



MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland

HB 549/ SB555 – Fair Wage Act of 2023 BRIEFING SHEET

SUMMARY: Governor Moore has introduced HB 549 / SB 555 – Fair Wage Act of 2023, which speeds up the increase in the state minimum wage to \$15 per hour on October 1, 2023 for all employers with 15 or more employees. The bill also speeds up the rate increase for developmental disability services, providing a 12% rate increase to match the timeline for the minimum wage. The bill also states that starting July 1, 2025, the minimum wage would increase each year by the amount of inflation (CPI) in the previous year, capped at 5% annually.

BACKGROUND:

- In 2019, legislation was passed by the MD General Assembly increasing the minimum wage to \$15 per hour over several years, scheduled to reach \$15 per hour in 2025. That legislation included a 4% rate increase each year that the minimum wage was scheduled to rise. HB 549 / SB 555 accelerates both the minimum wage increase and the scheduled rate increase for DD services.
- HB 549 / SB 555 addresses the need to increase rates as part of the path to a \$15 per hour minimum wage, but **needs an amendment to also include a rate increase tied to further increases in the minimum wage** as a result of increases in inflation (as measured by the Consumer Price Index).
- **Mandated minimum wage increases have a significant effect on the direct support workforce, who are the backbone of community supports;** their work makes it possible for people with developmental disabilities to live, work, and participate in their communities.
- **Community providers and people who self-direct must be able to offer competitive wages (above minimum wage) and benefits in order to recruit and retain qualified staff.** Direct support professionals must pass training and accreditation requirements, be able to work independently, and work to ensure, to the greatest extent possible, positive outcomes for people's life goals and health outcomes.
- **DSP Turnover is high:** Most recent data in Maryland indicated that **1 in 3** direct support staff **don't stay in their jobs 6 months, and over half don't stay a year.** The **vast majority leave voluntarily** because of high stress, low-wage work; they can make as much if not more working for retailers or other private employers.
- **Retention of DSPs is vital to the health, safety and well-being of people with developmental disabilities.** According to research conducted by the Council on Quality and Leadership, higher retention rates of DSPs result in better outcomes for people with disabilities, including greater community inclusion, and better health and safety measures.

POSITION: Support the Fair Wage Act of 2023, **with an amendment** to add a rate increase for developmental disability services no less than the annual inflationary increase to the minimum wage starting July 1, 2025.