

Testimony of Nate Cloutier

Before the Joint Standing Committee on Labor and Housing
March 21, 2023

In Opposition to LD 936, "*An Act to Require Disclosure of Pay Ranges and Record Keeping of Pay History*"

Senator Tipping, Representative Roeder, and distinguished members of the Committee Labor and Housing: My name is Nate Cloutier, and I am here today on behalf of HospitalityMaine representing more than 1,200 restaurant and lodging operators of all sizes across the state. HospitalityMaine opposes LD 936, "*An Act to Require Disclosure of Pay Ranges and Record Keeping of Pay History.*"

LD 936 would make changes to Maine's Employment Practices Chapter 7 by doing four things:

1. It would require an employer that has 10 or more employees to ensure that any posting of an employment opening includes the range of pay a successful applicant would receive.
2. Requires an employer that has fewer than 10 employees to disclose the same if it is requested by an applicant.
3. It requires an employer, on the request of an employee, to disclose the range of pay the employer offers for the position the employee holds.
4. It also requires an employer to maintain a record of each position and title and the payment history of each employee for the duration of the employee's employment with the employer and for 3 years after employment separation.

We believe the choice whether to disclose a salary range is simply a company decision and should not be a decision mandated by the State. Some businesses already choose to do this as a practice, some do it for certain positions, and some do not list compensation information. A business designs its hiring practices at its own peril, which is either successful or is less so. If a business wants to include the position compensation in a job listing and attracts more candidates by doing so, then that is a great advantage for that employer who already has the prerogative to do just that.

In a tight labor market, our businesses take strides to invest in employees that will lead to long job retention—whether that's through competitive pay, retention bonuses, or other perks, we understand that hiring the right employee for the job is an investment that impacts the bottom line. It's important that employers attract and hire people who have passion in the role as the first and foremost priority. As expected, employees who do not have an interest in their work often do not have a great working experience both from the employee and employer perspective.

This bill also overlooks the delicate nature of Maine's small businesses. Wages in the state have increased at unprecedented levels in the last 8 years which has created a difficult dynamic where less experienced employees are earning near or equal to their long-tenured counterparts. If passed, this legislation would have the consequence of offering wages that outcompete the wages of current employees. This bill would also lay the foundation for an auction-style hiring process where employers offer slightly more money than

their competitors to attract current and potential employees. A free and fair market is good, but this would pit Main Street against Main Street.

Additionally, we see the 4th provision in this bill as duplicative to existing statute and standard practice. Employers are already required to keep a true daily record showing the date and amount paid to each employee which is already accessible for review by the department at any time.

We urge you to please vote LD 936 ought not to pass. Thank you for your attention. I would be happy to answer any questions.