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HOUSE OF REPRESENTATIVES

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Testimony of Representative Valli Geiger presenting

LD 853, An Act to Replace the Minimum Hourly Wage with a Regionally Based Living Wage

Before the Joint Standing Committee on Labor

Good afternoon, Senator Tipping, Representative Roeder and esteemed colleagues on the Joint Standing Committee on Labor. I am Valli Geiger, and I represent House District 42, which includes the city of Rockland, most of the town of Owls Head, North Haven, Matinicus Isle Plantation, Criehaven Township and the Muscle Ridge Islands. I am speaking today to present LD 853, An Act to Replace the Minimum Hourly Wage with a Regionally Based living Wage.

I moved to Maine when I was 21-years-old and a newly minted Registered Nurse (RN). I grew up in upstate New York and worked summers at a very swanky beauty salon as a receptionist. I made \$5.99/hour. When I arrived at Penobscot Bay Medical Center for my first RN job, I was the second RN there with a Bachelor's degree. My starting pay was \$3.99/hr. I assumed the cost of living would match the wages. It did not.

In the decades since, I have observed that Maine has taken a perverse pride in being a "low wage state." However, this has created a problem that we are now forced to find a solution for. We have consistently had the lowest median income of the New England states, and, as a result, the highest poverty rate. The result of decades of low wages have now come home to roost. Maine is the oldest state in the nation, and we have experienced a brain drain for decades as our young people leave for college or better opportunities and never return. We have an acute labor force shortage despite being seen as a highly desirable state to live. With low wages, high cost of living and a huge surge in the cost of housing since the pandemic, we are facing a crisis in our future viability as a state.

Maine's minimum wage is now \$14.65, while MIT estimates the living wage in Maine ranges from \$20.64 in Aroostook County to \$25.11 in the Portland Metro area. This wage is based on meeting the basic needs for food, housing, medical care, transportation and internet. According to the Maine Development Foundation's 2024 Measures of Growth, 88% of Mainers can no longer afford to rent a two-bedroom apartment while 79% of households cannot afford a median priced house. In my county, Knox, 88% of households are unable to afford a median priced house.

Since I was elected into the 131st legislature, I have observed how many programs the state runs to ensure that children don't go hungry, or how there are programs proving heating and rental assistance or access to health care. These programs are touted as helping low income people, but I see it differently. I see taxpayers who are subsidizing employers who pay too little for people to live on. Whether it is Walmart placing a food box at the front of the store for its customers to contribute for Walmart's employees, or onboarding that shows low-wage Mainers how to sign up for heating assistance or Medicaid, we have allowed decades of Mainers to struggle on low wages and face the challenges of applying for local or state assistance to survive. These companies are intentionally paying their employees a wage they cannot live on, and it needs to stop.

There are no easy answers, but when more than 75% of Maine's people are unable to afford to rent or buy a home, we have a structural issue. Food, rental and heating assistance is meant to help those who are disabled or on fixed incomes, not those working full time. There will never be enough public money to subsidize 75% of the population's housing needs. There is currently a seven year wait for a section eight voucher. When you receive one, you only have 30 days to find an apartment, or the voucher goes to the next person in line. With vacancy rates below 5% in most counties, there are no apartments to find.

One has to ask: who Maine is subsidizing? Is it Maine people who, despite working one or more jobs, still don't make a living wage? Or are we subsidizing employers whose business plan depends on underpaying workers and having taxpayers subsidize those same workers in order for them to eat, pay rent and live in a heated space.

This bill proposes to exchange the minimum wage for a regionally based living wage. A living wage, as determined by Massachusetts Institute of Technology's Living Wage Calculator, sets a baseline for what is needed when working a 40 hour/week job to pay for essentials like rent, heat, electricity, food, transportation and other essentials.

This bill divides the state into three regions:

- The Northern region: Aroostook, Piscataquis, Penobscot, Somerset, Franklin, Washington and Androscoggin Counties and will use the Bangor Metro Region Living Wage, defined by MIT in 2024 as \$20.67/hr.
- The Coastal region: Hancock, Waldo, Knox, Lincoln, Sagadahoc, Kennebec and Oxford counties and will use the MIT Maine Average Living Wage, defined by MIT as \$22.04.
- Portland Metro: York and Cumberland Counties and will use the MIT Portland Metro Area Living Wage, defined by MIT as \$23.74.

I am well aware that this is a heavy lift, but to avoid doing so is to see Maine become a true vacation land, with seasonal workers, seasonal homes and fewer and fewer year-round working residents. If we want to reverse the terminal spiral we are in, we must compel young people to stay here, move here and have children here. We must enable them to have a decent and dignified life. It is time for Maine employers to provide a living wage that allows working Mainers to afford the essentials while leaving Maine's social programs like rental assistance, SNAP benefits and heating assistance for those it was meant for Mainers on with low or fixed incomes, and those unable to work due to health or age.

Thank you and I am happy to take any questions.