Maine People's Alliance

Senator Tipping, Representative Roeder, and honorable members of the Joint Standing Committee on Labor and Housing: My name is Adam Zuckerman and I am here in my role as the Lobbyist for the Maine People's Alliance.

MPA is Maine's largest community action organization with over 32,000 members across the state. Our mission is to create a world where everyone has what they need, contributes what they can, and no one is left behind.

Thank you for the opportunity to testimony in strong support of LD 372, An Act to Increase Enforcement and Accountability for Wage and Hour Violations.

This bill will strengthen our labor enforcement mechanisms, allowing the Department of Labor to collect back wages that employers owe to their workers, in addition to a 200% penalty that will serve as an effective deterrent against violating worker rights. The current system incentivizes bad actors to violate their workers' rights. Instead of being able to collect wages, DOL is required to take them to court, where employers often settle for far less than they owe in the first place.

In 2021 the Department of Labor ramped up enforcement, recovering $472,000 in back wages for workers. However, that pales in comparison to money stolen from workers in recent years. The Maine Center for Economic Policy estimates that in 2017 minimum wage violations alone amounted to $30 million.[1]

The fact that we are only collecting a small fraction of the wages stolen from workers shows that the current system is not an effective deterrent. We have to ask ourselves why would bad actors comply with the law when there are almost no consequences for doing so?

We believe that LD 372 will help to deter wage theft and will help Maine workers to actually collect more of the money they have earned. Thank you.

[1]https://www.mecep.org/blog/wage-theft-costs-workers-millions-this-bill-would-help-workers-get-what-theyre-owed/#:~:text=Most%20wage%20theft%20occurs%20in,to%20%2430%20million%20in%202017.&text=These%20workers%20with%20low%20wages,power%20differential%20is%20too%20large.