

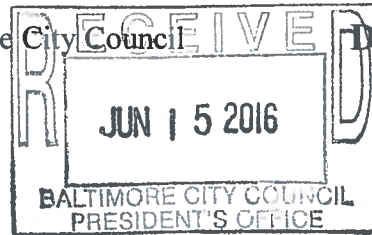


<b>F R O M</b>	Name & Title	Kisha A. Brown, Director 	CITY OF BALTIMORE  <b>MEMO</b>	
	Agency Name & Address	Office of Civil Rights & Wage Enforcement 7 East Redwood Street, 9 <sup>th</sup> Floor Baltimore, MD 21202 Phone: (410) 396-3141 Fax: (410) 244-0176		
	Subject	City Council Bill #16-0655: Labor and Employment- City Minimum Wage		

**To:** The Honorable President and Members of the City Council  
Room 400, City Hall **Date:** June 8, 2016

Attention: Natawna Austin, Executive Secretary



The Baltimore City Office of Civil Rights and Wage Enforcement has reviewed City Council Bill 16-0655, which most notably sets a formula to determine the Baltimore City minimum wage rate through 2021. In addition to changing wage rates, the bill makes a number of changes to the composition, procedures, authority and scope of the Wage Commission. This bill is one of the most in-depth reforms to the Wage Commission in years. As such, some of the changes cause concern based on the ambiguity of the language and the addition of new unfunded-mandated programs.

The Wage Commission enforces the minimum, living and prevailing wage laws of Baltimore City.<sup>1</sup> The living and prevailing wage laws respectively apply to all City service contracts as well as construction contracts over \$5,000. Currently there are approximately over \$1 billion in total active City contracts within the Wage Commission's jurisdiction. For those contracts, the Commission is charged with receiving copies of weekly payrolls, investigating workers' complaints, investigating any payroll irregularities, and annually setting the living and prevailing wage rates. The current staff of the Wage Commission includes one full-time employee.

In City Council Bill 16-0655, changes to Subtitle 2 alter the membership, general powers and duties, the rules and regulations subsections and create new subsections on multilingual posters, interagency cooperation, and outreach partnerships. Some of the new language is not clear and leaves room for subjective interpretation. For example, Section 2-2 specifies the members of the Commission must come from the labor community (2 members), community-based organizations (2) and the business community (1). It is not certain as to which labor community the bill implies, although it can be gleaned that the bill intends to require 2 members from labor unions. None of the new categories are defined and it is unclear as to who would qualify to represent each of the specified categories.

Within City Council Bill 16-0655, every subsection in Subtitle 4 is changed which includes the complaints procedure, investigations, standards of the Commission's findings, final orders, the process for an administrative judicial and appellate review, referrals and the confidentiality of payrolls. Some of the

<sup>1</sup> Minimum Wage Law, Labor and Employment Art. 11§1-6; Prevailing Wage for Work under Construction Contracts, Finance and Procurement Art. 5§25; Hours and Wages- Service Contracts, Finance and Procurement Art. 5 §26.

*Comments*

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All of the added duties in Subtitle 2 and Subtitle 4 are substantive changes for which the office will need appropriate funding to ensure execution. Collaborating with community organizations is crucial to developing the types of partnerships that lead to a better educated public and better enforcement by the Wage Commission. However, effective engagement and enforcement require adequate resources. The intended informative and engaging mandates to the website and the requisite updates, creation, production, and translation of new materials necessitate skilled personnel who are not currently budgeted in the Wage Commission's staff. As stated, the Wage Commission has one full-time employee and is only budgeted for an additional junior investigator in fiscal year 2017.

This legislation has a most noteworthy cause of increasing the wages of our lowest earners in the City. Protecting the wage dignity of minimum wage workers, is a key element of ensuring that our City experiences economic growth and prosperity. The Wage Commission has not undergone such changes in years and it is of great concern to ensure that the Commission has the resources necessary to handle the new authority and expectations outlined in City Council Bill 16-0655. The Commission would like the opportunity to present more in-depth feedback to the sponsor to ensure that any ambiguity is clarified and the intent of the bill is congruent with the language set there within.

The Office of Civil Rights and Wage Enforcement appreciates the opportunity to be a part of the process of ensuring employees are paid fairly and timely and looks forward to continued discussions on City Council Bill 16-0655 to empower, educate and enforce the rights of Baltimore's minimum wage workers.

cc: Angela Gibson, Office of the Mayor