



MARYLAND DEVELOPMENTAL DISABILITIES COALITION

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

Senate Finance Committee

March 2, 2023

SB 555 - Fair Wage Act of 2023

Position: Support with Amendment



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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 we are pleased to support this bill, with two amendments, which will help people with intellectual and developmental disabilities hire and retain staff who will support them as they build their lives in the community.

We support the Fair Wage Act, as workers, including direct support professionals, need to earn a liveable wage. We applaud the Administration for addressing the need to accelerate the rate increases for IDD community providers as part of the effort to accelerate the minimum wage to \$15 per hour by October 1, 2023. The need for the rate increase acceleration is clear, and we are grateful to Governor Moore that these increases have already been included in the FY 2024 budget.

Direct support professionals play a critical role in the direct care and support of people with developmental disabilities. They help people daily, and help to make sure people with IDD have good lives. There are a lot of requirements for direct support professionals – they must pass training and accreditation requirements and be able to work independently, among other things. Direct support professional turnover is high. The most recent data in Maryland indicated that 1 in 3 direct support professionals don't stay in their jobs for six months, and over half don't stay a year. The vast majority leave voluntarily because of high stress, low-wage work; they can make as much if not more working for retailers or other private employers. **In order for there to be an adequate, quality supply of direct support professionals, these jobs must offer starting wages above the minimum wage.**

Consistent with legislation passed in 2014 and again in 2019 by the General Assembly, we strongly recommend two amendments that would specify a rate increase in the Governor's budget annually tied to any increase in the minimum wage. The first amendment would add a rate increase for developmental disability services no less than the annual inflationary increase to the minimum wage starting July 1, 2025. The second would adjust the date that the Administration must decide if there will be an increase due to inflation to October 1 annually, rather than of March 1. This is critical because it allows time for any needed changes to the rates to be included in the next year's proposed budget. The proposed amendments are:

1) Insert on page 3, line 3:

THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2026 AND THEREAFTER SHALL INCLUDE A RATE INCREASE NO LESS THAN THE PERCENTAGE INCREASE IN THE STATE MINIMUM WAGE TO TAKE EFFECT IN THE SAME FISCAL YEAR, AS DETERMINED UNDER LABOR AND EMPLOYMENT, § 3-413.1.

2) On page 10, line 25, strike "MARCH 1, 2025, AND EACH MARCH 1 THEREAFTER" and replace with "OCTOBER 1, 2024, AND EACH OCTOBER 1 THEREAFTER"

These amendments can also be found on the next page with an explanation included.

We appreciate your support for Marylanders with developmental disabilities, and strongly support the Fair Wage Act of 2023, with the amendments.

For more information contact Laura Howell, Executive Director, Maryland Association of Community Services (MACS) at lhowell@macsonline.org or (443) 848-1384 (m).

SB 555 – Fair Wage Act of 2023

DRAFT AMENDMENTS:

- 1) Insert on page 3, line 3:

THE GOVERNOR’S PROPOSED BUDGET FOR FISCAL YEAR 2026 AND THEREAFTER SHALL INCLUDE A RATE INCREASE NO LESS THAN THE PERCENTAGE INCREASE IN THE STATE MINIMUM WAGE TO TAKE EFFECT IN THE SAME FISCAL YEAR, AS DETERMINED UNDER LABOR AND EMPLOYMENT, § 3-413.1.

- 2) On page 10, line 25, strike “MARCH 1, 2025, AND EACH MARCH 1 THEREAFTER” and replace with “OCTOBER 1, 2024, AND EACH OCTOBER 1 THEREAFTER”

Explanation:

Developmental disability providers have been reliant on statutory rate increases tied to the minimum wage, since legislation setting this requirement was passed by the General Assembly in 2014, and again in 2019.

Direct support professionals do vital work that makes it possible for adults with developmental disabilities to live, work and participate in their communities. They provide support that ranges from helping someone to get and keep a job, to managing health care and medications under the direction of a registered nurse, to building life skills that increase independence. These jobs are not minimum wage jobs, and adequate funding to ensure that community providers are able to provide starting wages above the minimum wage is critical.

Historically, increases in the minimum wage have resulted in wages that have decreased in relative proportion to the minimum wage. These amendments are needed to ensure that the annual increase in the minimum wage does not result in further negative impact on direct support professional wages, and funding for developmental disability services overall.

For more information, contact Laura Howell, Executive Director, Maryland Association of Community Services, lhowell@macsonline.org, (443) 848-1384 (m).