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	AGENCY NAME & ADDRESS	Mayor's Office of Employment Development 417 E. Fayette Street, Suite 468
	SUBJECT	City Council Bill 16-0655 – Labor and Employment – City Minimum Wage

CITY of
BALTIMORE
MEMO



TO The Honorable President and Members of the City Council DATE: May 27, 2016

Council Bill 16-0655 proposes to set Baltimore City's minimum wage rate from years 2016 – 2021 and onward, expands the powers of the Wage Commission, increases cash wages for tipped employees through 2025, removes tips from the definition of wages for tipped employees, and defines methods of filing complaints with, investigations by, and restitutions from the Wage Commission. Its intent is to raise the wages of city residents to a level that better meets the standard of living costs for Baltimore, while ensuring future wages track with adjustments in the Consumer Price Index.

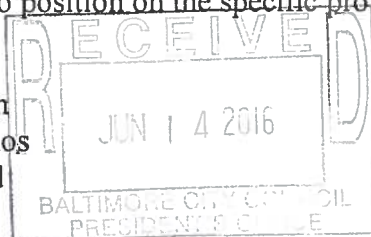
The Mayor's Office of Employment Development (MOED) takes no position on City Council Bill 16-0655. The agency recognizes that it is imperative that Baltimore City residents are able to earn wages that can allow them to provide for themselves and their families. We work actively to provide city residents quality employment and training opportunities that will allow them to earn wages comparable or greater than the wage rates described in this bill, because we understand the cost of housing, food, medical care, transportation, and other needs have grown much quicker than wages have over the past several decades.

There are two issues that deserve more consideration. The first is the pace at which the wage will increase and the potential for a negative impact on low-wage city workers. Given the importance of the issue, it would be important to know the impact of city initiatives on the local hiring structure. In particular, does a significantly higher wage in a city draw more workers from neighboring jurisdictions resulting in fewer jobs from those within the city? Similarly, is there a rate of increase that allows employers to adjust more evenly so as to not lead to layoffs to balance the cost of the wages?

The other issue is the impact on summer jobs for teens. MOED manages the Baltimore City YouthWorks program, which provides city youth summer jobs that offer wages and employment experience. In 2015, we were able to offer a job to 8,000 youth and hope to retain these numbers into the future. Because youth are paid the minimum wage, increasing the wage may result in the city being able to offer fewer youth jobs. By 2020, the provisions in this bill would raise the cost of paying for 125 hours of work for 8,000 youth by \$2,650,000, making it much more difficult for the program to impact as many youth as we hope it will.

We believe in the merits of this bill, to increase city residents' standard of living, provide a means of grievance for those who have been underpaid, and support Baltimore's economy, but take no position on the specific provisions in City Council Bill 16-0655.

cc: Andrew Smullian
Kaliopé Parthemos
Claudia Freeland



No position