



CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Amber Greene, Chief Equity Officer and Director Office of Equity & Civil Rights
CC	Mayor's Office of Government Relations
DATE	December 9, 2025
SUBJECT	OEGR Report on Baltimore City Council Bill 25-0116 Security Officers – Compensation

POSITION: Unfavorable

BILL SYNOPSIS

The Office of Equity and Civil Rights (OEGR) has reviewed and is herein reporting on City Council Bill 25-0116 – *Security Officers – Compensation*.

This is an ordinance that accomplishes the following:

- Defines certain terms related to security workers, security employers, and their compensation.
- Identify covered and excluded security workers and employers under the bill.
- Establish a process by which a minimum wage shall be calculated for security workers.
- Establish a minimum wage for security workers.
- Mandate that it is a violation of the ordinance for employers to pay security workers below the rate established.
- Provide for an effective date.

The legislation accomplished this by adding Section 3-9 to Article 11 – Labor & Employment of the Baltimore City Code.

The bill would effectively set a minimum wage and benefit rate specifically for security workers within the City of Baltimore.

SUMMARY OF POSITION

City Council Bill 25-0116 bases the wage and benefit rate calculation specifically on the average wage and benefit rate of officers *working* at commercial office buildings over 350,000 square feet. However, the wage and benefit rate determined by the ordinance would apply ubiquitously to all covered security workers in the city. The definition of a covered worker is as follows, according to §3-9(A)(5):

(5) COVERED SECURITY OFFICER.

(I) IN GENERAL.

“COVERED SECURITY OFFICER” MEANS ANY INDIVIDUAL EMPLOYED IN BALTIMORE CITY TO DO ANY OF THE FOLLOWING:

- (A) PREVENT AND IDENTIFY AND REPORT THE THEFT, MISAPPROPRIATION, OR CONCEALMENT OF GOODS, WARES, MERCHANDISE, MONEY, BONDS, STOCK CERTIFICATES, OR OTHER VALUABLE DOCUMENTS, PAPERS, AND ITEMS;**
- (B) PREVENT AND IDENTIFY AND REPORT THE DAMAGE TO, INTRUSION UPON, OR THEFT OF REAL OR PERSONAL PROPERTY; AND**
- (C) PREVENT AND IDENTIFY AND REPORT ASSAULTS, GATE-CRASHING, OR OTHER DISORDERS AT MEETINGS, EVENTS, OR PERFORMANCES.**

(II) EXCLUSIONS.

“COVERED SECURITY OFFICER” DOES NOT INCLUDE:

- (A) A MARINE GUARD OR SHIP WATCHMAN, REGARDLESS OF WHETHER THE GUARD OR WATCHMAN IS STATIONED ABOARD A SHIP OR ON A PIER; OR**
- (B) AN UNARMED EMPLOYEE OF A BAR, TAVERN, OR RESTAURANT.**

With a new minimum wage established for all covered security workers city-wide, all city-contracted security officers currently covered under the Living Wage (Article 5, Subtitle 26) would shift to coverage under the minimum wage law established herein under Article 11. Through this change, the Wage Commission would lose the authority to require payroll submissions or conduct routine, proactive payroll audits of security employers under Article 5, Subtitle 26; however, the Wage Commission will continue to be able to request payroll from employers subject to a minimum wage violation investigation. Under Article 11, contractors are not automatically required to submit payroll records to the Wage Commission. However, the Wage Commission does have the authority to request payroll documents as part of its enforcement and compliance responsibilities.

Because payroll submission is not mandatory under Article 11, oversight in these cases is largely reactive and dependent on complaints or targeted requests. This structure limits the Commission's ability to proactively identify discrepancies, misclassification, and wage violations.

This is notable as, contrary to how the Wage Commission currently enforces wages for city-contracted security workers, enforcement of the minimum wage protections established herein under Article 11 would become complaint-based only, which increases the risk of non-compliance and makes restitution more difficult to obtain. Additionally, ensuring compliance will require significant adjustments.

Enforcement Mechanism

A major hurdle to establishing minimum wage and benefit rates for security workers under Article 11, Division I – Minimum Wage Law (as opposed to how the Wage Commission currently ensures wage compliance for city contracted security workers covered by Article 5, Subtitle 26 – Living Wage), is that Article 11 does not require contractors to submit payrolls or job-site documentation. Without those reports, the options for enforcement of security workers' wages are:

- Rely on/trust voluntary self-reporting from companies (no ability to audit and verify payroll proactively).
- Workers would have to voluntarily file complaints for any violations in order to trigger an investigation in which the Wage Commission may request payrolls, or
- The City simply does not verify and enforce the wages and benefits established herein.

In addition to the aforementioned enforcement challenges, the high turnover and decentralized structure of the private security industry are barriers to full implementation of the legislation.

Consistent and thorough enforcement creates deterrence; contractors adjust their behavior once audits are no longer complaint-driven only. Mandatory payroll submissions give the Wage Commission real-time visibility, proactive audits allow discrepancies to be identified early (misclassification, rate errors, fringe issues), and earlier detection prevents violations from compounding over multiple years and renewals. Without these, oversight, accountability, and compliance are difficult to achieve and maintain.

Awareness

Considerations must be made on the efficacy of informing only Baltimore's security workers of an industry-specific minimum wage and benefit rate, the Wage Commission's existence as an enforcement body, and the importance of filing complaints. To this extent, a question arises:

- How does the City make covered workers aware that one occupation now has a different minimum wage than the universal minimum wage? (As this is not aligned with most workers' conventional understanding of the minimum wage.)

The City and the Wage Commission would also need a robust strategy of continued outreach and awareness to notify every private security company operating in Baltimore, not only those with City contracts, of the new industry-specific minimum wage. This raises additional questions:

- How will the Wage Commission or any City agency communicate these new requirements to all affected employers?
- How will the Wage Commission or any City agency communicate these new requirements to all affected employees?
- Will the City rely on private companies to notify their employees, and is that an effective strategy for raising awareness?
- What process will ensure that employees actually receive the correct pay and benefits?

Minimum Wage Calculation

§3-9(B) of City Council Bill 25-0116 establishes the minimum wages and benefits to be based on the greater of two values for a given year. They are as follows:

THE COMPENSATION AMOUNT FOR A COVERED SECURITY OFFICER IN THE CITY MAY NOT BE LESS THAN THE HIGHER OF:

(I) FOR THE GUARD 1 CLASSIFICATION ESTABLISHED BY THE UNITED STATES SECRETARY OF LABOR PURSUANT TO CHAPTER 67 OF 41 U.S.C. § 6701 ET SEQ., AS AMENDED, THE COMBINED VALUE OF THE MINIMUM WAGE RATE, HEALTH AND WELFARE RATE, AND PAID VACATION AND HOLIDAYS RATES SET FORTH IN THE LOCALITY WAGE DETERMINATION ISSUED BY THE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION OF THE EMPLOYMENT STANDARDS DIVISION OF THE U.S. DEPARTMENT OF LABOR FOR THE AREA THAT INCLUDES THE CITY; OR

(II) THE COMBINED VALUE OF:

(A) THE AVERAGE PER-EMPLOYEE WAGE RATE; AND
(B) THE AVERAGE PER-EMPLOYEE TOTAL BENEFIT RATE.

The calculation prescribed under §3-9(B)(1)(I) is conducted by the Federal Government and is simple to utilize, does not require staff hours from the Wage Division to identify, and is an industry standard-setting calculation. Establishment of a minimum wage for security officers based on this calculation would be logically feasible.

The federal government calculates wage rates for service contracts under the McNamara–O’Hara Service Contract Act (SCA). The U.S. Department of Labor (DOL), specifically the Wage and Hour Division (WHD), is responsible for setting these rates.

Federal service contract rates are calculated by the Department of Labor using:

1. **Local wage surveys** to find out what people are actually paid.
2. **Collective bargaining agreements**, when applicable.
3. **A National Health & Welfare rate**, updated annually.

4. **Economic and inflation indicators** to keep wages current.
5. **Geographic-specific wage determinations** based on the county or region.

Security Guard I SCA rates in this region have gone from roughly **\$14/hr to about \$20/hr** over the last decade, *plus* separate health & welfare that is currently in the \$5+ per hour range.

With respect to §3-9(B)(1)(II) of the bill, the OECR has considerable reservations on the feasibility of expecting the Wage Commission to determine a minimum wage rate and benefit rate under this calculation. The bill requires the Wage Commission to use the average per-employee wage rate and average per-employee total benefit rate for all commercial security workers working at a facility over 350,000 square feet; however, the bill does not elucidate nor prescribe how the Wage Commission would obtain this information. Currently, the Wage Commission adjusts its Living Wage each year using the Consumer Price Index (CPI) for All Urban Consumers (CPI-U) in the Washington–Baltimore–Arlington, DC–MD–VA–WV area, published by the U.S. Bureau of Labor Statistics (BLS).

Under Council Bill 25-0116, the Wage Commission would be required to determine the average wage and benefit rate for **ALL** security workers working at commercial office buildings over 350,000 square feet, Baltimore City contracted and private-sector; however, there is no existing structure or mechanism by which the Wage Commission could access this information for private employers to make such a calculation. As such, the OECR is left with the following questions:

- Will this information be self-reported?
- Will regulations be created to require building owners or security companies to submit wage and benefit data?
- What happens if a company does not report or provides incomplete information?

IMPLEMENTATION

The OECR, through the Wage Commission, will determine the required compensation rate for covered security officers working in commercial office buildings of 350,000 square feet or more using a two-step, annual analytical process mandated by the legislation. To potentially achieve this, the Wage Commission would have to:

First, identify the applicable federal Service Contract Act (SCA) “Guard 1” wage determination issued by the U.S. Department of Labor for the Baltimore locality. This includes the minimum hourly wage rate, health and welfare rate, and the required paid vacation and holiday provisions. These components will be converted into a total hourly compensation value for comparison purposes.

Second, calculate a local market-based compensation benchmark by analyzing the average per-employee wage rate and the average per-employee total benefit rate for security officers employed at qualifying 350,000+ square-foot commercial office buildings within the City. This analysis will rely on a combination of available industry data, payroll information reviewed through prior enforcement activity, publicly available labor data, and targeted outreach with private security employers and building operators. Benefit costs will be assessed on an hourly

equivalent basis and will include bona fide fringe benefits such as health insurance, retirement contributions, paid leave, and training or apprenticeship costs, as defined in the legislation.

Challenges associated with this second step may include limited access to reliable, accurate, and transparent private-sector wage and benefit data from these sources, the absence of mandatory reporting requirements for non-City contractors, and potential variability in how fringe benefits are structured and valued across employers. Additional challenges may include self-reporting inconsistencies, incomplete participation by security companies or property owners, and constraints on the Commission's ability to independently verify submitted information. These factors may affect both the timeliness and accuracy of the local-market compensation analysis unless supplemental reporting mechanisms, regulatory guidance, or interagency coordination are established.

The Wage Commission would then have to compare the total hourly value of the federal SCA package to the locally derived wage-and-benefit average and adopt the higher of the two amounts as the required compensation rate.

External coordination may include consultation with the U.S. Department of Labor (which may pose unique challenges), collaboration with City finance and procurement agencies as needed, and reliance on the cooperation of private-sector stakeholders.

FISCAL IMPACT

OECR currently handles wage disputes through a mix of proactive compliance work and complaint-based investigations, depending on the law involved. For Living Wage and Prevailing Wage enforcement, this includes reviewing payroll submissions, analyzing wage data, conducting site visits when needed, and issuing findings to recover back wages and assessing penalties. For Article 11 matters, enforcement is largely complaint-driven and depends on employees coming forward with concerns.

On an ongoing basis, OECR reviews payrolls, investigates complaints, calculates restitution, works with contracting agencies, and follows up with employers to ensure violations are corrected. Much of this work also involves direct communication with workers—helping them understand their rights and guiding them through the complaint process—as well as responding to questions from employers and City agencies.

Looking ahead, OECR anticipates an increase in wage-dispute work if the proposed legislation is implemented. Expanding coverage to additional private-sector employers, combined with the lack of routine payroll reporting, is likely to result in more employee complaints and more complex investigations. Many cases may involve questions about benefit calculations, worksite assignments, or inconsistent pay practices across locations, which will require additional time and coordination to resolve.

To manage both current workloads and expected increases, OECR will need additional staff capacity and resources to fulfill the following:

- Manage annual rate calculations

- Conduct thorough industry outreach
- Manage legal compliance
- Manage complaint investigation
- Monitor multi-site employers
- Data analysis support
- Policy analysis support
- Outreach and communication to educate private security companies, building operators, employees, and City agencies on the legally mandated wage and benefit rates.
- Establish new systems and procedures, including reporting mechanisms, enforcement protocols, regulatory amendments, public guidance, and tools for annual data collection.

Without increased capacity, it will be extremely difficult for the Commission to implement and enforce this law effectively and equitably, and as a result, the City and covered employers would likely fall out of compliance. Most importantly, OECR's ability to respond quickly and ensure workers receive the wages they are owed may be limited.

As such, the OECR preliminarily estimates that at least three (3) additional staff positions/PIN's would need to be added to the OECR's Fiscal Year 2027 budget to support implementation, rate-setting, investigations, and wage-violation enforcement by the bill's effective date.

The process and timeline for posting, hiring, training new staff, and preparing the office for enforcement responsibilities would be as follows:

I. Posting:

1-3 days to upload job posting of three new PINs to be available for applicants to apply.

II. Hiring:

45 days (30 days for interviewing and selection, 15 days to allow for background checks.)

III. Training:

120 days to ensure employees are fully trained on the requirements and compliance (OECR Chief Stafford/Wage Division). This training would consist of the following: learning the law, learning how to audit payrolls, conducting on-site visits, and communicating with contractors.

Operationalizing this legislation will require a multi-phased approach to ensure staff readiness, effective outreach, and enforceability, for which the OECR currently does not have the bandwidth to accommodate without significant allocation of additional staffing and resources.

I. Preparation and Legal Alignment (Months 1-2):

OECR will confirm legal interpretation with the Law Department, address enforcement authority under Article 11, This phase will include coordination with the Law Department to clarify compliance obligations, investigative authority, and interaction with existing wage enforcement frameworks. OECR will also assess internal readiness,

including staff training needs related to minimum wage enforcement procedures, rate application, documentation standards, and complaint-based workflows associated with Article 11.

II. Staffing, Training, and Infrastructure (Months 2–4):

Additional staff will be needed to support outreach, intake, and investigations. OECR will develop new procedures, tracking methods, and enforcement workflows specific to Article 11 and conduct staff training on minimum wage and complaint-based enforcement.

III. Outreach and Public Education (Months 4–6):

Due to payroll reporting not being required, and the City cannot rely solely on employers to notify workers of their new rights, OECR will conduct direct outreach to employees, private security companies, and building operators, including multilingual education efforts and coordination with community partners.

IV. Rate Determination and Enforcement (July 1–January 1):

The Wage Commission will determine and publish the annual compensation rate by July 1st. Enforcement will begin once the rate becomes effective on January 1 and will be primarily complaint-based, requiring continued outreach and monitoring.

Successful implementation will depend on timely staffing increases, clear legal guidance, and sufficient resources to support outreach and enforcement.

Notably, Section 1 and Section 3 of Council Bill 25-0116 require the Wage Commission to determine its wage and benefit rate calculation by July 1, 2026. This requirement is not possible to fulfill due to the aforementioned staff and resource allocations needed to operationalize the ordinance. The soonest these budgetary needs would be addressed is the Fiscal Year 2027 budget, in which the timeline above would be able to begin July 1, 2026 at the earliest.

CONCLUSION

Upon reviewing City Council Bill 25-0116, the OECR has not discerned inequity in the purpose of the legislation and appreciates the effort to obtain better wages and benefits for the City's security workers. As the agency within the City of Baltimore entrusted to uphold wage law and fair working conditions, the Office of Equity & Civil Rights, on principle, supports efforts and legislation to raise wages, ensure more robust worker benefits, and strengthen labor rights.

However, the methodology, approach, and logistics matter when considering how Baltimore collectively works to achieve these goals. Due to the aforementioned concerns on the various logistical hurdles that make the legislation prohibitive to implement and enforce as written, the OECR believes Council Bill 25-0116 may enact a mandate that the City will be unable to meet. The office supports the Sponsor's effort behind the bill to secure better wages for the City's workers and is open to further collaboration and discussion on how this may be achieved between

the Sponsor, the City Council, and the Administration. As such, the Office of Equity and Civil Rights respectfully requests an **unfavorable** committee report on City Council Bill 25-0116 at this time.

Respectfully Submitted,



Amber Greene
Director, Office of Equity & Civil Rights