The Anne Arundel County Board of Education OPPOSES House Bill 1416 - Labor and Employment - Payment of Minimum Wage Required (Fight for Fifteen). This bill phases in an increase in the State minimum wage to $15.00 per hour by fiscal 2024, with different phase-in schedules for businesses with 25 or fewer employees and for businesses with 26 or more employees. Beginning on July 1, 2024, the minimum wage may increase further as it is indexed to inflation. However, rate increases may be temporarily suspended under specified circumstances. The bill phases out the tip credit by July 1, 2025, that employers can apply against the direct wages paid to employees classified as tipped employees. Additionally, in fiscal 2020 through 2023, the Governor’s proposed budget for the Developmental Disabilities Administration (DDA) of the Department of Health and Mental Hygiene (DHMH) must include an annual 3.5% rate increase for community services providers over the funding provided in the prior year’s legislative appropriation.

Current Maryland minimum wage is $8.75 per hour and is scheduled to increase on an incremental basis over the next two years to $9.25 per hour as of July 1, 2017, and $10.10 per hour as of July 1, 2018. This bill would dramatically increase the State’s current and scheduled minimum wage. Anne Arundel County Public Schools (AACPS) currently has approximately 700 employees who earn less than the wage that would ultimately be required under House Bill 1416. As such, this proposed legislation would have a significant fiscal impact on AACPS in the midst of fiscally challenging times for the school system.

Accordingly, the Anne Arundel County Board of Education respectfully requests an UNFAVORABLE committee report on House Bill 1416.