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TESTIMONY IN SUPPORT OF

L.D. 206

AN ACT TO PROTECT MAINE BUSINESSES BY ELIMINATING THE AUTOMATIC COST-OF-LIVING ADJUSTMENT TO THE MINIMUM HOURLY WAGE

March 25, 2025

Senator Tipping, Representative Roeder, and esteemed members of the Labor Committee, I am Steven Bailey, the executive director of the Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and the Maine School Superintendents Association in support of L.D. 206, An Act to Protect Maine Businesses by Eliminating the Automatic Cost-of-living Adjustment to the Minimum Hourly Wage.

This bill would set the Maine minimum hourly wage at \$14.65 per hour and would also remove the annual cost-of-living adjustment moving forward. Our testimony only reflects the effect of this bill on Maine schools, and we are not seeking to weigh in on whether this would be a good policy for businesses, nonprofits and other non-educational sectors.

Maine school districts care deeply about the financial well-being of all our workers. This is reflected in local collective bargaining agreements, where districts are increasing pay for teachers, ed techs, custodians and nutrition workers – often in the vicinity of 5 to 10 percent per year. Schools are also proud to offer excellent benefits packages, with robust health insurance, retirement and leave packages that make it possible for educators to support their families and thrive. Our schools are committed to doing everything possible to hire the best educators in order to provide an excellent education for every Maine child.

Maine superintendents and school board members also firmly believe that these financial decisions should be local decisions. Each community faces different financial constraints, and residents of communities across Maine have made it clear that they cannot take on additional property tax burdens. Unfortunately, our schools are dealing with several new legislative directives – mandated outside of the local CBA process – that are increasing costs on districts and taxpayers.

The previous legislature passed a policy setting a minimum wage for ed techs at 125 percent of the state's minimum wage, and minimum wages for other support staff at 115 percent of the minimum wage. Districts have already told us that these changes are likely to cost taxpayers anywhere from \$30,000 to more than \$100,000 annually. These costs are expected to only rise in the years ahead, as the minimum wage increases due to cost-of-living adjustments.

Again, our associations believe deeply in ensuring workers receive substantial wages, and we agree that wages should be rising for our educators and other school staff. But these legislative mandates lead to less

budget flexibility for our local schools each year, forcing districts to either increase property taxes or make cuts to student programming in times of financial challenge. We are unfortunately already seeing this in several Maine districts, which are considering layoffs due to budget challenges.

L.D. 206 would help to return local control to municipalities and school boards, allowing us to make decisions based on local negotiations that are in the best interest of our schools, communities, and students.