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**Testimony of Dillon Murray, Legislative Liaison, Maine Department of Labor
In opposition to
LD 112, An Act to Promote Opportunities by Establishing a Student Wage
To the Joint Standing Committee on Labor
Hearing, March 18, 2025**

Good afternoon Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor. My name is Dillon Murray, Legislative Liaison for the Maine Department of Labor (Department). I am here today to speak on behalf of the Department in opposition to LD 112, "An Act to Promote Opportunities by Establishing a Student Wage". We appreciate the opportunity to provide our perspective on this proposed legislation.

LD 112 proposes to establish a sub-minimum wage for secondary school (high school) students in Maine. Specifically, it allows employers to pay secondary students 50% of the state's minimum wage for a period of at least two years from the first day of employment. Upon graduation from secondary school, these employees would then be entitled to the standard minimum wage.

If enacted, this bill would require the Maine Department of Labor to:

- **Monitor Compliance:** Ensure that employers adhere to the sub-minimum wage provisions, including verifying student status and tracking the duration of sub-minimum wage eligibility.
- **Enforcement:** Address complaints and conduct investigations related to potential violations of the sub-minimum wage provisions.
- **Education and Outreach:** Inform employers and employees about the new wage structure, eligibility criteria, and their respective rights and responsibilities.

The introduction of a sub-minimum wage for students could lead to several outcomes:

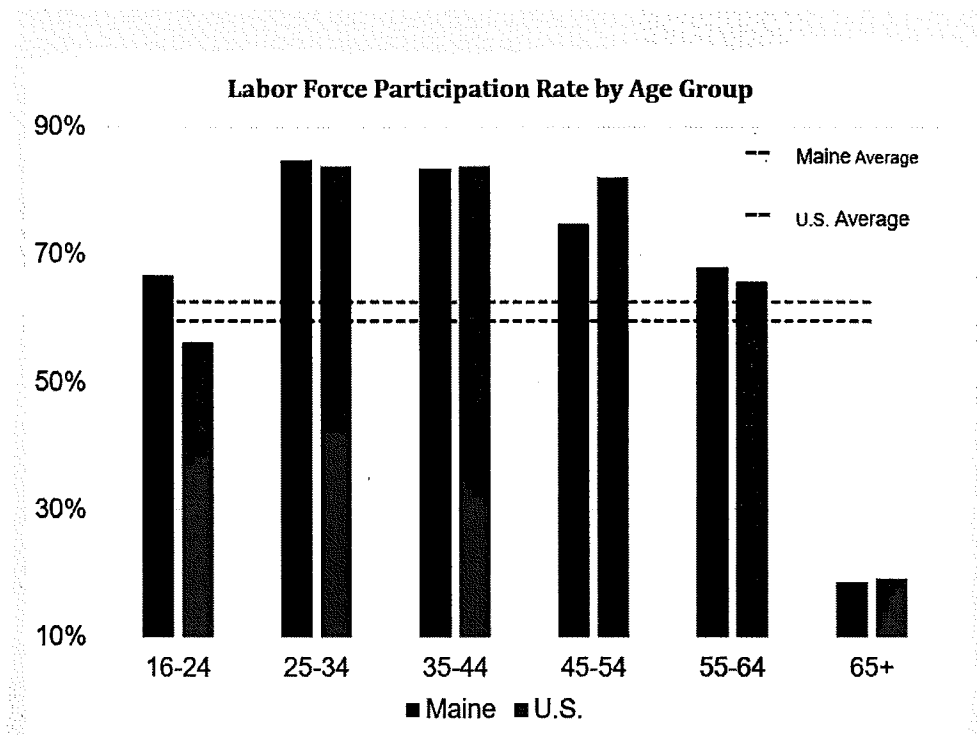
- **Employment Practices:** Some employers might favor hiring younger, less expensive labor over more experienced workers, potentially displacing non-student employees.
- **Wage Disparities:** Establishing a lower wage for students could exacerbate income inequality and financial instability among young workers, particularly those contributing to household incomes or saving for post-secondary education.
 - US Census data shows that in Maine 17.2% of kids under the age of 18 live less than 125% of the poverty level.
 - CWRI data by county show that while a small group of counties (Cumberland, York, Lincoln, Hancock, Knox) have poverty rates higher than the Maine average of 10.8%, most counties have a higher poverty rate than Maine overall.
 - Kennebec: 12.3%
 - Androscoggin: 13.0%
 - Penobscot: 13.5%
- **Administrative Challenges:** Implementing and monitoring compliance with an additional sub-minimum wage could strain MDOL resources, necessitating additional staffing and administrative oversight. While this specific piece of legislation may not directly require an additional full-time position, the Department believes in being transparent about our capacity. Regardless of the merits of the proposal itself, we must emphasize that the introduction of any new enforcement responsibilities would inevitably require the addition of at least one full-time position to bolster proper implementation and enforcement.

Additionally, in 2020 the Maine Legislature took steps to eliminate sub-minimum wages for individuals with disabilities, recognizing the importance of equitable pay for all workers. This move reflects a commitment to fair labor standards and underscores the state's dedication to protecting vulnerable populations from wage discrimination. At the time, the Bangor Daily News reported that one employer who was authorized to pay employees sub-minimum wages "paid some workers as little as \$2-\$3 an hour, while consistently paying top managers six-figure salaries" – as high as \$570,000. At the time, the organization acknowledged that "not all decisions made were the best decisions."

Today, no employers in Maine are authorized to pay their workers less than the state minimum wage. The Department believes eliminating sub-minimum wages for people with disabilities was the right step at that time, and introducing inequity back into how we pay our student workers now would be a disadvantage to them.

Furthermore, when comparing Maine's participation rate for individuals aged 16-24 to the national average, we see Maine is on average 10 points higher than the national average.

- Maine and U.S. labor force participation rates are similar. In 2023 the exception was among those age 45 to 54. This is an outlier from previous years. The survey sample is small and there is variability from year to year in these estimates. Figures for succeeding years are likely to be much closer to what they were in previous years.



Data source: [Maine's Center for Workforce Research and Information](#)

While the intent of LD 112 may be to promote employment opportunities for students, the Maine Department of Labor opposes this bill due to concerns about potential negative impacts on young workers, administrative challenges, and the precedent it sets in contrast to recent legislative actions promoting wage equity. We urge the Committee to consider these factors carefully and to uphold Maine's commitment to fair labor standards for all its workers.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future work session.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.