

Senator Hickman, Representative Sylvester and distinguished members of the Joint Standing Committee of Labor and Housing, my name is Greg Dugal and I am here representing Hospitality Maine, in opposition to LD 1279, which would raise the minimum wage to \$16 in Maine over a 4 year period resulting in the same highest in the nation state minimum wage for Fort Kent, as it would be in the metro area of Portland or Los Angeles for that matter.

Since 2016 the wage has increased by 60% and with this additional proposal would more than double the minimum wage for employers all around the state since that same year. That would include a lot of seasonal resorts, hotels and restaurants who have just endured sizable increases in wages and their worst financial year ever in 2020 because of the pandemic. It will be years before they dig out of this hole, this is not the time to pile on. Starting on January 1, 2021, the minimum wage in Maine has and will increase every year, which was the will of the voters and this legislative body at the time of that referendum. Less than a year, since the increases have occurred, there is an effort underway to overturn that will. Is any number good enough, \$16, \$20, why not \$30 per hour resulting in very few businesses left to operate in the State of Maine?

Increases in costs for labor which constitutes about 40% of the cost of operations for most hospitality businesses have been staggering. As of January 1, 2020 for those with full service food operations we are looking at over a 60% wage increase for their tipped and regular employees based on the increase in the minimum wage, which drives most businesses' base wages and a 114% increase overall with this new proposal, not to mention the costs for the new earned paid leave statute, and potential increases in the salary threshold and the administration of paid family medical leave. Please give us a much-deserved break from these increases and vote LD 1279 out ought not to pass.

HospitalityMaine would also like to offer support for bills being heard today that would require CPI adjustments to be made every three years versus annually, create a training wage and institute a pre-emption statute for minimum wage here in Maine. LD 543, the CPI bill, would remedy a logistically time-consuming annual recalculation of those paid minimum wage and tipped wage. Ultimately this bill will not change the amount of the increase, just the number of times it will be done. We believe in the concept of a training wage for a limited time period for first time employees in Maine. We would only support one for individuals under the age of 18 and for 90 days on the employee's first job, but it is an action that would really help our seasonal businesses. We would also support the concepts provided in LD 774 about limiting communities' ability to have their own minimum wage. Pre-emption has been included for other items already passed by the Democrat controlled legislature in the both the earned paid leave and plastic bag statutes.

Gregory Dugal
HospitalityMaine

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