a basic living standard. As of 2018, a single adult working full-time and not raising children would have needed a \$15.51 hourly wage to afford a “modest yet adequate” standard of living in Baltimore City.<sup>vii</sup> Every other county in Maryland has an even higher cost of living, and costs are higher for workers supporting a family. Adjusted for inflation, a \$15.51 hourly wage in 2018 is equivalent to \$16.74 in 2021.

### Equity Implications

Because structural barriers in the labor market disproportionately push women and workers of color into low-wage jobs, strengthening the minimum wage yields especially large benefits for these workers. The table below summarizes hourly wages for Maryland workers in 2021.

**Wage Distribution of Maryland Workers by Race and Gender**

Percentile	All Workers	Men	Women	White	Black
10 <sup>th</sup>	\$12.50	\$13.46	\$12.02	\$12.89	N/A
30 <sup>th</sup>	\$17.99	\$19.12	\$16.52	\$19.95	\$16.68
50 <sup>th</sup> (Median)	\$26.24	\$28.11	\$24.27	\$28.74	\$23.00
70 <sup>th</sup>	\$37.52	\$43.11	\$33.78	\$41.77	\$31.72
90 <sup>th</sup>	\$68.87	\$97.90	\$56.98	\$93.16	N/A

Source: Economic Policy Institute analysis of 2021 Current Population Survey microdata.

Note: 10<sup>th</sup>- and 90<sup>th</sup>-percentile wage data are not available for Black workers in 2021. Wage data are not available for other racial and ethnic groups in 2021.

### Impact

Senate Bill 721 would likely **improve racial, gender, and economic equity in Maryland.**

<sup>i</sup> Economic Policy Institute 2018 Family Budget Calculator, <http://www.epi.org/resources/budget/>

<sup>ii</sup> Kerris Cooper and Kitty Stewart, “Does Money Affect Children’s Outcomes? A Systematic Review,” Joseph Rowntree Foundation, October 2013, <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/money-children-outcomes-full.pdf>  
The systematic review methodology involves defining in advance how researchers will identify relevant studies, as well as quality control measures to ensure that only studies with credible methodologies are included. This methodology protects against researchers cherry-picking studies that support their viewpoint.

<sup>iii</sup> “Improving Health by Increasing the Minimum Wage,” American Public Health Association, November 2016, <https://www.apha.org/policies-and-advocacy/public-health-policy-statements/policy-database/2017/01/18/improving-health-by-increasing-minimum-wage>

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<sup>iv</sup> Christopher Carroll, Jiri Slacalek, Kiichi Tokuoka, and Matthew White, “The Distribution of Wealth and the Marginal Propensity to Consume,” *Quantitative Economics* 8(3), 2017, <https://onlinelibrary.wiley.com/doi/10.3982/QE694>

<sup>v</sup> Doruk Cengiz, Arindrajit Dube, Attila Lindner, and Ben Zipperer, “The Effect of Minimum Wages on Low-Wage Jobs,” *The Quarterly Journal of Economics* 134(3), 2019, <https://academic.oup.com/qje/article/134/3/1405/5484905>

<sup>vi</sup> Paul Wolfson and Dale Belman, “15 Years of Research on US Employment and the Minimum Wage,” *Labour* 33(4), 2019, <https://onlinelibrary.wiley.com/doi/abs/10.1111/labr.12162>

<sup>vii</sup> Economic Policy Institute 2018 Family Budget Calculator, <http://www.epi.org/resources/budget/>

# **&Pizza Support Testimony SB 721 March 2022.pdf**

Uploaded by: Michael Lastoria

Position: FAV



**Testimony on Senate Bill 721**  
Before the Senate Finance Committee  
The Honorable Delores Kelley, Chair  
March 10, 2022

**Michael Lastoria, CEO, &pizza**  
**Position: SUPPORT**

My name is Michael Lastoria and I am the CEO and founder of &pizza. We are members of Business for a Fair Minimum Wage. I want to thank the Committee for the opportunity to testify in support of improving Maryland's minimum wage.

Founded in 2012, we have succeeded in the greatly competitive fast casual restaurant industry by investing in our employees. We currently have 15 locations in Maryland across Anne Arundel, Baltimore, Harford, Montgomery and Prince George's Counties. We have grown to about 60 locations – and counting – across Maryland, D.C., Virginia, New Jersey, New York, Massachusetts and Pennsylvania.

We believe that when you take care of your people, they take care of your customers, and your business thrives. It's a simple, but critical concept too often overlooked in the business community.

Fair pay has been a vital ingredient in our company's success, culture, and the well-being of our employees. Our focus has always been on providing quality jobs, and higher wages are the clearest way to say to our workforce, 'We value you.' This focus has been even more indispensable during the pandemic.

There are real and tangible benefits in Senate Bill 721 for businesses and the local economy. When workers get a raise, it's almost immediately put back into the economy through consumer spending.

At &pizza, as a result of fair wages, we've seen higher employee productivity and increased employee dedication and retention along with pride in work. More employees, who we call f&mily members, are incentivized to convert from part-time to full-time, and from full-time to salaried roles. Our employees are proud to work for &pizza; with it, our customer satisfaction, customer experience, and our bottom line benefit accordingly. We save time and money by avoiding employee turnover. Our employees are our loudest brand ambassadors.

Since the start of the pandemic, &pizza has opened 20 new locations. Our new locations are staffed with engaged employees who see future growth potential with &pizza, and we plan to open many more this year. It's a testament to the power of fair wages and benefits, and a corporate culture that puts people first.

Let's remember that employees are also customers. The cost of living in Maryland has increased significantly since the \$15 minimum wage bill was passed. Getting to a \$15 minimum wage faster will be good for businesses and the state economy.

When people don't have to worry about making rent and putting food on the table for their families — when they can rest knowing they will be compensated fairly and can afford the basic necessities — they become stronger consumers in their local community. They are far less likely to depend on the social safety net to make up for inadequate wages. It's a virtuous cycle.

When we raise the wage, we raise up people and our communities. This, in turn, helps businesses grow.

I urge the Committee to give a favorable report to Senate Bill 721.

Thank you.

Michael Lastoria  
CEO and Founder  
&pizza  
<https://andpizza.com/>  
[ml@andpizza.com](mailto:ml@andpizza.com)

**SB721\_MSEA\_Zwerling\_FAV.pdf**

Uploaded by: Samantha Zwerling

Position: FAV

**Testimony in SUPPORT of Senate Bill 721  
Labor and Employment – State Minimum Wage Rate - Increase**

**Senate Finance Committee  
March 10, 2022**

**Samantha Zwerling  
Government Relations**

The Maryland State Education Association supports Senate Bill 721, which speeds up the implementation of the \$15 minimum wage and eliminates the Board of Public Works' ability to temporarily suspend the phase-in.

MSEA represents 75,000 educators who work in Maryland's public schools, teaching and preparing our 896,837 students for careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

MSEA has supported the Fight for Fifteen and believes that now is the right time to increase the speed of the phase-in, as low-wage workers continue to struggle to recover from the economic impacts of the COVID-19 pandemic. Fair wages have been a priority for MSEA because employees receiving livable wages are better prepared to meet the many challenges of raising and sustaining a family. Children who live in households of high poverty, frequent unemployment, and inadequate health care often have greater difficulty learning in school. The Commission on Innovation & Excellence in Education ("The Kirwan Commission") concluded that living in areas of high concentrations of poverty has a serious detrimental impact on children and impedes their level of educational achievement. Teachers cannot teach children who are so hungry their ability to think suffers. Teachers cannot teach to children who are not there because they have sicknesses that drag on due to lack of healthcare. Teachers cannot teach to an empty desk because the child's family is continuously moving to find work.

Closing the education achievement gap for students involves addressing economic disparities that have eliminated much of the middle class. This legislation makes a renewed commitment to Maryland families to increase wages, rebuild the middle class, and improve the quality of life statewide.

The COVID-19 pandemic has deepened the inequities in this state. While those at the top of the income ladder have gotten richer, many in service level jobs have fallen deeper in poverty. Importantly, this bill also eliminates the so-called "off ramp" for the phase-in of the \$15 minimum wage. Families need an increase to the minimum wage, especially with the current high inflation, making the cost of living increase.

**For those reasons, MSEA urges a favorable report on Senate Bill 721.**

# **SEIU Local 500 - SB 721 - Support.pdf**

Uploaded by: Travis Simon

Position: FAV





**Hearing Testimony March 10, 2022  
Senate Finance Committee  
Service Employees International Union, Local 500, CtW, CLC**

**Senate Bill 721: Labor and Employment - State Minimum Wage Rate - Increase**

**SUPPORT**

On behalf of the 20,000 working people in our region represented by SEIU Local 500, we offer our strong support for **Senate Bill 721**. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty at institutions of higher education, staff at non-profits, and many other working people across the region. SEIU Local 500 would like to thank Senators Waldstreicher and McCray for their leadership on this bill.

During the pandemic, the federal and state government took action to protect families and working people who were laid off, faced health or child care struggles, or otherwise could not get to work. These supports – stimulus checks, unemployment support, the child care tax credit, extended paid leave, and student loan reprieves – have largely dried up, despite worsening inflation and stagnating wages. In addition, the unemployment tax credit saved many families about \$10,000 in 2020, and Marylanders are looking at paying taxes on those benefits for 2021.

This legislation would help lower poverty rates and reduce the strain on social safety-net programs. When workers can't pay their bills, they are often forced to rely on programs like Section 8, SNAP, etc. While it is good to have these programs as a safety net, it is not sustainable for workers to have to rely on them long term, so businesses need to pay their employees enough that they will not need such programs to survive and will not feel the loss of them so acutely.

SB 721 is good for business. Workers are consumers too. If thousands of people are not earning a living wage, they are not able to spend money at local businesses because they are living paycheck to paycheck. Raising wages enables low wage workers to contribute to the economy. Higher wages are good for small businesses, too. Keeping wages low puts small businesses at a competitive disadvantage because people make purchases based on what they can afford, and bigger businesses tend to have lower prices.

Our economy is only as strong as the lowest paid worker. When workers do well, businesses do well.

This legislation would help families meet their needs and fill the gaps from temporary financial relief. SB 721 promises to put working Marylanders on the path to a \$15 per hour minimum wage by accelerating the implementation timeline, so that by July 1, 2023, the fight for \$15 will be complete. SEIU Local 500 strongly supports this legislation.

**Service Employees International Union, Local 500, CtW, CLC  
901 Russell Avenue, Gaithersburg, MD 20879  
301-740-7100 [www.seiu500.org](http://www.seiu500.org)  
Pia Morrison, President**

**SB721\_PJC\_FAV.pdf**

Uploaded by: Tyra Robinson

Position: FAV



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## SB 721 Labor and Employment – State Minimum Wage Rate – Acceleration

Hearing before the Senate Finance Committee, March 10, 2022

### Position: SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work through litigation and public policy. The **PJC SUPPORTS SB 721** and requests a **FAVORABLE** report.

### SB 721 Would Accelerate Progress Towards Closing the Wage Gap At a Critical Time

African Americans, Latines, and women disproportionately make up the percentage of the workforce making less than \$15 per hour.<sup>1</sup> Positions in this category are typically front-line jobs, such as those in health care, food service, and retail, which now pose a greater safety-risk as a result of COVID-19.<sup>2</sup> The lack of progress in closing the wage gap has been attributed to a thirty-five-year period of stagnancy in workers' hourly wages.<sup>3</sup> The gap is worse for women workers of color.<sup>4</sup>

When the Maryland General Assembly passed legislation to raise the minimum wage, it recognized the overwhelming benefits that the increase would have. In light of current circumstances around the persistent COVID-19 pandemic, the parallel struggle to recover economically, and worsening racial economic inequality, a reasonable acceleration of the \$15 minimum wage implementation is urgently needed.<sup>5</sup> The solution proposed by SB 721 can help working Marylanders begin economic recovery sooner rather than later.

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<sup>1</sup> Laura Huizar and Tsedeye Gebreselassie, National Employment Law Project, *What a \$15 Minimum Wage Means for Women and Workers of Color* (Dec. 2016), available at <https://www.nelp.org/wp-content/uploads/Policy-Brief-15-Minimum-Wage-Women-Workers-of-Color.pdf>.

<sup>2</sup> Clare Hammonds et al., University of Massachusetts Amherst Center for Employment Equity, *Stressed, Unsafe, and Insecure at Work: Essential Workers Need a New, New Deal* (June 2020), available at <https://www.umass.edu/employmentequity/stressed-unsafe-and-insecure-essential-workers-need-new-new-deal>.

<sup>3</sup> Jesse Wursten and Michael Reich, University of California, Berkeley, *Racial Inequality and Minimum Wages in Frictional Labor Markets* (Jan. 2021), available at <https://irle.berkeley.edu/files/2021/01/Racial-Inequality-and-Minimum-Wages.pdf>. See also, Eileen Patten, Pew Research Center, *Racial, Gender Wage Gaps Persist in U.S. Despite Some Progress* (July 2016), available at <https://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>.

<sup>4</sup> Huizar, *supra*.

<sup>5</sup> Ellora Derenoncourt et al., Washington Center for Equitable Growth, *Why Minimum Wages are a Critical Tool for Achieving Racial Justice in the U.S. Labor Market* (Oct. 2020), available at <https://equitablegrowth.org/wp-content/uploads/2020/10/102920-minwage-racial-justice-ib.pdf>.

## **SB 721 Would Help Maryland's Low-Wage Workers Meet Their Families' Basic Needs**

As the cost of living continues to rapidly increase, families need higher wages to make ends meet. Inflation is at its highest level in more than almost four decades, and wages are not keeping pace with rising living expenses.<sup>6</sup> More Marylanders will fall into poverty unless there is a significant wage increase now.<sup>7</sup> By accelerating the time period to implement Maryland's minimum wage, SB 721 will help Maryland's low-wage workers provide for their families' immediate basic needs.

## **SB 721 Would Support Maryland's Economy**

Consumer spending, generated primarily by workers, means that when workers earn more, they can spend more. This is especially true for low-wage workers, who have to efficiently utilize every dollar to buy food, clothes, and necessities for their families. SB 721 will speed up the timeline to increase low-wage workers' income which will, in turn, boost spending and benefit Maryland's economy.

For the foregoing reasons, the PJC **SUPPORTS SB 721** and urges a **FAVORABLE** report. Should you have any questions, please call Tyra Robinson at 410-625-9409 ext. 223.

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<sup>6</sup> Lucia Mutikani, Reuters, *U.S. Consumer Prices Post Biggest Rise in Nearly 40 Years; Inflation Close to Peaking* (Jan. 2022), available at <https://www.reuters.com/world/us/us-consumer-prices-increase-strongly-december-2022-01-12/>.

<sup>7</sup> Derenoncourt et al., *supra*.

# **Maryland NELP Testimony on SB 721.pdf**

Uploaded by: Yannet Lathrop

Position: FAV

## **Testimony of Yannet Lathrop**

National Employment Law Project

# ***Support for Labor and Employment – State Minimum Wage Rate – Acceleration (SB721)***

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## **Hearing before the Maryland Senate Finance Committee**

March 10, 2022

**Yannet Lathrop**  
Senior Researcher and Policy Analyst

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**National Employment Law Project**  
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Suite 1100  
New York, NY 10004

[ylathrop@nelp.org](mailto:ylathrop@nelp.org)

**The National Employment Law Project (NELP)** is a national nonprofit advocacy organization that for more than 50 years has sought to build a just and inclusive economy where all workers have expansive rights and thrive in good jobs. We partner with federal, state, and local lawmakers and local community-based groups on a wide range of workforce issues, including areas such as minimum wage, unemployment insurance, wage and hour enforcement and workplace protections for excluded and underpaid workers.

**NELP supports SB 721, which would accelerate the timeline for increasing Maryland's minimum wage to \$15 per hour by 2022-2023, and would remove the provision in current minimum wage law that allows the Board of Public Works to suspend wage increases.**

## **By adopting a faster timeline to a \$15 minimum wage, Maryland will join states at the forefront of the movement for higher wages**

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Accelerating the timeline for Maryland's minimum wage to reach \$15 is good policy in the face of rapid inflation that is quickly eroding workers' purchasing power, and would put Maryland in line with other high-cost states and cities that are reaching \$15 sooner, or even looking beyond \$15. The majority of workers in New York State are already covered by a \$15 minimum wage, with areas upstate projected to reach \$15 in the next couple of years. Connecticut and Massachusetts are set to reach \$15 an hour by 2023. In California, where the minimum wage is already \$15 an hour for employers with 26 or more employees,<sup>1</sup> voters will have a chance to vote on ballot measure that would raise that state's minimum wage to \$18 an hour.<sup>2</sup> And neighboring Washington D.C.'s minimum wage is already over \$15 an hour, and will be over \$16 an hour in July 2022.<sup>3</sup>

## **Eliminating the Board of Public Works authority to suspend wage increases helps ensure workers do not continue to fall further behind**

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NELP strongly supports eliminating the "pause button" provision from Maryland's minimum wage law that allows the Board of Public Works to suspend increases in the wage rate. As detailed below, a strong minimum wage floor is vital for workers' economic security, racial and gender justice, and especially now, helping workers weather rapidly rising costs that make it even harder to make ends meet. At all times, economic policy should be focused on improving workplace conditions like increasing wages, not providing an avenue through which the State can revoke on what workers won and expect. This is especially true now, as COVID-19 has forced front-line workers to bear the brunt of unsafe workplace conditions, unstable employment and inadequate compensation.

As a Maryland Center for Economic Policy analysis found, if Maryland had frozen its minimum wage rate last year, it would have cost the typical worker earning low wages more than \$7,000 in lost wages by 2026, or more than \$14,000 by 2027.<sup>4</sup> What's more, these harms would have had a disproportionate effect on workers of color, and would have weakened consumer spending.<sup>5</sup>

## **An accelerated timeline to a \$15 minimum wage will put Maryland on a faster path toward greater racial and gender justice**

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Although a \$15 minimum wage benefits workers of all racial, ethnic and gender categories, women and workers of color benefit the most. These workers are over-represented among those earning low wages,<sup>6</sup> and have been among the most impacted by the pandemic.<sup>7</sup> Hence, adopting a faster timeline to a \$15 minimum wage would put Maryland on a faster path to greater racial and gender equity.

In 2018, the Maryland Center on Economic Policy (MDCEP) estimated that workers benefiting from a \$15 minimum wage are:<sup>8</sup>

- 55 percent female.
- 50 percent workers of color—despite comprising only 44 percent of Maryland’s total workforce.
  - In fact, roughly one-quarter of *all* African American and Latinx workers would benefit, compared to just 20 percent of white workers.
- 90 percent adults 20 or older—and in fact, a full 70 percent are over 25 years old.
- 64 percent full-time workers.
- 50 percent graduates with a post-secondary degree, or workers with some college education but no degree.
- 31 percent single or married parents raising 273,000 of Maryland’s dependent children.
- 35 percent living in or near poverty.

## **Inflation is at its highest point in four decades, but wages have not been rising fast enough, leaving low-income families increasingly vulnerable to poverty**

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Much has been made about the “Great Resignation” and its positive impact on wages. But while workers’ wages have grown nominally during the pandemic, record-high inflation have erased those modest gains.

In the 12 months through January (the latest available data), the consumer price index rose 7.5 percent for all items<sup>9</sup>—a 40-year high.<sup>10</sup> During the same time, *real hourly earnings*—earnings that account for inflation—in the private sector *fell 1.7 percent* for all workers, and 1.3 percent for production and non-supervisory workers.<sup>11</sup> This is despite an increase in nominal average wages in the private sector from \$29.93 percent in January 2021 to \$31.63 in January 2022 for all workers,<sup>12</sup> and from \$25.18 to \$26.92 for production and non-supervisory workers.<sup>13</sup>

Inflation affects us all, but it is particularly harmful to low-income households, whose already tight budgets leave no room for adjustments. While energy prices have been leading the recent spike in inflation (rising 27.0 percent since last January), the price of groceries has tracked overall inflation, rising 7.4 percent over the same period,<sup>14</sup> leading to reports of higher food insecurity.<sup>15</sup> Rents have also increased at a fast pace in many regions of the country<sup>16</sup>—including Baltimore, where it rose by nearly 11 percent over the past year<sup>17</sup>—further squeezing budgets and putting families at risk of homelessness.

The full impact of inflation on low-income families is yet to be determined. But pre-pandemic research suggests that it may lead to higher levels of poverty—particularly among people of color<sup>18</sup>—and to the widening or reinforcing of income inequality.<sup>19</sup>

## **Decades of research on the minimum wage shows that higher wage floors boost workers’ incomes without adverse employment effects**

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Decades of pre-pandemic research shows that the minimum wage raises the incomes of underpaid workers without affecting their employment. In fact, two meta-analyses—the analysis and synthesis of independent studies—on minimum wage research found close to zero impact on employment.<sup>20</sup>

The pandemic has not called this near consensus into question. In fact, during the early months of the pandemic, we witnessed jobs numbers drop to record lows as state and local governments imposed lockdowns to contain the spread of the virus. And as economies began to open back up in mid-2020, we saw more and more employers attempt to rebuild their workforce by raising wages<sup>21</sup>—showing in real time that higher pay does not automatically lead to disemployment effects, and in fact, they can be a boon to workers and employers alike.



## **The pandemic has shown that businesses can afford to pay more and still be profitable; and that raising the wage floor helps ensure that small businesses are not at a competitive disadvantage**

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Before the pandemic, large corporations and their lobbyists fought tooth and nail to defeat even the most modest of minimum wage proposals.<sup>22</sup> Today, many of those same businesses are offering higher hourly wages—as high as \$25 in some instances<sup>23</sup>—in the attempt to recruit and retain workers in an upended labor market. Far from suffering adverse effects due to higher labor costs, many of these employers are posting healthy profits.<sup>24</sup>

The contrast between powerful employers' advocacy against higher minimum wages and their actions shows that employers can pay more, but many choose not to do so unless compelled. And recent data on earnings and profits shows that higher wage floors are compatible with thriving businesses. This is true for large employers as for small ones.

The advocacy group, Business for a Fair Minimum Wage (BFMW), warns that “Small businesses using lower minimum wage rates would have a harder time hiring and retaining employees, and see an increase in costly turnover. Lower minimum wages for small businesses would undermine the customer service that helps keep small businesses competitive.”<sup>25</sup> BFMW also warns that lower wages would also reduce worker productivity and morale, and limit the purchasing power of workers (who are also customers), thereby impacting the viability of small businesses.<sup>26</sup> While businesses of any size can experience the adverse effects of low wages, the impacts seem to be greater for small businesses—as the pandemic is making it clear<sup>27</sup>—in great part because small businesses have fewer resources than large businesses to cope with the unintended consequences of adopting a low-wage business model.<sup>28</sup>

## **Recommendations**

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For the reasons discussed above, NELP supports SB 721 and urges a FAVORABLE report.

## **Endnotes**

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<sup>1</sup> Yannet Lathrop, “Raises from Coast to Coast in 2022,” National Employment Law Project (December 2021), available at <https://www.nelp.org/publication/raises-from-coast-to-coast-in-2022/>, also showing that, in all, 33 cities and counties now have wages above \$15 an hour, and 11 more will surpass \$15 later in 2022.

<sup>2</sup> Ballotpedia, *California \$18 Minimum Wage Initiative (2022)*, [https://ballotpedia.org/California \\$18 Minimum Wage Initiative \(2022\)](https://ballotpedia.org/California_$18_Minimum_Wage_Initiative_(2022)). Accessed March 9, 2022.

<sup>3</sup> District of Columbia Department of Employment Services, Office of Wage-Hour Compliance, <https://does.dc.gov/service/office-wage-hour-compliance-0>. Accessed March 9, 2022.

<sup>4</sup> Maryland Center for Economic Policy, “We Must Keep Our Promises to the Low-Wage Workers Who Keep Maryland Communities Going,” (June 2020), available at <http://www.mdeconomy.org/wp-content/uploads/2020/06/MDCEP-Minimum-Wage-Freeze-Memo-.pdf>.

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<sup>5</sup> Ibid.

<sup>6</sup> Economic Policy Institute and the National Employment Law Project, *Why the U.S. Needs a \$15 Minimum Wage*, January 26, 2021, <https://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>.

<sup>7</sup> Hye Jin Rho, Hayley Brown, and Shawn Fremstad, *A Basic Demographic Profile of Workers in Frontline Industries*, Center for Economic and Policy Research, April 2020, <https://cepr.net/wp-content/uploads/2020/04/2020-04-Frontline-Workers.pdf>.

<sup>8</sup> Christopher Meyer, *What a \$15 Minimum Wage Would Mean for Maryland*, Maryland Center on Economic Policy, February 2018, [http://www.mdeconomy.org/wp-content/uploads/2018/02/MDCEP\\_FF15\\_report-2.pdf](http://www.mdeconomy.org/wp-content/uploads/2018/02/MDCEP_FF15_report-2.pdf).

<sup>9</sup> Bureau of Labor Statistics, “Consumer Prices Up 7.5 Percent Over Year Ended January 2022,” *TED: The Economics Daily*, February 16, 2022, <https://www.bls.gov/opub/ted/2022/consumer-prices-up-7-5-percent-over-year-ended-january-2022.htm>.

<sup>10</sup> Andrew Van Dam and Rachel Siegel, “Prices Climbed 7.5% in January, Compared with Last Year, Continuing Inflation’s Fastest Pace in 40 Years,” *The Washington Post*, February 10, 2022, <https://www.washingtonpost.com/business/2022/02/10/cpi-inflation-january/>.

<sup>11</sup> Bureau of Labor Statistics, “Real Average Weekly Earnings Down 3.1 Percent Over the 12 Months Ending January 2022,” *TED: The Economics Daily*, February 17, 2022, <https://www.bls.gov/opub/ted/2022/real-average-weekly-earnings-down-3-1-percent-over-the-12-months-ending-january-2022.htm>.

<sup>12</sup> Bureau of Labor Statistics, “Table B-3. Average Hourly and Weekly Earnings of All Employees on Private Nonfarm Payrolls by Industry Sector, Seasonally Adjusted,” *The Employment Situation—January 2022* [News Release], February 4, 2022, <https://www.bls.gov/news.release/pdf/empsit.pdf>.

<sup>13</sup> Ibid., “Table B-8. Average Hourly and Weekly Earnings of Production and Nonsupervisory Employees on Private Nonfarm Payrolls by Industry Sector, Seasonally Adjusted.”

<sup>14</sup> Bureau of Labor Statistics, Consumer Price Index Summary [Economic News Release], February 10, 2022, <https://www.bls.gov/news.release/cpi.nr0.htm>.

<sup>15</sup> National Public Radio, “How Inflation Affects Food Insecurity,” *All Things Considered*, January 16, 2022, <https://www.npr.org/2022/01/16/1073505129/how-inflation-affects-food-insecurity>.

<sup>16</sup> Abha Bhattarai, “Rents Are Up More than 30 Percent in Some Cities, Forcing Millions to Find Another Place to Live,” *The Washington Post*, January 30, 2022, <https://www.washingtonpost.com/business/2022/01/30/rent-inflation-housing/>.

<sup>17</sup> Lily Katz and Tim Ellis, *Rental Market Tracker: Rents Rise 14% in December—Biggest Jump in Over Two Years*, Redfin, January 21, 2022, <https://www.redfin.com/news/redfin-rental-report-december-2021/>.

<sup>18</sup> Christopher Wimer, Sophie Collyer and Xavier Jaravel, *The Costs of Being Poor: Inflation Inequality Leads to Three Million More People in Poverty*, Groundwork Collaborative and the Center on Poverty and Social Policy at Columbia University, November 2019, <https://groundworkcollaborative.org/wp-content/uploads/2019/11/The-Costs-of-Being-Poor-Groundwork-Collaborative.pdf>.

<sup>19</sup> Adewale Maye, *How Inflation Reinforces Economic Disparities*, The Center for Law and Social Policy, November 7, 2019, <https://www.clasp.org/blog/how-inflation-reinforces-economic-disparities>.

<sup>20</sup> See summary of minimum wage research in Yannet Lathrop, “Overview of the Economic Research on the Impact of Minimum Wage Increases,” *In Support of a \$15 Minimum Wage in New Hampshire* [Testimony],

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National Employment Law Project, February 20, 2019, <https://s27147.pcdn.co/wp-content/uploads/NELP-Testimony-in-Support-of-15-New-Hampshire.pdf#page=14>.

<sup>21</sup> Yannet Lathrop, op. cit., available at <https://s27147.pcdn.co/wp-content/uploads/Raises-From-Coast-to-Coast-in-2022-report.pdf#page=17>.

<sup>22</sup> Yannet Lathrop, “The Fight for \$15: Past, Present, and Future,” *The Forge*, April 14, 2021, <https://forgeorganizing.org/article/fight-15-past-present-and-future>.

<sup>23</sup> Yannet Lathrop, “Table 4. Employers That Raised Wages to \$15 or More During COVID-19 Pandemic (April 2020 to Present),” *Raises from Coast to Coast in 2022*, National Employment Law Project, December 2021, <https://s27147.pcdn.co/wp-content/uploads/Raises-From-Coast-to-Coast-in-2022-report.pdf#page=17>.

<sup>24</sup> See for example, Karen Weise, “Amazon’s Profit Soars 220 Percent as Pandemic Drives Shopping Online,” *The New York Times*, April 29, 2021 [updated May 12, 2021], <https://www.nytimes.com/2021/04/29/technology/amazons-profits-triple.html>; Amanda Holpuch, “Pandemic Profits: Top US Health Insurers Make Billions in Second Quarter,” *The Guardian*, August 6, 2021, <https://www.theguardian.com/us-news/2021/aug/06/us-healthcare-insurance-covid-19-coronavirus>; John Cassidy, “Wall Street’s Pandemic Bonanza,” *The New Yorker*, January 18, 2022, <https://www.newyorker.com/news/our-columnists/wall-streets-pandemic-bonanza>; Matt Phillips, “Corporate America’s Incredibly Profitable Pandemic,” January 14, 2022, <https://www.axios.com/corporate-america-earnings-profit-wall-street-8ddf9e3a-4f41-4f51-a002-312b27b3a35d.html>; and Molly Kinder, Laura Stater and Julia Du, “Windfall Profits and Deadly Risks: How the Biggest Retail Companies are Compensating Essential Workers During the COVID-19 Pandemic,” *Brookings Institute*, November 2020, <https://www.brookings.edu/essay/windfall-profits-and-deadly-risks/>.

<sup>25</sup> Holly Sklar and Alissa Barron-Menza, *Raising the Minimum Wage to \$15 Helps Small Businesses*, Business for a Fair Minimum Wage, February 24, 2021, <https://www.businessforafairminimumwage.org/sites/default/files/BFMW%20Raising%20Min%20Wage%20Helps%20Small%20Business%20Feb%2024%202021.pdf>.

<sup>26</sup> Ibid.

<sup>27</sup> Score, “Small Businesses Struggle to Hire and Retail Employees as Pandemic Impacts Linger,” *PR Newswire*, September 21, 2021, <https://www.prnewswire.com/news-releases/small-businesses-struggle-to-hire-and-retain-employees-as-pandemic-impacts-linger-301381236.html>.

<sup>28</sup> Holly Sklar and Alissa Barron-Menza, op. cit.

**MATOD - SB 721 FWA - Minimum Wage Speed-Up.pdf**

Uploaded by: Joshua Grollmes

Position: FWA



## Board of Directors 2021 - 2023

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Serenity Health  
JGrollmes@serenityllc.net

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IBR/REACH Health Services  
VWalters@ibrinc.org



c/o IBR/REACH Health Services  
2104 Maryland Avenue  
Baltimore, MD 21218



(410) 752-6080



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

## Senate Finance Committee March 10, 2022

### Senate Bill 721 Labor and Employment - State Minimum Wage Rate - Increase Support with Amendments

The Maryland Association for the Treatment of Opioid Dependence (MATOD) urges a favorable opinion on SB 721 with the amendment described below. MATOD represents over 65 healthcare organizations across Maryland that provide and promote high-quality, effective medication assisted treatment for opioid addiction. MATOD programs serve over 35,000 Marylanders enrolled in opioid treatment programs (OTPs) receiving methadone and buprenorphine, in conjunction with counseling and other medical services.

MATOD supports efforts to raise the state's minimum wage. Research over many years has shown that raising the minimum wage leads to other improvements in people's lives, including:

- Improved adult mental health outcomes and overall health and wellbeing
- Improved infant health outcomes
- Decreased poverty
- Decreased rates of child abuse and neglect
- Improved educational outcomes
- Improved graduation rates

Importantly, increasing the minimum wage also helps close the wage gap among people of color and women who are low-wage workers.

In 2019 when the Maryland General Assembly passed the Fight for Fifteen law, you saw the wisdom to include Medicaid reimbursement rate increases for community-based services along with the incremental increases to the minimum wage. In a proposal to speed up the planned increases to the minimum wage, the planned increases in the Medicaid reimbursement rates must also be sped up. Programs that provide substance use disorder treatment are struggling to retain a well-trained workforce and our ability to use rate increases to invest in our workforce is essential.

We urge your support of SB 721 with amendments to that make this policy consistent with the policy you enacted in 2019.

---

*MATOD members include community and hospital based Opioid Treatment Programs, local Health Departments, local Addiction and Behavioral Health Authorities and Maryland organizations that support evidence-based Medication Assisted Treatment. MATOD members include thousands of highly trained and dedicated addiction counselors, clinical social workers, physicians, nurse practitioners, physician assistants, nurses, peer recovery specialists and dedicated staff who work every day to save and transform lives.*

**SB 721\_MinWage\_DD Coalition\_FWA .pdf**

Uploaded by: Laura Howell

Position: FWA



## MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland



8601 Robert Fulton Dr  
Suite 140  
Columbia, MD 21046



1500 Union Avenue  
Suite 2000  
Baltimore, MD 21211



8835 Columbia 100 Pky  
Suite P  
Columbia, MD 21044



**Maryland Developmental  
Disabilities Council**

CREATING CHANGE • IMPROVING LIVES

217 E Redwood Street  
Suite 1300  
Baltimore, MD 21202



7000 Tudsbury Road  
Windsor Mill, MD 21244

### Senate Finance Committee SB 721: Labor and Employment – State Minimum Wage Rate - Increase

#### Position: Support with Amendments

March 10, 2022

The Maryland Developmental Disabilities Coalition (DD Coalition) is comprised of five statewide organizations that are committed to improving the opportunities and outcomes for Marylanders with intellectual and developmental disabilities (IDD). As such, the DD Coalition supports SB 721.

**All community providers, the vast majority of which are nonprofit organizations, rely on funding from the state and federal government.**

Unlike other businesses, DDA-licensed Medicaid providers are federally prohibited from passing on cost increases to the people they support.

As this Committee will remember from prior minimum wage debates, many of these Medicaid providers are already operating on thin margins due to a state reimbursement rate that only allows for a starting wage that hovers near the minimum wage for direct support workers. The jobs of direct support professionals who work with people with developmental disabilities are demanding, require training and commitment, and they must pay more than the minimum wage. IDD providers will simply not be able to absorb the costs of increased wages without funding from the state to do so.

**Prior minimum wage bills included Medicaid provider reimbursement mandates.** In both 2014 ([HB 295](#)) and 2019 ([HB 166/SB 280](#)), minimum wage legislation was signed into law that included provider rate increases to help Maryland's developmental disability providers try to keep pace with the minimum wage. Our organizations are thus deeply disappointed that while SB 721 accelerates the rise in the minimum wage, it does *not* include a commensurate acceleration in the Medicaid provider rate increases that was built into the Fight for Fifteen legislation.

**Community supports to 18,000+ Marylanders with intellectual and developmental disabilities will be jeopardized.** The pandemic deepened a staffing crisis that resulted from historically low state reimbursement rates-- some providers are reporting vacancy rates as high as 60%. Community providers cannot compete with big box retailers who pay higher rates than what most DDA-funded providers can afford to pay. If the minimum wage were to increase without a rate increase to providers, very few would be able to continue providing quality supports to people with IDD in the community.

**We respectfully request that SB 721 be amended to include expedited Medicaid provider rate increases-- increases linked to the rise in the minimum wage that were included in [HB 166/SB 280](#), and approved by this Committee and passed by the Maryland General Assembly in 2019.**

For additional information, please contact:

[Laura Howell](#)

Executive Director, MACS



# **LeadingAge - 2022 - SB 721 - min wage acceleration**

Uploaded by: Aaron Greenfield

Position: UNF



576 Johnsville Road  
Sykesville, MD 21784

**TO:** Finance Committee  
**FROM:** LeadingAge Maryland  
**SUBJECT:** Senate Bill 721, Labor and Employment - State Minimum Wage Rate - Increase  
**DATE:** March 10, 2022  
**POSITION:** **Unfavorable**

LeadingAge Maryland opposes Senate Bill 721, Labor and Employment - State Minimum Wage Rate – Increase.

LeadingAge Maryland is a community of more than 135 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Our mission is to expand the world of possibilities for aging in Maryland. We partner with consumers, caregivers, researchers, public agencies, faith communities and others who care about aging in Maryland.

Senate Bill 721 would eliminate the current phase-up of the State’s minimum wage and immediately increase it to \$15.00 beginning July 1, 2022. The State’s current minimum wage is \$12.50/hour.

Workforce recruitment and retain is a significant challenge for those in the health care industry. For workers employed in these settings, we recognize that the work is both emotionally challenging and physically difficult. Being able to pay a higher wage would help mitigate workforce challenges. However, for providers that participate in the State’s Medicaid program, their ability to pay is directly linked to Medicaid’s reimbursement rates. As it stands, Medicaid fails to reimburse providers the amount necessary to cover the cost of care, which was documented in a recent study.<sup>1</sup> The differential between the Medicaid reimbursement rates and the cost to provide care has only been exacerbated by the COVID-19 pandemic and recent inflationary trends. Therefore, we oppose Senate Bill 721 for two reasons:

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<sup>1</sup> *House Bill 1696 (Chapter 798 of the Acts of 2018) – Rate Methodology Study*

1. The original legislation that initiated the phase-up to increase minimum wage also mandated rate increases for Medicaid providers to offset the cost of each minimum wage increase. The legislation required a four percent increase for each of the fiscal years – 2023, 2024, 2025 and 2026. Senate Bill 721 accelerates the wage but fails to accelerate the corresponding rate increase. Medicaid providers cannot absorb this steep increase in minimum wage without the corresponding Medicaid rate increases.
2. Apart from the Medicaid budget, for those providers that accept private pay residents or clients, the quickened pace of increasing to \$15.00/hour three years ahead of schedule will also have a detrimental effect on operations. Providers simply cannot pivot or absorb this steep rate increase with such short notice or all in one year.

Therefore, we strongly believe that Senate Bill 721 will not solve workforce issues in the health care industry but will only strain current financial operations and reduce quality of care.

For these reasons, LeadingAge Maryland respectfully requests an unfavorable report for Senate Bill 721.

**For more information, please contact Aaron J. Greenfield, 410.446.1992**

# **Opposition of SB 721 - Labor and Employment - Stat**

Uploaded by: Colby Ferguson

Position: UNF



# Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

March 10, 2022

To: Senate Finance Committee

From: Maryland Farm Bureau, Inc.

Re: **Opposition of SB 721 - Labor and Employment - State Minimum Wage Rate - Increase**

On behalf of our member families, I submit this written testimony opposing SB 721. This bill accelerates the State minimum wage rates in effect and repealing the authority of the Board of Public Works to temporarily suspend an increase to the State minimum wage rate. Current law has the \$15 minimum wage rate to be in full effect for large employers by 2025 and small employers by 2026. This bill moves the \$15 rate up to July 1, 2022, for large employers and up to July 1, 2023, for small employers. There are no exemptions for Ag employees other than the existing federal Ag worker exemption.

Most of the employees that fill the seasonal farm market jobs are youth between 16 and 18 years old. In most cases, this is their first job. The cost of labor is a major issue with farm profitability especially when the farmer retains ownership in their crop and looks to retail it to the consumer. Even at a retail price, margins are very small. Increasing the minimum wage prevents a farmer from offering youth opportunities to have their first job at their operation.

**MDFB Policy:** We support the passage of legislation to exempt agriculture workers and point of sale workers in agriculture from minimum wage increase requirements.

**MARYLAND FARM BUREAU RESPECTFULLY OPPOSES SB 721**

A handwritten signature in black ink, appearing to read "Colby Ferguson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

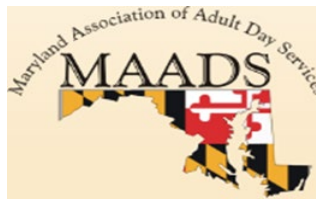
Colby Ferguson  
Director of Government Relations

*For more information contact Colby Ferguson at (240) 578-0396*

# **SB0721\_UNF\_LifeSpan, MAADS, MNCHA\_Minimum Wage Rat**

Uploaded by: Danna Kauffman

Position: UNF



Managed by LifeSpan



TO: The Honorable Delores G. Kelley, Chair  
Members, Senate Finance Committee  
The Honorable Jeff Waldstreicher

FROM: Danna L. Kauffman  
Pamela Metz Kasemeyer

DATE: March 10, 2022

RE: **OPPOSE** – Senate Bill 721 – *Labor and Employment* – *State Minimum Wage Rate – Increase – Acceleration*

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On behalf of the LifeSpan Network, the Maryland Association of Adult Day Services, and the Maryland-National Capital Homecare Association, we respectfully **oppose** Senate Bill 721, which would eliminate the current phase-up of the State’s minimum wage and immediately increase it to \$15.00 beginning July 1, 2022. The State’s current minimum wage is \$12.50/hour.

Workforce recruitment and retainment is a significant challenge for those in the health care industry. For workers employed in these settings, we recognize that the work is both emotionally challenging and physically difficult. Being able to pay a higher wage would help mitigate workforce challenges. However, for providers that participate in the State’s Medicaid program, their ability to pay is directly linked to Medicaid’s reimbursement rates. As it stands, Medicaid fails to reimburse providers the amount necessary to cover the cost of care, which was documented in a recent study.<sup>1</sup> The differential between the Medicaid reimbursement rates and the cost to provide care has only been exacerbated by the COVID-19 pandemic and recent inflationary trends. Therefore, we oppose Senate Bill 721 for two reasons:

1. The original legislation that initiated the phase-up to increase minimum wage also mandated rate increases for Medicaid providers to offset the cost of each minimum wage increase. The legislation required a four percent increase for each of the fiscal years – 2023, 2024, 2025 and 2026. Senate Bill 721 accelerates the wage but fails to accelerate the corresponding rate increase. Medicaid providers cannot absorb this steep increase in minimum wage without the corresponding Medicaid rate increases.
2. Apart from the Medicaid budget, for those providers that accept private pay residents or clients, the quickened pace of increasing to \$15.00/hour three years ahead of schedule will also have a detrimental effect on operations. Providers simply cannot pivot or absorb this steep rate increase with such short notice or all in one year.

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<sup>1</sup> House Bill 1696 (Chapter 798 of the Acts of 2018) – Rate Methodology Study

Therefore, we strongly believe that Senate Bill 721 will not solve workforce issues in the health care industry but will only strain current financial operations and reduce quality of care. We request an unfavorable vote on Senate Bill 721.

**For more information call:**

Danna L. Kauffman  
Pamela Metz Kasemeyer  
410-244-7000



# **GCCC Testimony SB721 Min Wage Acceleration 3-10-20**

Uploaded by: Holly Lane

Position: UNF



Testimony offered on behalf of:  
THE GARRETT COUNTY CHAMBER OF COMMERCE

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IN SUPPORT OF:  
SB 721 – Labor and Employment - State Minimum Wage Rate - Acceleration

Finance Committee  
March 10, 2022

On behalf of the Garrett County Chamber of Commerce, representing 500 member organizations in Western Maryland, I write to express our opposition for **SB 721 – Labor and Employment – State Minimum Wage Rate – Acceleration.**

Increasing the minimum wage to \$15 per hour was a 49% increase to Maryland’s previous rate of \$10.10 per hour. At \$12.50 per hour, Maryland’s minimum wage is 43% higher than our neighboring state of West Virginia (\$8.75/hour) and 72% higher than Pennsylvania (\$7.25/hour).

Raising Maryland’s minimum wage is putting businesses in Garrett County at a competitive disadvantage with our neighbors. And for those that say the higher wage will help recruit workers, that is absolutely false. The currently higher minimum wage in Maryland has not helped attract workers to the westernmost part of the State.

Businesses in Garrett County need more time to prepare and absorb the economic impacts of the minimum wage increase.

The Chamber respectfully requests an **UNFAVORABLE committee report on SB 721.**

Sincerely,

*Holly Lane*

Holly Lane  
Project Coordinator  
Garrett County Chamber of Commerce, Inc.  
(301) 387-6171 office  
[holly@garrettchamber.com](mailto:holly@garrettchamber.com)



**SB721 T.pdf**

Uploaded by: Kirk McCauley

Position: UNF



WMDA/CAR Service Station  
and Automotive Repair Association

Chairperson: Delores G. Kelley  
Members of Senate Finance Committee

RE: SB721 – State Minimum Wage Rate - Acceleration

Position: In Opposition

Business is trying to get back to normal in small steps and keep our fingers crossed concerning COVID. Increased costs, loss of business during COVID has small business struggling to recover that continues to this day. All you must do is look at your surroundings today, Parking garages half full and we still have house hearing online. The businesses that I represent depend on vehicle traffic.

This bill would cost a small employer with 14 full time employees \$56.00 dollars a week for each employee or \$784.00 + \$156.00 in taxes for all. \$940.00 more than current minimum wage rate table set to take affect July 1<sup>st</sup>, 2022. \$48,880 per year.

15 employees and over are worse at \$100.00 a week for each employee or 15 employees is \$1,500 per week +\$300 in taxes. \$1,800.00 a week, \$93,000.00 per year

Both examples are years ahead of what rate would be under current minimum wage table. We need those years to recover,

Please give SB721 an unfavorable Report

WMDA/CAR is a trade association that has represented service stations, convenience stores and repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or [kmccauley@wmda.net](mailto:kmccauley@wmda.net)

**SB721-CBH-OPP.pdf**

Uploaded by: Lori Doyle

Position: UNF



**Testimony on SB 721**  
**Labor and Employment – State Minimum Wage Rate - Increase**  
Senate Finance Committee  
March 10, 2022  
**POSITION: OPPOSE**

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 95 members serve the majority of those accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

We wish to be clear that employees who provide direct care and support services to the individuals we serve should be making salaries well above their current wages. Unfortunately, our Medicaid reimbursement rates are set by the state and must cover all of our expenses, including staff salaries and benefits, along with rents, vehicles used for transporting clients, gas and other fuel costs, and other non-personnel related costs involved with running an organization. As these non-personnel costs continue to rise, the amount we have left to devote to staff salaries is shrinking, even given the mandated rate increases we received through FY 26 as part of the last minimum wage legislation enacted. Additionally, our organizations are experiencing ongoing financial hardship due to the impacts of COVID and the dysfunctional claims payment vendor (Optum) that we have been subjected to since Jan. 1, 2020.

SB 721 would place further financial strain on our organizations by accelerating implementation of the \$15 minimum wage to July 1 of this year. The mandated rate increases we received were meant to offset the costs of minimum wage implementation, staggered to culminate in \$15 as of July 1, 2026. To meet this accelerated timeline of July 1, 2022, we would need our rate increases accelerated and augmented. It is important to note that even if the General Assembly should decide to accelerate our increases, the earliest year that it could take effect is FY 24. That means providers would be required to cover the \$15 minimum wage for the first year without any additional funding to do so. Because our reimbursement rates barely cover – and for some services, don't cover – our costs, our salaries are compressed, with supervisors often making little more than the staff they oversee. So, an increase to \$15/hour will impact not only those employees making less than that amount, but also those who have longer tenure or more responsibility, who will also demand – and deserve - a commensurate increase. And unlike other employers, Medicaid providers are understandably prohibited from passing along any cost increases to the clients they serve.

Maryland's behavioral health safety net is now stretched to the breaking point at a time when demand for mental health and substance use disorder services is exploding. Since the beginning of the pandemic, youth suicide attempts have increased 46% and overdose deaths have increased 18%. We simply cannot continue to absorb unfunded mandates without jeopardizing the availability of critical services.

For these reasons we respectfully oppose SB 721.

*For more information contact Lori Doyle, Public Policy Director, at (410) 456-1127 or [lori@mdcbh.org](mailto:lori@mdcbh.org).*



# **SB 721\_MDCC\_State Minimum Wage Rate-Increase\_UNFAV**

Uploaded by: Maddy Voytek

Position: UNF





**LEGISLATIVE POSITION:**

**Unfavorable**

**Senate Bill 721**

**Labor & Employment – State Minimum Wage Rate - Increase**

**Senate Finance Committee**

**Thursday, March 10, 2022**

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 721 seeks to increase the State minimum wage ahead of the current statutory timeline of \$15 an hour by 2025. Additionally, SB 721 seeks to repeal the authority of the Board of Public Works to suspend an increase in the minimum wage in the case of dire economic circumstances.

SB 721 seeks to unwind the hard-fought negotiations that took place during the 2019 legislative session which led to the State's current \$15 minimum wage phase-in. Fast tracking the State's current minimum wage of \$12.50 in 2022 to \$15 beginning July 1, 2022, would represent a **20% mandated increase in business labor costs in just a six-month period**. Such a drastic cost increase will only further add to the economic instability Maryland businesses are facing – alongside the litany of other mandates being debated by the General Assembly which will raise costs, paid family medical leave and unemployment insurance rates to name just two.

Despite the challenging economic circumstances and absent wage increase mandates, US wages are already increasing at a historic rate. According to the US Department of Labor's Bureau of Labor Statistics, average pay jumped significantly in 2021 to more than \$31 an hour representing a 4.7% annual increase.<sup>1</sup> Further, industries with typically lower paying jobs are seeing the largest wage growth, enough to outpace inflation. Workers in leisure and hospitality, typically the lowest paying sector of the US economy, saw an average wage increase of 16% in 2021 to \$16.97 an hour. Other industries such as retail saw a 7% increase in wages to an average of \$19.20 an hour or the transportation and warehousing sector who experienced a pay increase of

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<sup>1</sup> [https://www.bls.gov/news.release/archives/empsit\\_01072022.pdf](https://www.bls.gov/news.release/archives/empsit_01072022.pdf)

8.4% to \$25.04 an hour, all outpaced inflation. These statistics show that not only is the private sector paying wages high enough to outpace inflation but that employers are willing to go above and beyond to attract workers. It would stand to reason that SB 721 would have little impact on raising wages for workers in many traditional minimum wage industry sectors, however, the sudden surge of additional cash could contribute to the inflationary cycle driving up the costs of necessary goods and wiping out the historic wage increases.

Finally, eliminating the authority for the Board of Public Works to suspend an increase in the minimum wage under heightened levels of unemployment is bad policy but also hardly necessary. It is good public policy to have stop gap measures in place for governments to respond quickly and appropriately during times of economic crisis – the off-ramp authority given to the Board of Public Works is that stop gap. However, it seems unnecessary to remove that provision since it will never be politically expedient to use it. If there were ever a time it would have been used it would have been 2020 or 2021 – that authority was not exercised.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **SB 721**.

