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THE MAINE SENATE
132nd Legislature

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**LD 206, "An Act to Protect Maine Businesses by Eliminating the Automatic
Cost-of-living Adjustment to the Minimum Hourly Wage"
Before the Joint Standing Committee on Labor
March 25, 2025**

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor:

I am Senator Jeff Timberlake and I represent the people of Senate District 17. I am here today to present LD 206, "An Act to Protect Maine Businesses by Eliminating the Automatic Cost-of-living Adjustment to the Minimum Hourly Wage."

As we all know, the economy is constantly changing; and it's important we make decisions that help both our workers and businesses thrive. This bill aims to do just that by setting a stable minimum wage while eliminating the automatic cost-of-living adjustment (COLA) that has caused a lot of uncertainty for employers.

Here's the reality: when the minimum wage goes up, businesses are forced to raise their prices in order to cover the higher labor costs. This is particularly true for small businesses, which often work with very tight margins. So while a wage increase might seem like a win for workers, the truth is that it can end up driving up the cost of living for everyone. Businesses need to adjust their prices to keep up with higher wages, which means the very people who are getting those raises end up paying more for groceries, gas, and everyday essentials.

We need to remember our neighbor to the west, New Hampshire, has a minimum wage of \$7.25, which is the same as the federal minimum wage. Their economy also happens to be booming way above ours. As legislators, it's our job to protect the people of Maine, and we have to ask ourselves if raising the minimum wage like this is actually helping or hurting people in the long run. By automatically increasing wages every year, we are contributing to a cycle where workers may earn more, but their purchasing power is diminished by higher prices. It becomes harder to make ends meet, even though their hourly rate has gone up. In the end, it's not really improving their quality of life—it's just increasing the cost of everything around them. As we keep doing this, Maine, the island of the Northeast keeps getting farther and farther out to sea and more and more unobtainable for those that want to live and remain within this state.

What this bill does is provide much-needed stability for businesses, allowing them to plan their budgets without the fear of unpredictable wage hikes year after year. By eliminating the automatic COLA, we're giving businesses a fighting chance to stay competitive without having to pass those higher costs onto consumers. The wage increase set at \$14.65 per hour will still benefit workers, but we also allow the legislature to thoughtfully evaluate future adjustments in a way that's more sustainable for both businesses and workers.

We have to think about the bigger picture. When businesses have to raise their prices to keep up with rising wages, it hurts everyone in the community. People may be making a little more money, but if the price of everything else goes up, they're no better off. This bill helps break that cycle and gives us the ability to make wage decisions based on a broader understanding of the economic landscape. I urge you to support this bill so we can create a more sustainable and effective solution for everyone in Maine. Thank you for your time and consideration.