

Maryland Should Invest in Good Jobs; Clear Standards, Transparency Will Help

Position Statement in Support of Senate Bill 384

Given before the Senate Finance Committee

Maryland's budget is a moral document that has the power to move us toward broadly shared prosperity if invested wisely, and just as much power to move us in the wrong direction if not. Investing Marylanders' shared resources in decent jobs that pay a family-supporting wage is vital to support a healthy, equitable economy. Senate Bill 384 would advance these goals while strengthening our long-term care workforce. For these reasons, the Maryland Center on Economic Policy supports Senate Bill 384.

Long-term care workers provide essential services to aging Marylanders and Marylanders with disabilities, but the state struggles to meet the need for these workers. Demographic change is expected to worsen this shortfall in coming years and decades. Paltry wages and dangerous working conditions are an important contributor to this worker shortage, and disproportionately harm women of color, who constitute the bulk of this workforce.

Research shows that long-term care provided in the community rather than in residential facilities is especially beneficial, leading to better health outcomes for clients and often lower Medicaid costs. However, the private agencies the state relies on to provide these services do not consistently follow labor law—such as by misclassifying care workers as independent contractors rather than employees. This misclassification excludes workers from basic wage and hour protections and shifts tax responsibilities from the employer to the worker.

Senate Bill 384 would ensure that home care agencies are aware of applicable labor law and enables the state to monitor compliance. A three-page, plain-English explanation of agencies' responsibilities will make it easier for agencies to be confident they are following the law.

The bill's reporting requirements are equally important. Maryland lawmakers have taken a number of smart steps to ensure that state investments are made transparently, such as by requiring employers subject to prevailing wage laws to report wages and by requiring online publication of state procurement contracts. Senate Bill 384 creates a simple reporting process to ensure the Maryland Department of Health knows how much home care agencies pay their workers. This helps the state invest in a healthy economy. The process is designed to avoid creating burdens for employers:

- The process simply adds two columns to a spreadsheet the agencies already provide to the state
- The process does not make any information publicly available or available to competitors
- The information is generally submitted only annually.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Finance Committee make a favorable report on Senate Bill 384.