



March 22, 2021

Testimony of Brian Moran

Government Affairs Director, New England Convenience Store & Energy Marketers Association

130th Maine Legislature
Joint Committee on Labor and Housing

LD 607 – An Act To Restore Overtime Protections for Maine Workers

Co-Chair Rafferty, Co-Chair Sylvester, and Members of the Committee on Labor and Housing

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate and/or supply the majority of the 1,000+ convenience stores in Maine which employ over 16,000 people.

As proposed, LD 607 would annually raise the minimum salary an executive, administrative, or professional employee must earn for that employee to be exempt from the laws governing the minimum wage and overtime pay until it is \$55,224 20 on January 1, 2024.

NECSEMA opposes LD 607. This is a classic case of the old axiom “if it isn’t broken, don’t fix it. The distinction between titles, increased responsibility within an organization, consistent weekly salary, and benefits, all distinguish an hourly employee from an executive, administrative or professional position. We consider our employees as one of our members greatest assets, given we are a front-facing business.

Unfortunately, as with all wage issues, employers when faced with increased wage requirements such as this, it can only do one of three things to address these increased operating costs: (1) reducing hours of all employees; (2) reducing its overall workforce; or (3) raising the cost of the goods and services the business provides to offset these increased costs, all while operating in a hyper-competitive marketplace. In this instance, we believe this bill will likely catalyze the elimination of an entire professional classification of employees and titles, as we would be forced to transition many of these existing professional positions to hourly pay and corresponding loss of other desirable benefits. This is not a good result for these dedicated and exemplary employees, business, or the customers we serve. This bill does not serve the interest of any organization and will interfere with the established business models our members have in place “to build their bench” of employees for increasing responsibility within our organizations.

The practical realities noted above, cannot be ignored. **We urge the Committee to not support LD 607.** Thank you for your thoughtful consideration of our positions on this matter.

Respectfully,

A handwritten signature in blue ink that reads "Brian P. Moran".

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