



Janet T. Mills
GOVERNOR

STATE OF MAINE
DEPARTMENT OF LABOR
54 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0054

Laura A. Fortman
COMMISSIONER

Testimony of Michael Roland, Bureau of Labor Standards, Maine Department of Labor
Neither For Nor Against LD 616, An Act To Increase Accountability for Wage Violations
To the Joint Standing Committee on Labor and Housing
Public Hearing, Monday, March 15, 2021

Greetings, Senator Rafferty, Representative Sylvester and members of the Joint Standing Committee on Labor and Housing. I am Mike Roland, Director of the Bureau of Labor Standards at the Maine Department of Labor (Department).

The Bureau of Labor Standards works with businesses to continually improve workplace safety, health and workplace rights. Our programs include Division of Workplace Safety and Health, SafetyWorks, the Wage and Hour Division and the Technical Services Division.

I am here today to speak on behalf of the Department neither for nor against LD 616, "An Act to Increase Accountability for Wage Violations." This bill seeks to increase accountability for wage violations by employers and protect the employees who are being harmed. Violations for certain state wage and benefit laws would be set at \$500 for an initial violation and up to \$2,500 but not less than \$500 for each subsequent violation. The employee would also be awarded an additional amount totaling twice the unpaid wages if it is found that the employer violated wage and benefit laws that affected the employee.

Updating our wage and hours laws is critically important to protecting Maine's workers. LD 616 would strengthen workers' ability to seek compensation for violations that affect them. The proposed legislation would also help level the playing field for employers who are playing by the rules and impacted by those who are taking advantage of their employees.

While an increase in positions is generous, the Department did not request these positions in Governor Mills' budget. During the past two years the Department has been working to hone our enforcement practices and ability to respond to wage and hour violations in a targeted manner. As you may have seen now, the Department delivered its yearly Wage and Hour Violations Report.

In our last annual report to the Committee, we expressed our commitment to use those resources with greater strategic purpose by conducting more focused inspections wherever the data indicate they will have the greatest impact. In combination with the enhanced data and analysis represented in this report and a recently refortified capacity for outreach, we believe we have begun that effort well. However, this has been an unusual year. The Bureau's ability to conduct on-site inspections—whether random, targeted or otherwise—was severely restricted by the pandemic.

The Department of Labor, Bureau of Labor Standards, Wage and Hour Division opened 335 inspections in 2020, only about a third of the number opened in 2019. Of this number, 239 resulted from complaints we received, a decrease from 2019 of about 30%. Of the 239 complaints received or completed in 2020, 217 cases are closed ("Final") while 22 cases are still considered "In Process." During 2020, 212 complaints were investigated, meaning that the complaint resulted in an examination of the circumstances and a determination was made as to whether or not violations occurred.

There are approximately 110 labor laws in title 26, Chapter 7. Of that total, 26 separate law sections were cited 241 times. The 109 cases had a total of 29,250 violations. 665 workers were determined be owed wages in the amount of \$555,149.28. To date, 488 of those workers have been paid back wages totaling \$423,490.48.

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.