

Testimony of Jake Lachance

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Before the Joint Standing Committees on Appropriations and Financial Affairs and Labor and Housing

In Opposition to LD 2214 "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund, and Other Funds 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"

Chair Rotundo, Chair Sachs, and distinguished members of the Joint Select Committee on Appropriations and Financial Affairs, as well as Chair Tipping, Chair Roeder, and the Joint Standing Committee on Labor and Housing, my name is Jake Lachance. I am a Government Relations Specialist with the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here to testify in opposition to section 0159 in the supplemental budget regarding Regulation and Enforcement within the Bureau of Labor Standards, Department of Labor.

In this supplemental budget, in conjunction with the 2023 Wage and Hour Report recently produced by the Department of Labor, there is a dramatic shift away from collaborative education and training programs working with the business community and towards an enforcement agenda, which is simply not justified by the state statistics regarding wage and overtime violations. Increased wage and hour education centers on its potential to empower both employers and employees with knowledge of their rights and obligations, fostering a fair and transparent work environment. Education can help prevent unintentional violations, reducing the likelihood of costly legal disputes and penalties for businesses. Moreover, by promoting understanding of wage and hour laws, education can enhance worker well-being, decrease instances of wage theft, and contribute to greater job satisfaction and loyalty. Ultimately, increased education can lead to stronger compliance, improved working conditions, and a more equitable labor market for all stakeholders.

The statistics show that the current focus on education and training has actually made the number of businesses in violation decrease. In 2021, 31 businesses were found to be in violation of Labor Standards under Wage and Hour Law. In 2022, 16 businesses were found to be in violation, and only 3 businesses were the same as 2021. In 2023, 11 businesses were found to be in violation, none of those businesses were the same as 2022. There was no recidivism in 2023 from the 2021 businesses found in violation.

The more education, training, and support that businesses get from the Department of Labor, the greater chance that the overall goal can be reached, which is having 0 wage and hour violations in the State of Maine. The Maine State Chamber of Commerce does not believe the system requires a fundamental shift of resources at the Department of Labor, but the budget before you is one component of a dramatic shift of tactics despite a period of success. Thank you for your time, I am happy to answer any questions.