

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date:	6/3/2003	Reference No.:	CB-1-2003
Proposer:	Hendershot	Draft No.:	2
Sponsors:	Hendershot, Harrington, Peters, Exum, Dean, Shapiro		
Item Title:	An Act requiring that certain service contracts include minimum wage requirements under certain circumstances		

Drafter:	Ralph E. Grutzmacher Legislative Officer	Resource Personnel:	Carol White Legislative Aide
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LEGISLATIVE HISTORY:

Date Presented:	1/14/2003	Executive Action:	6/6/2003	S
Committee Referral:	1/14/2003	PSFM	Effective Date:	7/1/2004
Committee Action:	4/29/2003	FAV(A)		
Date Introduced:	5/6/2003			
Public Hearing:	6/3/2003	6:00 P.M.		

Council Action: 6/3/2003 ENACTED

Council Votes: PS:A, MB:A, SHD:A, TD:A, CE:A, DCH:-; TH:A, TK:N, DP:A

Pass/Fail: P

Remarks: _____

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE REPORT Date: 4/29/03

Committee Vote: Favorable as amended, 3-2, (In favor: Councilmembers Exum, Hendershot and Peters. Opposed: Bland and Knotts.)

The legislation was held in Committee on 2/12/03 to allow time for a committee appointed by Mr. Hendershot to meet and discuss all the issues raised during the worksession. As a result of the meeting, a Draft 2 of the legislation was presented at the 4/29/2003 committee worksession.

Highlights of the Proposed Draft 2

1. On page 1, line 6, a new subtitle 2-249 was added.

2. On page 2, lines 1-4, a new Subtitle 2-249 was added and on lines 7-8, language was inserted to make the Wage Determination Board responsible for adjusting the wage rate on service contracts.
3. On page 5, line 12, changed 90 to 120 because some summer youth programs exceed 90 days.
4. On page 5, lines 16-31, and page 6, lines 1-13, the enforcement section which is similar to Montgomery County's legislation was inserted.
5. On page 6, line 4, an effective date of July 1, 2004, was inserted in order to allow sufficient time to implement the wage increase and to obtain information regarding the fiscal impact this legislation will have on the County.

The County Executive's representative stated that he had a problem with the purported cost associated with this legislation.

The Office of Central Services (OCS) estimates that three additional staff will be required to monitor and enforce compliance at an approximate cost of \$130,000 (including fringe and operating expenses).

OMB recommends that further study of the fiscal impact be performed by either OMB, OCS or the Office of Audits and Investigations (A&I) and a more complete analysis be presented to the County Council at a future date.

PSFM Worksession

2/12/2003

This bill will amend the County Code regarding wages paid by persons who contract with the County, establish a minimum wage of \$10.50 per hour on certain contracts for services provided to the County and specify the process for setting and enforcing contractual wage requirements. The Purchasing Agent (Director of Central Services) will be responsible for administering the requirements in County contracts.

Councilmember Hendershot said that it would be better for the Wage Determination Board instead of the Purchasing Agent to adjust the wage rates and calculate the rate adjustments. Also, the County should not subsidize poverty - people performing services expect to be paid fair wages for their work.

Carolyn Scriber, Director of Office of Central Services, stated that additional staff will be needed to implement this legislation. Also, the definition of "professional services" and "service contracts" needs to be clarified or redefined in this legislation. The cost to monitor Prevailing Wage Contracts is paid from money received for capital projects but the Living Wage monitoring will be paid from General Funds.

Rex Miller, Prince George's Chamber of Commerce, requested that this legislation be held in Committee.

Petey Green, Prince George's Chamber of Commerce, stated that this bill will have more serious problems than anticipated.

Craig Simpson, AFL-CIO, and Mona Langston of Progressive Maryland, expressed their support for the legislation stating that 3,000 employees in Montgomery County have been assisted through the passage of the Living Wage Bill and they expect about the same number for Prince George's County.

The Office of Audits and Investigations contacted several east coast counties and cities that had enacted living wage laws to determine the effect on their localities. Generally they indicated minimal impact. These jurisdictions (example: Baltimore City) could not provide any quantitative data to back up their results. There should be a negative fiscal impact on the County as a result of enacting CB-1-2003, specifically with implementing the monitoring, enforcement and record keeping aspects. However, the amount cannot be accurately determined at this time.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

The proposed legislation would establish a minimum wage of \$10.50 per hour on certain contracts for services provided to the County by contract. The minimum wage could be reduced by the cost of providing certain fringe benefits to covered employees. The Purchasing Agent would be responsible for administering the requirement in County contracts and would have the authority to adjust the minimum wage annually.

CODE INDEX TOPICS: