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## State criticized for minimum wage lag

Advocates hope to leapfrog 70-cent bump in federal floor

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ANNAPOLIS — As the federal minimum wage this week leapfrogged the \$6.15 mark adopted by Maryland lawmakers two years ago, progressive groups and lawmakers are formulating plans to catch up with or surpass other affluent states that have minimum wages of \$8 or more, perhaps as soon as next year.

Maryland is one of eight states whose minimum wage was trumped Thursday by the federal 70-cent increase to \$6.55 an hour. Two dozen states' minimum wages remain higher than the federal level, and advocates say Maryland, the wealthiest state in the nation when measured by median household income, should be at the vanguard.

“As of July 24, the federal minimum wage is higher than Maryland's minimum wage, and that's simply unacceptable in this bluest of blue states,” said Sean Dobson, executive director of Progressive Maryland, an advocacy group. “Maryland should be a leader when it comes to rewarding work and building the middle class, not trailing back.”

The federal minimum will vault to \$7.25 an hour next July — the final step of a \$2.10 boost phased in over three years. The initial 70-cent increase that took effect a year ago did not affect Maryland, which increased its minimum wage by \$1 to \$6.15 in 2006 over the veto of Gov. Robert L. Ehrlich Jr. (R).

But lawmakers said it's time to revisit the issue, even as the state struggles with slumping revenues and an uncertain economy.

“The cost of living in Maryland has always been higher than the national average, and working families have been hit with higher gas prices, higher food prices and higher housing prices, and the minimum wage hasn't kept pace with those increases,” said Del. Tom Hucker (D-Dist. 20) of Silver Spring, Dobson's predecessor at Progressive Maryland.

At \$8.07 an hour, Washington state has the nation's highest minimum wage, according to the Economic Policy Institute, a nonpartisan think tank in Washington, D.C. California and Massachusetts have \$8 minimum wages, while Connecticut and the District of Columbia will jump to \$8.25 in 2010.

Gov. Martin O'Malley (D) would support an increase, his spokeswoman, Christine Hansen, said. “The governor believes that every citizen deserves an honest day's pay for an honest day's work. It's about doing what's fair and what's right for all citizens.”

Some states' minimums are adjusted for inflation or cost of living, a concept that allows the rates to increase automatically without legislation. Hucker said tying it to the cost of living is the most realistic way to regulate the minimum wage in a volatile economy.

Progressive Maryland's board of directors has not finalized its legislative priorities, but Dobson said a minimum-wage increase is under consideration.

“We have every reason to be a high-wage, high-productivity state, so there's no reason for us to lag behind states like California, Massachusetts and Washington,” he said.

But the wobbly economy has some usual supporters wary.

“I don’t mind being a leader. I just want to make sure we’re not going to lose jobs if we went too far afield,” said Del. Ann Marie Doory (D-Dist. 43) of Baltimore, who co-sponsored the minimum wage increase in 2005. “I would support an increase, [but] I just want to make sure we’ve got the right number.”

Business groups bristle at talk of another effort to boost the minimum wage, which they argue will trigger layoffs and delay the progression of entry-level workers.

“I have a growing contempt for these lawmakers that push for this higher minimum wage,” said Robert O.C. “Rocky” Worcester, president of Maryland Business for Responsive Government. “... These people know full well that raising the minimum wage has no material effect on the income of these young men and women. None. Zero. All it does is deny them an opportunity to grab the first rung on the ladder of what we hope will be success.”

The advocates don’t understand the challenges of running a small business when the minimum wage goes up, said Senate Minority Leader David R. Brinkley (R-Dist. 4) of New Market, who runs a small business.

“They believe the government has to set all standards and has to provide all things,” he said. “If anything, what this does is put a damper on an individual or an employer from employing more people who might otherwise not have the opportunity to just get their foot in the door.”

The federal increase appears unlikely to have a major effect on the budgets of local and state governments. No full-time state employees were paid less than the new federal minimum, but it was unknown whether it will apply to contractual state employees. At the local level, Charles County Budget Director David M. Eicholtz said the lowest salary for a part-time government worker is \$6.61 an hour; next year’s increase may cause a problem.

Maryland should at least be a regional leader on the minimum wage, Dobson said. Pennsylvania and Delaware each pay \$7.15 an hour, while Virginia and West Virginia are on par with the federal minimum.

Lawmakers said they’re reluctant to pass legislation that could drive businesses out of state, particularly after the now-repealed 6-cent sales tax on computer services caused an uproar and threats of an exodus of high-tech companies.

“I believe in progressive taxation ... but I am concerned at the point at which we do more harm than good,” said Del. Roger Manno (D-Dist. 19) of Silver Spring. “Striking the right balance is something that is a work in progress.”

Dobson expects there will be a major push to increase the minimum wage no later than 2010, when it will be a hot-button issue because it’s an election year. “Any lawmaker who gets on the wrong side of the minimum wage issue as we get closer to election time is crazy.”