

Testimony of Jake Lachance

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Before the Joint Standing Committee on Labor

In Support of LD 898 "An Act to Support Rural Workforce Recruitment by Allowing Pay Differentials Based on Work Site Location and Employee Experience and Credentials Under the Maine Equal Pay Law"

Sen. Tipping, Rep. Roeder, and members of the Joint Standing Committee on Labor, my name is Jake Lachance, and I am a Government Relations Specialist for the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here today to express my strong support for LD 898, which seeks to modernize Maine's Equal Pay Law by allowing pay differentials based on work site location and an employee's experience or credentials. This bill is a crucial step in aligning Maine's employment policies closer to federal standards while also strengthening our ability to attract and retain skilled workers, particularly in rural areas.

Maine's current equal pay law prohibits pay differentials except under very limited conditions, which can unintentionally hinder efforts to recruit and retain employees in rural parts of the state. LD 898 would bring Maine closer in line with federal equal pay regulations, which recognize geographic pay differentials as a legitimate and necessary tool for addressing cost-of-living variations and labor market differences across regions.

By permitting wage adjustments based on location, LD 898 acknowledges that businesses operating in rural Maine face different economic conditions than those in more urban centers. Employers in these areas often struggle to offer competitive wages that reflect the cost of living in their communities while still attracting qualified professionals. Allowing geographic pay differentials will help level the playing field, ensuring that rural employers can recruit and retain the workforce necessary to sustain local economies.

Additionally, allowing pay differentials based on experience and credentials incentivizes professional growth while maintaining fairness in compensation. This policy aligns with existing merit-based pay structures used at the federal level and in many other states, ensuring that Maine remains competitive in the broader labor market.

LD 898 does not weaken Maine's commitment to pay equality. Instead, it provides flexibility for employers to set wages in a way that is fair, market-responsive, and aligned with national best practices. More importantly, it helps address workforce shortages in rural Maine, ensuring that these communities are not left behind in economic development efforts.

I urge you to support this bill and help Maine move forward in creating a more competitive and equitable job market for all. Thank you for your time and consideration.