

MEMORANDUM

February 27, 2015

TO: County Council

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Action:** Bill 59-14, Human Rights and Civil Liberties – County Minimum Wage – Effective Dates

Health and Human Services Committee recommendation (2-0): enact the Bill with amendments

Bill 59-14, Human Rights and Civil Liberties – County Minimum Wage – Effective Dates, sponsored by then Council President Rice, was introduced on November 25. A public hearing was held on January 20 and a Health and Human Services Committee worksession was held on February 12.

Bill 59-14 would change the effective dates of future increases in the County minimum wage from October 1 to July 1 of the years 2015, 2016, and 2017. In November 2013, the County enacted Bill 27-13, Human Rights and Civil Liberties – County Minimum Wage – Dollar Amount, establishing the County minimum wage with phased increases on October 1 of each year through 2017. The October 1 date was chosen in anticipation of an increase in the State minimum wage with the same effective/phase-in dates. In its 2014 session, the Maryland General Assembly enacted HB 295, increasing the State minimum wage with phased increases on *July* 1 of each year through 2018. Synchronizing the dates would simplify the administration of the annual increases by employers.

January 20, 2015 Public Hearing and Correspondence

There were five speakers at the public hearing on the Bill held on January 20, 2015. Four of the speakers were representing non-profit organizations serving people with autism or developmental disabilities: Jane Salzano (©10-12) and Ian Paregol (©13-15) from Community Services for Autistic Adults and Children (CSAAC); Karen Lee from Seeking Equality, Empowerment and Community for People with Developmental Disabilities (SEEC) (©16-17); and Nancy Tolbert from CALMRA, Inc (©18). All three organizations opposed the Bill, saying that they operate on very limited funding, and are already facing budget challenges from the increase in the County minimum wage enacted by Bill 27-13. Accelerating the impact would add to these challenges, and Ms. Lee and Ms. Tolbert each

pointed out that unlike many businesses, their organizations cannot pass on increased labor costs to consumers, as their rates are set by the State. Michael Wilson from United Food and Commercial Workers Local 400 (©19) spoke in support of the Bill, saying it would not only simplify implementation for employers but also for workers, who would have a clear understanding of when the minimum wage increased, regardless of where they are in the State. He also supported the Bill because it would get affected workers their raises early.

The Council also received correspondence on the Bill from the Gaithersburg-Germantown Chamber of Commerce (©20), the Greater Silver Spring Chamber of Commerce (©21) and the Montgomery County Chamber of Commerce (©22). In the correspondence, all three Chambers requested that the Bill be amended to synchronize the County and State effective dates to July 1 beginning in 2016, rather than this year, as the Bill is drafted. The Chambers pointed out that certainty and predictability are important in business planning, and that many businesses have already planned their budgets and set pricing structures for calendar year 2015. To change the wage requirements for 2015 at this stage would be disruptive to these businesses.

The Council also received correspondence from Jim Sweet of Smokey Glen Farm. Mr. Sweet described the impact of the already enacted minimum wage increases, and expressed concern about a change in the effective date of the 2015 increase. Echoing the concerns raised by the Chambers of Commerce, Mr. Sweet said that Smokey Glen Farm's 2015 pricing has already been established and published, and a change to the minimum wage during that time would be a significant burden.

HHS Committee Worksession

The Health and Human Services Committee reviewed the Bill at a worksession on February 12. The Committee discussed the Bill and (2-0, Councilmember Rice absent) amended the Bill to synchronize the effective dates of increases in the County and State minimum wages beginning July 1, 2016. The Committee (2-0) recommended enactment of the Bill as amended.

Issue

Should Bill 59-14 be amended to synchronize State and County increases beginning in 2016?

The Gaithersburg-Germantown, Greater Silver Spring, and Montgomery County Chambers of Commerce all request that the Bill be amended to change the effective date of County minimum wage increases to July 1 beginning in 2016. Mr. Sweet of Smokey Glen Farm expressed general concern about the already enacted increases, and cited the potential accelerated 2015 increase as particularly problematic. The positions of CSAAC, SEEC and CALMRA are based primarily on the effects of the already enacted increases on their organizations, but presumably the acceleration of the 2015 increase is of the greatest concern to them. While moving up the effective dates of any of the increases will

involve an additional expense to employers, moving the first change to 2016 will give any affected entity adequate notice to plan their budgets for calendar year 2016 or fiscal year 2017.

As noted above, when it was enacted, Bill 27-13's effective dates were intended to correspond to effective dates of the anticipated State increases. Synchronizing the effective dates would provide a single date on which minimum wages throughout Maryland increase, simplifying adjustments for County employers operating in other State jurisdictions. Making the change effective in 2016 takes into account the fact that many of these businesses have planned their 2016 budgets, and entered into obligations based on these plans.

Committee recommendation (2-0): *amend line 8 of the Bill, so that lines 4 through 9 read as follows:*

Notwithstanding Section 27-68, as added in Section 1, the County minimum wage, until [October] July 1, 2017, must be the greater of the minimum wage required under the Federal or State Act or:

- (a) effective October 1, 2014, \$8.40 per hour;
- (b) effective [October] ~~[[July]]~~ October 1, 2015, \$9.55 per hour; and
- (c) effective [October] July 1, 2016, \$10.75 per hour.

This packet contains:

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Bill No. 59-14
Concerning: Human Rights and Civil
Liberties – County Minimum Wage –
Effective Dates
Revised: 02/12/2015 Draft No. 2
Introduced: November 25, 2014
Expires: May 25, 2016
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Rice

AN ACT to:

- (1) change the effective dates of increases in the County minimum wage; and
- (3) generally amend the law governing the County minimum wage.

By amending

Chapter 34 of the Laws of Montgomery County 2013
Section 2, Transition

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 2 of Chapter 34 of the Laws of Montgomery County 2013 is amended as follows:

Sec. 2. Transition.

Notwithstanding Section 27-68, as added in Section 1, the County minimum wage, until [October] July 1, 2017, must be the greater of the minimum wage required under the Federal or State Act or:

- (a) effective October 1, 2014, \$8.40 per hour;
- (b) effective [October] ~~[[July]]~~ October 1, 2015, \$9.55 per hour; and
- (c) effective [October] July 1, 2016, \$10.75 per hour.

Approved:

George Leventhal, President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 59-14

Human Rights and Civil Liberties – County Minimum Wage – Effective Dates

DESCRIPTION:	Bill 59-14 would change the effective dates of future increases in the County minimum wage from October 1 to July 1 of the years 2015, 2016, and 2017.
PROBLEM:	After the County enacted Bill 27-13, establishing the County minimum wage with phased increases through 2017, the Maryland General Assembly passed HB 295, increasing the State minimum wage. Both County and State minimum wages include annual increases through 2017 and 2018 respectively, with the County's minimum wage increasing on October 1 of each year, and the State minimum wage increasing on July 1 of each year.
GOALS AND OBJECTIVES:	Synchronize the increases of the County and State minimum wages.
COORDINATION:	Office of Human Rights / Human Rights Commission
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be requested.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Josh Hamlin, Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	To be researched.
PENALTIES:	N/A

A Comparison of Bill 27-13 and HB 295 Minimum Wage Rates

Date	Federal	State	County
October 1, 2014	7.25	7.25	8.40
January 1, 2015	7.25	8.00	8.40
July 1, 2015	7.25	8.25	8.40
October 1, 2015	7.25	8.25	9.55
July 1, 2016	7.25	8.75	9.55
October 1, 2016	7.25	8.75	10.75
July 1, 2017	7.25	9.25	10.75
October 1, 2017	7.25	9.25	11.50
July 1, 2018	7.25	10.10	11.50



ROCKVILLE, MARYLAND

MEMORANDUM

January 12, 2015

TO: George Leventhal, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECT: FEIS for Bill 59-14, Human Rights and Civil Liberties – County Minimum Wage
– Effective Dates

Please find attached the fiscal and economic impact statements for the above-referenced legislation.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurni, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Joseph F. Beach, Director, Department of Finance
James Stowe, Director, Office of Human Rights
David Platt, Department of Finance
Phil Weeda, Office of Management and Budget
Helen Vallone, Office of Management and Budget
Alex Espinosa, Office of Management and Budget
Naeem Mia, Office of Management and Budget

Fiscal Impact Statement

Council Bill 59-14, Human Rights and Civil Liberties-County Minimum Wage-Effective Dates

1. Legislative Summary.

- a. Change the effective dates of future increases in the County minimum wage from October 1 to July 1 of years 2015, 2016, and 2017.
- b. Amend the law governing the County minimum wage. (Chapter 27 instead of Chapter 34)

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

There would be no apparent change in county revenues or expenditures. Currently all county full time employment positions pay above the minimum wage and our current contracting policy requires the county to pay according to the County's Living Wage Program. The current rate is \$14.15/hour for FY 15.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Expenditures over the next 6 fiscal years are estimated to be flat and consistent with current budget projections.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable

5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable

6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable.

7. An estimate of the staff time needed to implement the bill.

No additional staff required.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

Not applicable.

9. An estimate of costs when an additional appropriation is needed.

Not applicable.

10. A description of any variable that could affect revenue and cost estimates.

Not applicable.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not applicable.

12. If a bill is likely to have no fiscal impact, why that is the case.

The bill changes the implementation date only.

13. Other fiscal impacts or comments.

Not applicable.

14. The following contributed to and concurred with this analysis:

Jim Stowe, Director, Office of Human Rights

Joseph Adler, Director, Office of Human Resources

Phil Weeda, Office of Management and Budget

Helen Vallone, Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget

1/13/15
Date

**Economic Impact Statement
Bill 59-14, Human Rights and Civil Liberties –
County Minimum Wage – Effective Dates**

Background:

This legislation would change the effective dates of future increases in the County minimum wage from October 1 to July 1 of the years 2015, 2016, and 2017. The changes would increase the number of months covered under the minimum wage in FY2016 and FY2017 by three months. The rates for FY2016 and FY2017 are \$9.55 per hour and \$10.75 per hour, respectively

1. The sources of information, assumptions, and methodologies used.

Sources of information include:

- the *BLS Reports*, “Characteristics of Minimum Wage Workers, 2013”, Report 1048, U.S. Bureau of Labor Statistics (BLS), March 2014, and
- Montgomery County labor force statistics, Local Area Unemployment Statistics (LAUS), BLS.

The Department of Finance (Finance) assumes, under Bill 59-14 there will be an increase of three months (from October to July) of coverage for rates that under current law begins in October. Under current law, the minimum wage between October 1, 2014 and October 1, 2015 is \$8.40. Under Bill 59-14, the minimum wage of \$9.55 would begin in July 1, 2015 instead of October 1, 2015. Therefore, there is an increase in the minimum wage of \$1.15 per hour for that three-month period. Under the same provision in Bill 59-14, the increase in the minimum wage is \$1.20 for the period July through September 2016 for FY2017 effective from July 1, 2016.

The Department of Finance assumes that 480 working hours are affected by the increase in the effective dates. The number is based on three months, four weeks per month, and forty hours per week.

Based on data in *BLS Reports*, the number of employees in the state below the minimum wage was 36,000 in CY2013. Using the data from that report and data from LAUS, Finance estimates the number of employees in the County below the minimum wage to be 6,382 in FY2016 and 6,471 in FY2017.

2. A description of any variable that could affect the economic impact estimates.

The variables that could affect the economic impact estimates are the number of working hours of 480 and the number of workers below the minimum wage as estimated by Finance.

Economic Impact Statement
Bill 59-14, Human Rights and Civil Liberties –
County Minimum Wage – Effective Dates

3. The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

Based on the assumptions discussed in paragraph #1, Finance estimates the positive effect on employee incomes is over \$3.5 million in FY2016 and over \$3.7 million in FY2017. While the estimated number of employees below the minimum wage would receive a positive economic benefit, employers would experience additional labor costs equal to the amount of the employee benefit. However, if the employer chooses to pass on those additional costs through higher prices, the consumer would incur the additional costs. Therefore, the additional income to the employee would be offset by the additional costs to either the employer or consumer. As a result, the net effect to the County's economy from Bill 59-14 would be zero and the Bill would have no net economic impact.

However, there is no consensus among economists on the effects of the minimum wage and employment. Based on the review of the research, it is not certain whether an increase in the minimum wage would increase or decrease employment. This uncertainty is based on the following factors:

- The ability of the employer to compensate for the increase in the minimum wage by passing such increase onto customers with higher prices
- The proportion of the wage costs among workers earning the minimum wage to the total costs of production
- The multiplier effect of increasing the minimum wage on the local economy

4. If a Bill is likely to have no economic impact, why is that the case?

Bill 59-14 would have positive economic impact on current employees currently below the minimum wage but that positive economic impact is offset by additional labor costs incurred by employers. As stated in section #3, such a tradeoff would be a net zero impact. However, it is uncertain whether increasing the minimum wage over the three month period would have an effect on employment.

5. The following contributed to or concurred with this analysis: David Platt and Rob Hagedoorn, Finance; James Stowe, Director, Office of Human Rights.



Joseph E. Beach, Director
Department of Finance

1/12/15
Date

Jane Ford Salzano
14319 Briarwood Ter
Rockville, MD 20853
January 20, 2015

TESTIMONY Bill 59-14

I am Jane Ford Salzano, a fifty year resident of Montgomery county, Founder of CSAAC, Community Services for Autistic Adults and Children. CSAAC was started thirty five years ago with the help of the Montgomery County Council, whose members, like me, recognized that institutionalization was an inadequate, inappropriate and cruel way to contain human beings.

Starting in two apartments in Wheaton CSAAC has grown to be a nationally recognized leader in the provision of services to those disabled by autism. We have become the Statue of Liberty to families with an autistic child, proving that there is hope, and the promise of a real life in the community, for even the most severely disabled autistic person.

Today CSAAC serves over three hundred children and adults. We have fifty-one houses scatter site in Montgomery County. The Jane F. Salzano Autism Center in Montgomery Village, which some of you have visited, houses our model Vocational/Supported Employment Program for adults. Our school, located on our Brookeville campus is a nonpublic educational program approved by MSDE which educates students too difficult to be served within MCPS. Our Intensive Early Intervention Program, for children from eighteen months to six years, provides

treatment through one-to-one positive behavioral intervention. Instructional technicians work in the child's home, not only with the youngsters but with their families.

. CSAAC individuals are working and volunteering throughout Montgomery County every day. The utensils and napkin at your lunchtime restaurant may have been prepared by one. As you hurry to catch a Metro train if you see an individual carefully stocking the Ride On Bus schedule rack, that is one of our many individuals who are proud to be contributing members of our community.

The individuals who started in those first apartments in Wheaton are growing older. Our Board of directors is now developing specialized services for an aging population. CSAAC provides services across the lifespan of individuals with autism, from toddlers to adolescents, adults to elders.

Always a leader, CSAAC is the sponsor of a new organization, International Autism Initiative which is dedicated to initiating services to those with autism throughout the world. Our first start up is in Africa. After an intensive six month training at CSAAC a Nigerian physician opened an Intensive Early Intervention Clinic in Abuja, Nigeria. CSAAC provides ongoing support by Skype.

CSAAC is an important employer in Montgomery County. We have over six hundred-thirty employees almost all of whom are Direct Care Staff. And the majority of our staff live right here in Montgomery County. They are well motivated, well trained, and must have a heart for their job.

CSAAC needs the continuing support of the Montgomery County Council to ensure that CSAAC will continue to be a resource to our citizens impacted by autism. Our Executive Director Ian Paregol will discuss the impact of Bill 59-14 on CSAAC.

Bill 59-14, Human Rights and Civil Liberties County Minimum Wage - Effective Dates

Opposition

January 20, 2015

I am Ian Paregol, Executive Director of the Montgomery County non-profit service provider Community Services for Autistic Adults and Children (CSAAC). Consider that CSAAC maintains an office building in Montgomery Village, a K through 12 school campus in Brookeville as well as 50 residential properties throughout Montgomery County, an around-the-clock nursing staff and a 60 vehicle transportation system, yet 61% of our entire budget is allocated to direct support wages and benefits. Direct support expenses are the single largest element of CSAAC's overall budget.

CSAAC opposes the acceleration of the implementation of the Montgomery County minimum wage as proposed in 59-14 for a very simple reason: CSAAC and the service providers which provide supports to Montgomery County's citizens impacted by developmental disabilities is not funded for the minimum wage increase that will be required in Montgomery County and the acceleration of the implementation of the Montgomery County minimum wage (if required by this bill) will only serve to hasten the adverse financial impact on the provider community.

The state minimum wage increase carried with it an expectation that state funding for direct support staff would remain just below the present level of 35% above the minimum wage. The entirety of the funding for direct support wages comes from the Developmental Disabilities Administration budget which presently funds all providers \$9.82 per hour no matter how long an employee has been in the field. I have provided a chart (below) that outlines the state funding for direct support wages versus the state minimum wage and the corresponding county minimum wage path. In Montgomery County, the minimum wage requirements from last year's session not only raise the base rate on the minimum wage, it mandated a faster rate of implementation. You can see from this chart and the graph on page 3 that the wages for our highly-trained, dedicated direct support staff whom Jane Salzano described, will quickly dive below the local Montgomery County minimum wage rate. Direct support is not a minimum wage job.

**Chart 1: Impact of Montgomery County Minimum Wages Versus
Maryland State Funding for Direct Support Wages**

Date	DDA funding (w/ 2% in Jan + proposed 3.5% increases)	State Min Wage	Mont Co Min Wage	Proposed Accelerated Mont Co Min Wage	Difference b/t state funded rate and accelerated Mont Co min wage (assuming DDA increases)
9/1/14	9.82	7.25	7.25	7.25	2.57 above min wage
10/1/14	9.82	7.25	8.40	8.40	1.42 above min wage
1/1/15	10.02 (2%)	8.00	8.40	8.40	1.62 above min wage
7/1/15	10.37 (3.5%)	8.25	8.40	9.55	.82 above min wage
10/1/15	10.37	8.25	9.55	9.55	.82 above min wage
7/1/16	10.73 (3.5%)	8.75	9.55	10.75	-.02
10/1/16	10.73	8.75	10.75	10.75	-.02
7/1/17	11.11 (3.5%)	9.25	10.75	11.50	-.39
10/1/17	11.11	9.25	11.50	11.50	-.39

Even if we consider the partial match that Montgomery County has generously provided over the years and assume that that match will return to the percentage that the County provided back in 2010, the direct support staff barely stay above the minimum wage in Montgomery County without additional county funding. (See Chart 2 and Graph 1.) The margin above minimum wage for these workers quickly erodes to less than a dollar in 17 months (July 2016) even with the present match.

Chart 2: Impact of Montgomery County Minimum Wages Versus Maryland State Funding for Direct Support Wages including Adjustment to Montgomery County Match Rate to Return to FY10 Levels

Date	DDA funding (w/ 2% in Jan + proposed 3.5% increases)	State Min Wage	Mont Co Min Wage	Proposed Accelerated Mont Co Min Wage	Mont Co Match Rate including slight increases in MC match 8.0%; 8.3%; 8.7%	Difference b/t state funded rate and accelerated Mont Co min wage (assuming DDA increases)
9/1/14	9.82	7.25	7.25	7.25	.75	3.32 above min wage
10/1/14	9.82	7.25	8.40	8.40	.75	2.17
1/1/15	10.02 (2%)	8.00	8.40	8.40	.80	2.42
7/1/15	10.37 (3.5%)	8.25	8.40	9.55	.83	1.65
10/1/15	10.37	8.25	9.55	9.55	.83	1.65
7/1/16	10.73 (3.5%)	8.75	9.55	10.75	.89	.87
10/1/16	10.73	8.75	10.75	10.75	.89	.87
7/1/17	11.11 (3.5%)	9.25	10.75	11.50	.97	.58
10/1/17	11.11	9.25	11.50	11.50	.97	.58
7/1/18	11.49 (3.5%)	10.10	11.50	TBD		

Without these workers, community-based support services to our most vulnerable citizens would fall upon the County for the entirety of the service which is a much more expensive option especially in light of a unionized workforce.¹

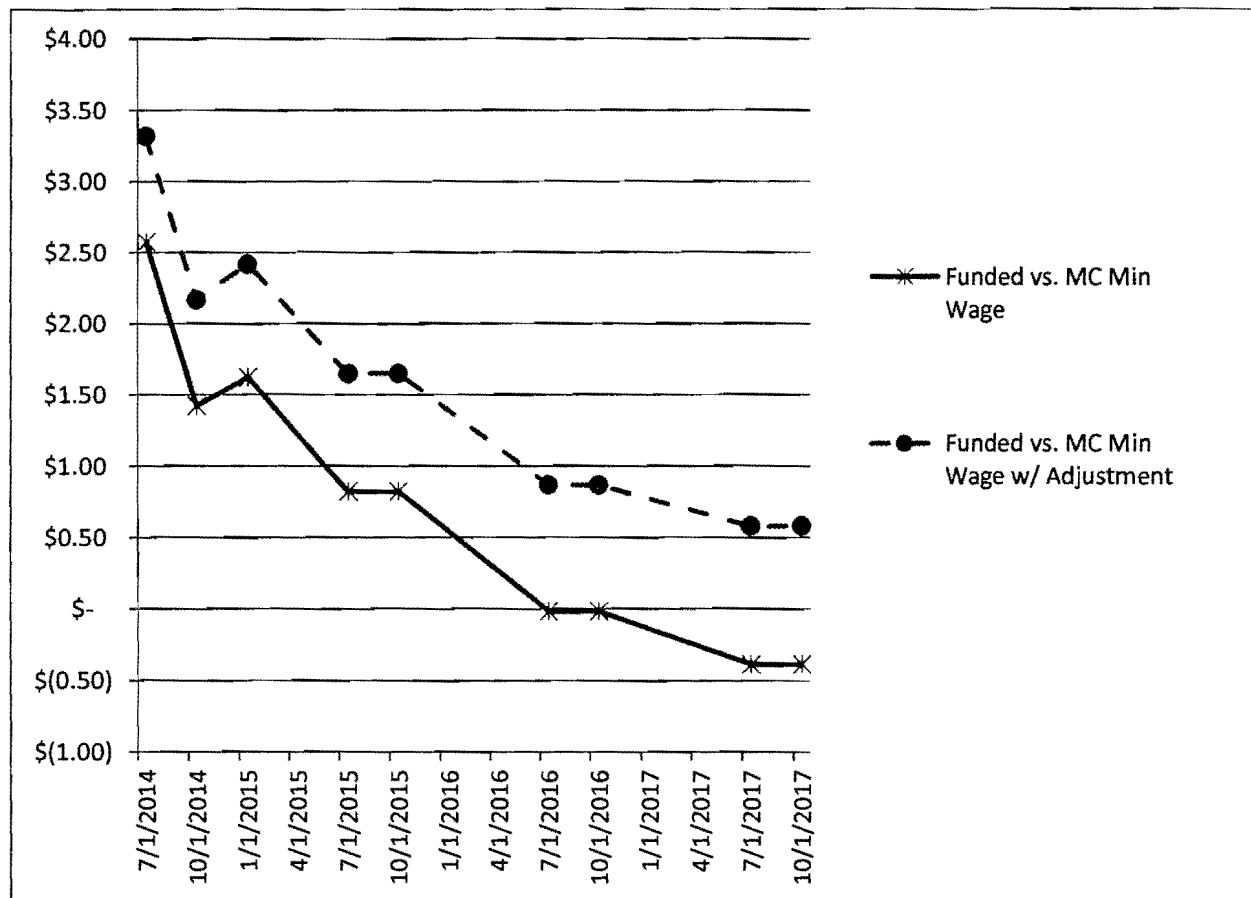
In order to maintain even a 30% differential between CSAAC direct support wages and the county minimum wage, CSAAC will need an additional \$520K in FY 16. This bill seeks to accelerate that implementation by an additional three months and this three month acceleration alone would cost CSAAC an additional \$130,000.00. We do not have it.

There are lessons to be learned from the local minimum wage legislation that was enacted last year. We are still scrambling for solutions so that critically-needed direct support workers do not become minimum wage workers in Montgomery County, or worse yet, cause providers to discontinue services. There are costs associated with well-intentioned actions, and accelerating the implementation of the county minimum wage to "simplify the administration of the annual increases by employers" while hastening the

¹ A revealing example of this impact has played out exactly in this manner. Montgomery County DHHS-based resource coordination transitioned to private resource coordination last year. In response to a public request that resource coordination revert back to DHHS, DHHS has sought significant county funding (in excess of the state funding) to provide *less* resource coordination services than those that are now being provided privately because MCDHHS cannot provide the service for the rate that the state reimburses.

crisis for direct support services does not seem like a well-reasoned justification for the changes associated with this bill.

Graph 1: State Funding of Direct Support Wages Against Montgomery County Minimum Wage Rate (with and without Mont. Co. Match) Where \$0 Equals Montgomery County Minimum Wage Basis



The chart above graphically depicts the path of direct support wages moving forward in light of the proposed acceleration. Further, this chart assumes that the current funding for DDA services will remain intact with a 2% state increase in January 2015 and 3.5% increases to direct support staff wages through state increases each July beginning in 2015. In the event there is a further cut by the Hogan administration, the path toward minimum wage direct support staff will be steeper and services will be compromised faster.

Consequently, CSAAC opposes the passage of 59-14.

Respectfully submitted,

Ian Paregol, Executive Director
CSAAC
8615 East Village Ave.
Montgomery Village, MD 20886

Bill 59-14

Karen Lee, Executive Director, SEEC

8905 Fairview Road, Silver Spring MD 20910

klee@seeonline.org 301.576.9006

I am here today not to oppose the minimum wage or the changing of the implementation date, but to ensure that this committee understands the impact of these changes on local provider agencies that support people with developmental and intellectual disabilities.

As providers of services in a fee payment system, our reimbursement rates for our direct support professionals (DSP's) are derived by a complicated formula driven by the state Medicaid office and approved by the Center for Medicaid and Medicare Services. Those rates do not take into account any one specific jurisdictions changing of personnel mandates or minimum wages. As a state program, Medicaid is only tied to actions by state legislators. When the minimum wage is gradually increased, it allows our provider of services such as SEEC to work with state and local law makers to ensure there are appropriate funds are allocated to support the minimum wage. If this council increases the minimum wage on a track sooner than the previous legislation mandated, there will need to be a change in the funds allocated to providers through the DD Supplement.

In the past this committee and the whole council has clear in their support regarding the commitment to fully fund the impact of the unique Montgomery County Minimum wage. As the minimum wage increase currently stands, there will be a 14% increase in 2015, 13% increase in 2016, and a 7% increase in 2017. This is a total of 37% increase in a short period of time. The providers of services to people with developmental disabilities known as InterAcc/DD are counting on the County Executive and the County

Council to make us whole for any increases above the state minimum wage during these years. The impact of the county increases without the parallel increases in our supplement would be catastrophic.

20 years ago, agencies had executive, administrative, managerial and direct support positions. Today after years of eroding funding and cuts by both the county and the state, these agencies that bring in over 140 million dollars of revenue into the county have whittled their staff down to executive, thin managerial and direct support positions. We are not a retail organization like Target, we cannot simply have a sale to raise more revenue, we are not like McCormick spices, we cannot create a new brand. Our rates are set outside of our control.

We urge the council to take into consideration the impact of this and all human resources bills that impact state funded fee for service providers and ask that along with any changes you make to the minimum wage bill, you consider what the fiscal impact on not only your constituents, but also what obligation the county will have on supporting agencies that provide services to the counties most vulnerable residents.



CALMRA, Inc.

SERVING PEOPLE WITH COGNITIVE DISABILITIES



Montgomery County Council
Testimony 1/20/15

Good Afternoon. My name is Nancy Tolbert and I am the Executive Director of CALMRA, Inc. I would like to vehemently oppose the implementation of **Bill 59-14**.

Providers such as mine are still attempting to recover from the last minimum wage increase last October 1, 2014. We were hoping that the proposed 4% increase DDA was planning to give to agencies would help us make up the large increase but were devastated to learn the Governor cut that increase to 2%.

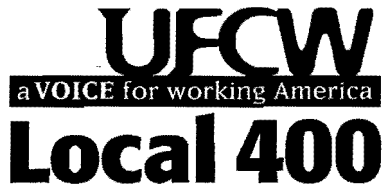
We struggle to pay our wonderful direct care staff a meaningful, living wage while simultaneously keeping our agency from major financial hardship. We are currently predicting a deficit at the end of the fiscal year. This will be the first time in 22 years our agency will experience any type of deficit situation. We certainly do not want to add to this deficit the first day of the new fiscal year, July 1, 2015.

Non-profit providers of services to people with developmental disabilities cannot make up wage expenditures by raising our prices (they are set by the State) or cutting services (we have regulations and mandates outlining the services we must provide). When the fast food chains increase minimum wages, the costs are passed along to you and I in the price of our hamburgers or when the food banks' donations are down, they give out less food. Providers such as ours have no real recourse other than to cut needed employee benefits. The Affordable Health Care Act has also limited what we can reduce in employee contributions to health care benefits.

We respectfully ask that you keep the proposed implementation date in October, 2015. Our Finance office reports no difficulties whatsoever implementing this in October. A July 1, 2015 date does not simplify the administration of these increases or ease its implementation of this process in any way.

Respectfully submitted,

Nancy Tolbert
Executive Director



United Food & Commercial Workers Union

Mark P. Federici,
President

Chartered by:
UFCW International Union

Lavoris "Mikki" Harris,
Secretary-Treasurer

Serving Members in MD, VA, DC, WV, TN, NC, KY, OH

Montgomery County Minimum Wage Effective Date Testimony
Bill 59-14 Human Rights and Civil Liberties – County Minimum Wage – Effective Dates
Michael Wilson, on behalf of United Food and Commercial Workers Local 400

Thank you Mr. Chairman, and members of the committee for the opportunity to testify today on this important issue. My name is Michael Wilson and I am testifying today on behalf of the nearly 5,000 members of the United Food and Commercial Workers Local 400 who live and work in Montgomery County.

When Montgomery County took the lead by passing its minimum wage increase at the end of 2013 the county council had no way of knowing that the state would set different effective dates when they raised the state minimum wage in early 2014. Montgomery County paved the way for that state minimum wage increase through the actions of this council, passing a significant increase in conjunction with Prince George's County and the District of Columbia that helped show the state that it was time to act.

Synching the date with the state will make things easier not just for employers, who will not have to worry about wage increases in some parts of the state in July and others in October, but also employees. When workers know clearly the minimum wage they are owed, they can more affectively assert their right to that wage.

Moving the effective date forward from October to July will also help by workers by getting them their raises earlier, putting more money in their pockets that they will likely spend in the county, helping the county's economy.

Changing the effective dates to align with the state law is the right thing to do for employers and workers and will make things less confusing for everyone. We thank Council Member Rice for introducing this common sense bill, and urge the committee and the full council to pass it quickly to erase any confusion as the minimum wage continues to rise over the next several years. Thank you.



Gaithersburg-Germantown Chamber of Commerce, Inc.

910 Clopper Road, Suite 205N, Gaithersburg, Maryland 20878 (301) 840-1400, Fax (301) 963-3918

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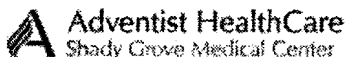


HUGHES



JOHNS HOPKINS
UNIVERSITY

MONTGOMERY COUNTY



December 8, 2014

The Honorable George Leventhal
Council President
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Re: Bill 59-14 - Human Rights and Civil Liberties - County Minimum Wage -
Effective Dates

Dear Council President Leventhal,

Thank you for the opportunity to comment on proposed Bill 59-14 - Human Rights and Civil Liberties - County Minimum Wage - Effective Dates. While we understand the motivation to have the same effective date schedule as the State for the County's minimum wage, the Gaithersburg-Germantown Chamber recommends that the coordination of schedules not happen until July 1, 2016.

As you know from your own experience with the County, budgeting typically happens well in advance of the fiscal year in question. In the case of the County's increase in minimum wage, businesses have already prepared their 2015 budgets based on the originally legislated effective dates. This also means they have set their prices, let contracts, hired staff and incurred expenses based on those budgets. As we have mentioned in the past, one of the overwhelming comments we hear from businesses is that they need a level of certainty in responding to government regulations. By changing the effective dates you are unfairly changing the rules without allowing businesses the time to adjust to the increased costs.

The Montgomery County Minimum Wage law was landmark legislation that impacted business in the County. The fair thing to do is to keep the existing schedule and have the next increase slated for October 1, 2015. Then coordinate the County and State effective dates in 2016 to July 1, 2016.

Thank you for your consideration.

Marilyn Balcombe
President and CEO



January 16, 2015

The Honorable George Leventhal
President, Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

RE: Bill 59-14 - Human Rights and Civil Liberties - County Minimum Wage - Effective Dates

Dear Council President Leventhal and Members of Council:

On behalf of the Greater Silver Spring Chamber of Commerce, I am writing to urge consideration of an amendment to Bill 59-14, which would move forward the effective dates of future increases in the County minimum wage from October 1 to July 1 of the years 2015, 2016, and 2017.

While we fully understand the motivation to align the effective date schedule for the County's minimum wage with that adopted later last year by the State of Maryland, we respectfully ask you to delay that coordination of schedules until July 1, 2016.

Like County government, businesses typically develop and finalize their budgets well in advance of the upcoming fiscal year. As such, businesses have already prepared their budgets for 2015, based on the wage levels and effective dates specified in the enacted legislation. Likewise, based on these calculations, they have already set their prices, let contracts, hired staff, and incurred expenses based on those budgets. And, while a three-month change might seem inconsequential, it could be devastating for many businesses, especially those that employ large numbers of seasonal workers, and some of our County's youth, during the summer months.

As our Chamber has often brought to your attention, in order to be successful, businesses need a level of certainty and predictability, especially when it comes to responding to changing government regulations. By accelerating the effective dates for the County minimum wage increase, Council would be unfairly changing the rules without allowing businesses the necessary time to adjust for the increased costs.

The Montgomery County Minimum Wage law was landmark legislation that impacted every business in the County. Once it was enacted, employers accepted the new law, with its legislated effective dates, and incorporated it into their planning for 2015. A more equitable approach to aligning the County and State minimum wage effective dates would keep the existing schedule for the next increase on October 1, 2015, and wait until July 1, 2016 to coordinate the effective dates.

We thank you for the opportunity to offer this proposed amendment to the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Jane Redicker". The signature is fluid and cursive, written over a horizontal line.

Jane Redicker
President & CEO

Hamlin, Joseph

From: Ilaya Hopkins <ihopkins@montgomerycountychamber.com>
Sent: Monday, February 09, 2015 11:02 AM
To: Leventhal's Office, Councilmember
Cc: Berliner's Office, Councilmember; Navarro's Office, Councilmember; Riemer's Office, Councilmember; Rice's Office, Councilmember; Floreen's Office, Councilmember; Hucker's Office, Councilmember; Elrich's Office, Councilmember; Katz's Office, Councilmember; Hamlin, Joseph; Georgette Godwin; Michelle Guzman
Subject: BILL 59-14, HUMAN RIGHTS AND CIVIL LIBERTIES - COUNTY MINIMUM WAGE - Effective Dates

Dear Councilmember Leventhal,

We respectfully request that the following position be included in the public record for discussion on Bill 59-14.

The Montgomery County Chamber of Commerce respectfully requests that Bill 59-14 be amended so that the effective dates of the County and State minimum wage requirements are increased on the same date beginning in July, 2016.

As we have mentioned in previous testimony, certainty and predictability are important prerequisites to promote business success. Many businesses have already planned budgets and pricing structures for the 2015 calendar year. Any change to proposed effective dates should allow ample time to plan and prepare for those changes.

For this reason, we request that the implementation date of the new effective dates schedule begin no earlier than July, 2016.

Thank you for your consideration.

Ilaya Hopkins
Vice President, Public Affairs, Montgomery County Chamber of Commerce (MCCC)
51 Monroe Street, Suite 1800, Rockville, MD 20850
Ph: 301.738.0015 ext. 205, Fax: 301.738.8792
Email: ihopkins@mcccmd.com

See [MCCC's Advocacy](#) information on efforts at the local, state and federal level.

Missed a [Member Meeting](#)? Catch up on the [MCCC Blog](#) and follow [MCCC in the News](#).



 Please consider the environment before printing this e-mail.



From: Rice's Office, Councilmember
Sent: Tuesday, December 02, 2014 8:57:18 AM
To: Montgomery County Council
Subject: FW: Smokey Glen Farm - Minimum Wage Legislation - Acceleration of Tiered Increases

From: Jim Sweet [mailto:jsweet@smokeyglenfarm.com]
Sent: Monday, December 01, 2014 3:49 PM
To: Rice's Office, Councilmember; Elrich's Office, Councilmember; Floreen's Office, Councilmember; Katz's Office, Councilmember; Navarro's Office, Councilmember; Hucker's Office, Councilmember; Berliner's Office, Councilmember; Riemer's Office, Councilmember; Leventhal's Office, Councilmember
Cc: Dawn Free; Sherry Wilcox; msweet@smokeyglenfarm.com; richard.calvin.baker@gmail.com
Subject: Smokey Glen Farm - Minimum Wage Legislation - Acceleration of Tiered Increases

Dear Montgomery County Councilmembers,

Congratulations on the election. I hope that you and yours had a wonderful Thanksgiving Holiday.

I just read the article in the Gazette about the initiative to begin the second tier of the minimum wage increase in July rather than October of 2015. If the initiative passes, it will have serious consequences to my family's business for next year. Our 2015 pricing has already been established, published and sent out to all of our clients. The current minimum wage legislation is built in to the pricing. A mid-season July increase is not.

As it stands, the current minimum wage legislation adds a significant increase to our pricing for next year. It works out to \$.55 per year for the next 3 years to the cost for each and every guest attending events at the Farm. Food and supply cost increases have been unprecedented over this past year. This alone has pushed our price increases far higher than normal – then add in \$.55 for the minimum wage increase. All told, we have had to increase our 2015 pricing 6.5% - 8.7% depending on the event package. That's a huge year over year price increase. Typical price increases for us range from 2% to 4%.

With all due respect, please reconsider this initiative. As the County's largest single-unit youth employer, we have worked our way through the burdens of this minimum wage legislation as it now stands. Please do not change the rules mid-stream.

As always, thank you for your consideration.

Jim Sweet

Maryland State Minimum Wage:
\$8.00 on January 1, 2015
\$8.25 on July 1, 2015
\$8.75 on July 1, 2016
\$9.25 on July 1, 2017
\$10.10 on July 1, 2018

Montgomery County Minimum Wage:
\$8.40 on October 1, 2014
\$9.55 on October 1, 2015

\$10.75 on October 1, 2016

\$11.50 on October 1, 2017

<http://www.gazette.net/article/20141124/NEWS/141129553/1257/rice-proposes-to-move-minimum-wage-increases-to-july&template=gazette>

Jim Sweet
President

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