



Montgomery County Council

For Immediate Release

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Montgomery County Council approves minimum wage increase to \$15 per hour

Large employers required to raise the minimum wage to \$15 per hour in 2021; mid-sized and small employers must meet this level by 2023 and 2024 respectively

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ROCKVILLE, Md., November 7, 2017—The Montgomery County Council today unanimously approved Bill 28-17, Human Rights and Civil Liberties – County Minimum Wage – Amount – Annual Adjustment, that will increase the County’s minimum wage to \$15 per hour on July 1, 2021 for large employers with 51 or more employees. Mid-sized employers with between 11 and 50 employees must raise wages to at least \$15 per hour on July 1, 2023. Small employers with 10 or fewer employees must pay workers \$15 per hour on July 1, 2024. Non-profit organizations with 501(c)(3) designations and eligible service providers must raise wages to \$15 per hour by July 1, 2023, unless they are considered a small employer. In addition, Bill 28-17 provides that the minimum wage must be adjusted annually for inflation according to the Consumer Price Index for urban wage earners and clerical workers (CPI-W), starting July 1, 2022. This bill also provides for an opportunity wage, which is equal to 85 percent of the County’s minimum wage for employees under the age of 20 for the first six months of employment. The County’s current minimum wage is \$11.50 per hour. Today’s vote makes Montgomery County among the first jurisdictions in the nation to approve a \$15 per hour minimum wage.

Councilmember Marc Elrich was the lead sponsor of Bill 28-17. Councilmembers George Leventhal, Hans Riemer, Tom Hucker and Nancy Navarro were co-sponsors.

Bill 28-17 also includes a “catch up” provision for mid-sized and small employers, so that all employers are ultimately required to pay the same minimum wage. In addition, the size of an employer is determined on the effective date of the bill or when the employer is first subject to the law, regardless of the number of employees employed by the employer in subsequent years.

The bill now goes to County Executive Ike Leggett for his signature.

More information about Bill 28-17 and amendments proposed by Councilmembers Elrich and Hucker that were enacted by the Council can be viewed at:

- Council Staff report
http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=7211&meta_id=145372
- Elrich’s amendment
<http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/HomePageDocuments/HuckerAmendments.pdf>
- Hucker’s amendment
<http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/HomePageDocuments/ElrichAmendment.pdf>
- Council staff chart showing minimum wage increases
<http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/HomePageDocuments/MinimumWageRateTable11-7-17.pdf> .

Councilmember Marc Elrich, who was the lead sponsor of the bill said: “What we have done today is huge. By passing this bill we recognize that people who work deserve to earn a decent wage. Raising the minimum wage is good for families, for neighborhoods and for our schools.

I taught in a high-poverty school in Montgomery County for 17 years, and I saw up close the effects of poverty. Poor children live in homes where their parents are highly stressed about paying for rent, food and medical care – basic necessities of life. That stress has an enormous impact on their children, and those impacts have lasting effects.

Passage of this bill came through listening and working together. I believe that the modifications we made to the bill address concerns by small businesses, non-profit organizations and Medicaid-dependent home and community care providers. And because this bill includes indexing for inflation, we will not repeat the national mistake of letting the minimum wage lose value over time. I want to thank all of my colleagues for working to find a solution – this is a proud day for Montgomery County.”

Council President Roger Berliner said: “From day one, I felt our task was to reconcile competing truths: the worthy cause of lifting up working people who struggle to make ends meet and the need to mitigate economic harm to our small business community, the economic engine of our County. I want to commend Councilmember Elrich, my colleagues, the many advocates who have fought for a \$15 minimum wage, and the small business representatives who have been constructive voices in our deliberative process. Today marks an important day for workers in our County and reflects our community’s shared goal of increasing prosperity for all.”

Council Vice President Hans Riemer said: “Today we have one more reason to be proud to call Montgomery County home. The minimum wage is part of a comprehensive economic opportunity agenda that I am pursuing on the Council, together with paid sick and family leave, our local earned income tax credit (EITC), a strong education system, affordable college, affordable housing, child care subsidies and pre-k for low income children, and high-quality public transportation.”

Councilmember George Leventhal said: “I believe that the compromise the Council reached today on the minimum wage balances the concerns from the business community and the needs of working families. A wage rate of \$11.50 an hour is not enough for working families in Montgomery County to make ends meet.”

Councilmember Tom Hucker said: “I thank my Council colleagues who took an important step today to improve the lives of many of our poorest County residents, who struggle to live paycheck to paycheck. I am so proud of Montgomery County for being among the first jurisdictions in the nation to raise its minimum wage to \$15. This law will reward work and fight poverty by giving hard working families a pathway into the middle class.”

Councilmember Nancy Navarro said: “Today we took an important step forward in alleviating income inequality and ensuring that individuals receive a decent wage to help support themselves and their families. During my tenure on the Council, I have been a stalwart for making sure low wage earners receive a decent wage, as I guided the passage of Bill 27-13 to increase the minimum to its current rate of \$11.50. Continuing my dedication to this cause, I was proud to co-sponsor Bill 28-17 with my colleagues as we do our part to invest in our county’s workforce and give low income wage earners an opportunity at sustainability.”

Councilmember Sidney Katz said: “I am pleased to be part of a body that is able to work together to pass this minimum wage bill that will benefit the most and burden the least. This legislation strikes a balance; where wages move toward livability while not exceeding what businesses can absorb.”

Councilmember Nancy Floreen said: “What people want most is a job. I am pleased this legislation protects small businesses, especially those with less than 50 employees, while providing a transition over five to six years to implement a \$15 per hour minimum wage. However, this is a regional issue and I strongly urge our State legislators to expand this Council’s efforts and enact legislation so all Marylanders can earn a fair wage. We need to make sure we have an environment that supports job growth by retaining and attracting new businesses in Montgomery County.”

Councilmember Craig Rice said: “Increasing the minimum wage was a very difficult decision for me. Difficult because people of color continue to be unemployed at rates higher than whites, and especially among young people of color. Extending the time businesses have to increase the wage will allow for us to double down on investments in youth employment and workforce development programs that will help mitigate the unintended consequences associated with increasing the minimum wage.”

In 2013, the Council enacted Bill 27-13 that increased the minimum wage for County employees and private sector employees working in the County. The wage increase was set to \$8.40 per hour effective Oct. 1, 2014 and was increased each year to the current rate of \$11.50, which took effect on July 1, 2017. There was no requirement to increase the minimum wage beyond this level in future years.

In January, by a vote of 5-4, the Council enacted Bill 12-16, Human Rights and Civil Liberties – County Minimum Wage – Amount – Annual Adjustment, which would have extended the incremental minimum wage increases in County law to \$15 by 2020 for many employees. The scheduled increases under Bill 12-16 were based on the size of the employer. Workers whose employers had 26 or more employees would reach \$15 per hour in 2020. Employers with 25 or fewer employees would reach \$15 in 2022.

Bill 12-16 also would have required, beginning in 2023, an annual adjustment to the minimum wage by the annual average increase, if any, in the CPI-W for the previous calendar year. The bill also included a “safety-valve” provision that would have allowed the Executive to pause the implementation of a scheduled increase under certain adverse economic conditions.

On January 23, 2017, the Executive vetoed Bill 12-16 and explained that moving to \$15 per hour by 2020 was going “too far, too fast.” In response to the Executive’s veto, the Council introduced Bill 28-17, Human Rights and Civil Liberties – County Minimum Wage – Amount – Annual Adjustment.

The federal minimum wage is \$7.25 per hour and has remained static since 2009. The State minimum wage is \$9.25 in 2017 and will increase to \$10.10 in 2018.

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