

Testimony Neither For Nor Against LD 2214, "An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025 "

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Good morning, Senators Rotundo and Tipping, Representatives Sachs and Roeder, and members of the Joint Standing Committees on Appropriations and Financial Affairs and on Labor and Housing. My name is James Myall; I'm an Economic Policy Analyst at the Maine Center for Economic Policy, and I'm here to testify in neither for nor against of LD Testimony neither for nor against LD 2214, "An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025." Specifically, I am here to support the creation of the wage recovery fund in part ZZ, and to advocate for funding several bills waiting on the special appropriations table.

MECEP supports part ZZ of the governor's supplemental budget proposal, which would create a new fund to facilitate the recovery of lost wages for Maine workers. Unpaid wages, sometimes known as "wage theft," are a persistent problem here in Maine, as they are nationally. In 2018, MECEP estimated that simply violations of the minimum wage law cost Maine workers around \$30 million each year,¹ impacting thousands of workers. Other wage and hour violations would bring that total even higher. We support the Department of Labor's efforts to enforce these laws more vigorously and to bring relief to impacted workers more quickly.

MECEP also wants to take this opportunity to advocate for several bills which are awaiting funding on the special appropriations table. Last year, the legislature passed a number of bills which would improve the working lives of Mainers:

LD 741, An Act to Prohibit Certain Training Repayment Agreements by Employers. This would prevent employers from holding workers liable for the costs of job-specific training. Currently, these agreements place financial burdens on workers and can trap them in jobs when they can't afford to repay the training fees.

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LD 827, An Act to Allow Employees to Request Flexible Work Schedules. This would require that an employer consider a request for a mutually-agreeable flexible work arrangement. This would help workers balance work-life requirements.

LD 936, An Act to Require Employers to Disclose Pay Ranges and Maintain Records of Employees' Pay History. This would require employers with at least 10 employees to include pay ranges with job advertisements and to make pay ranges available to existing workers. This would improve worker bargaining power and reduce racial and gender disparities in pay.

LD 949, An Act to Protect Workers from Employer Surveillance. This would require employers to provide notice to their workers if they are engaging in any form of workplace surveillance. This would prevent employers from secretly violating workers' privacy.

LD 1190, An Act to Require Minimum Pay for Reporting to Work. This would require that employers with at least 10 employees pay workers at least 2 hours' pay if the worker is called in for a shift, even if they are ultimately not asked to work that shift. This will prevent the practice of overscheduling which wastes employees' time and causes them to incur costs like driving or babysitting.

These bills all have small fiscal notes attached for additional enforcement capacity at the Department of Labor. MECEP strongly supports the need for the Department to have additional capacity in this area. As recent report by the Bureau of Labor Standards to the Labor and Housing Committee notes, the current capacity means "a business can expect an investigation from us roughly once every 323 years."² In that context, we would certainly support the funding of more enforcement positions through these bills. And in terms of value for money, the \$450,000 per year in ongoing costs would produce significant ongoing benefits for 650,000 Maine workers, and would be a good use of a small portion of this biennium's projected surplus.

MECEP would also like to advocate for the funding of LD 1376, "An Act to Increase the State Minimum Wage to \$15 per Hour." Not only would this bill provide a small but meaningful increase in hourly wages which would help the lowest-paid workers in Maine get ahead of inflation, but it would deliver \$10.8 million to help recruit and retain the severely underpaid care workers in our state. At a time when more private-sector employers are paying above the minimum wage than ever, this increase will help the care agencies stay competitive and employ these critical workers.

Thank you for your consideration. I'll be happy to take any questions.

Notes

¹ James Myall, "State of Working Maine 2018," *Maine Center for Economic Policy*, Nov 19, 2018. <https://www.mecep.org/maines-economy/state-working-maine-2018/>

² Maine Department of Labor, Bureau of Labor Standards Wage and Hour Division, *Annual Report on Wage and Hour Complaints and Violations in 2023*. Feb 2024. <https://www.maine.gov/labor/bls/docs/2023/wagehouraction/2023WageandHourReport.pdf>