

January 18, 2018

Legislature to again take up minimum wage issue

LePage Administration proposes changes to alter law approved two years ago

In the wake of escalating concern expressed by Maine's small business community regarding ever-increasing wage and hour costs, Gov. Paul LePage has introduced a multi-faceted bill, which would lower the overall minimum wage, slow the rate on future increases, eliminate indexing, and establish training wages for those younger workers between the ages of 16 and 20.

Sponsored by Rep. Joel Stetkis (R-Canaan), **LD 1757, *An Act to Protect Maine's Economy by Slowing the Rate at Which the State's Minimum Wage Will Increase and Establishing a Training and Youth Wage***, will have a public hearing before the Joint Standing Committee on Labor, Commerce, Research and Economic Development (LCRED) on Thursday, January 24 beginning at 10:00 a.m. in the Cross State Office Building.

The policy issue of whether to increase Maine's minimum wage, and to how much, has been a topic of discussion in the Statehouse during the past two legislatures, spanning three years, including this session. Much of those discussions were instigated by a citizen-initiated referendum question placed before Maine voters in November 2016. That question – which proposed raising the minimum wage here by a dollar per hour each year up to \$12 an hour by 2020, indexing the minimum wage tied to changes in the Consumer Price Index (CPI), and eliminating the “tip credit” which the restaur-

ant industry uses – was ultimately ratified by the voters.

However, the fallout before and since that question's approval has continued legislatively. Prior to the vote in 2016, the Maine State Chamber led an effort in the 127th Legislature to establish a more sustainable and reasonable minimum hourly wage of \$10, without indexing and without elimination of the tip credit. Despite having a chance to enact that legislation immediately, it was rejected. Once the referendum question was approved, the issue of reinstating the “tip credit” became one of the pivotal policy debates of the First Session of the 128th Legislature. The Maine State Chamber joined the Maine Restaurant Association, the Retail Association of Maine, and servers from across the state to rally in support of the bill to put the tip credit back in Maine law. Hundreds of restaurant servers attended a marathon 14-hour public hearing to testify in support, and afterwards conducted a vigorous grassroots campaign to secure bi-partisan support for the bill. In the end, those efforts were rewarded, with the bill passing overwhelmingly with support from both Republicans and Democrats.

The debate in 2017 wasn't just about the tip credit. A number of proposals were introduced to roll back the voter-approved minimum wage increases and to eliminate indexing. All were rejected at the time. In

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Concept draft seeks to encourage innovation and growth in traditional industries

The House Majority Leader, Rep. Erin Herbig (D-Belfast), presented **LD 1698 *An Act To Promote Innovation and Growth in Maine's Traditional Industries*** on Wednesday, January 17, 2018. A concept draft, the proposal's language was handed out to the committee members of the Joint Standing Committee on Education and Cultural Affairs prior to Rep. Herbig's testimony.

This bill stems from the business tour Rep. Herbig conducted in Waldo County. Her conclusion from the tour was that many businesses in Waldo County offer competitive wages and benefits, but are struggling to find enough employees to operate at full daily potential.

The goal of the bill is to increase access and educational opportunity in rural Maine to industries that are identified to have a shortage of trained workers and to provide training in an easy-to-access platform. Specifically:

- Community College System to evaluate the unmet need and capacity for expanding educational options in Waldo County in Nursing (Medical); Composites; Carpentry; Electrician; Millwright; and, Electrical Technician.
- Examine the best possible way to expand access for areas in which a

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About the Maine State Chamber of Commerce: Since 1889, the Maine State Chamber has been fighting to lower your cost of doing business. Through our Grassroots Action Network and OneVoice program, we work with a network of approximately 5,000 companies statewide who see the value in such a service and provide the financial support that keeps our access, advocacy, and assistance efforts going strong. As Maine's Chamber, we make sure that the business environment of the state continues to thrive. The Maine State Chamber of Commerce advocates on behalf of their interests before the legislature and regulatory agencies and through conferences, seminars, and affiliated programs.

Public Hearings

Public hearings are open to everyone. This public hearing schedule is subject to change. Questions may be directed to the Secretary of the Senate's Office at (207) 287-1540. For the most current schedule, please visit <http://legislature.maine.gov/ljo/committee-membership/9089/> or contact the committee clerk.

Monday, January 22, 2018

Taxation

1:00 p.m.; State House, Room 127

LD 1723, An Act To Expand Job Opportunities for People Working in Maine (Rep. Herbig of Belfast)

LD 1744, An Act To Create the Hire American Tax Credit for Businesses That Hire Residents of the United States (Sen. Jackson of Aroostook)

LD 1758, An Act To Strengthen Maine Families with Children by Changing the Income Tax Laws (Rep. Fredette of Newport)

Wednesday, January 24, 2018

Education and Cultural Affairs

1:00 p.m.; Cross Building, Room 202

LD 1689, An Act To Repeal Certain Provisions Regarding the System Administration Allocation Affecting Maine School Districts in the 2018-2019 Biennial Budget (Sen. Jackson of Aroostook)

Health and Human Services

9:00 a.m.; Cross Building, Room 209

LD 1612, An Act To Support Maine Families through Universal Family Care (Rep. Gattine of Westbrook)

Labor, Commerce, Research and Economic Development

10:00 a.m.; Cross Building, Room 208

LD 1757, An Act To Protect Maine's Economy by Slowing the Rate at Which the State's Minimum Wage Will Increase and Establishing a Training and Youth Wage (Rep. Stetkis of Canaan)

State and Local Government

9:00 a.m.; Cross Building, Room 214

LD 1764, An Act To Streamline Advocacy for Maine Small Businesses by Relocating the Bureau of the Special Advocate within the Department of the Secretary of State to the Department of Economic and Community Development (Rep. Stetkis of Canaan)

Tuesday, January 30, 2018

Taxation

1:00 p.m.; State House, Room 127

LD 1781, An Act To Encourage New Major Investments in Shipbuilding Facilities and the Preservation of Jobs (Rep. DeChant of Bath)

Wednesday, January 31, 2018

Labor, Commerce, Research and Economic Development

10:00 a.m.; Cross Building, Room 208

LD 1768, An Act To Reduce Impairment on the Job and Improve Workplace Safety by Amending the Laws Governing Employment Practices Concerning Substance Use Testing (Sen. Volk of Cumberland)

Thursday, February 1, 2018

Labor, Commerce, Research and Economic Development

1:00 p.m.; Cross Building, Room 208

LD 1769, An Act To Conform the Laws Regarding a Salaried Employee Who Is Exempt from Overtime and Minimum Wage Requirements to Federal Law (Sen. Volk of Cumberland)

LD 1770, An Act To Revise Laws Regarding Unemployment That Were Amended or Affected by Recently Enacted Legislation (Sen. Volk of Cumberland) □

Minimum Wage... (Continued from Page 1...)

our 2017 Final Summary at the end of last session, we pointed out that many in the business community, and legislators from both sides of the aisle, had heard deep concerns raised that an \$11 an hour or higher minimum wage would have potentially serious economic consequences for many small businesses, particularly in the more rural parts of Maine.

By many accounts, this concern appears to have continued in the form of submission of LD 1757 and the beginning of a third year of debate surrounding the minimum wage in Maine. As indicated previously, LD 1757 contains a number of provisions. First, the bill proposes to roll back Maine's current minimum wage level from \$10 to \$9 an hour. This is consistent with the initial increase authorized under the 2016 referendum, which took effect in January 2017. In June 2018, it would increase to \$9.50 an hour, and 50 cents each of the following January 1, through 2021, until it reaches \$11 an hour. In addition, the bill would eliminate the indexing of the minimum wage.

Finally, the bill would set up a two-tiered "training wage." For youth work-

ers under the age of 18, the minimum wage would be 80% of the state's current minimum wage or the federally-established minimum wage, whichever was higher. For workers between the ages of 18 and 20, the bill would establish a 90-day training wage set at the same amounts – 80% of the current minimum wage or the federally established minimum wage, whichever is higher.

The minimum wage issue continues to concern many small businesses. Supporters of the recent increases will surely point to the extra money in workers' paychecks, and that would be true. However, employers have also pointed out that each dollar of minimum wage increase have to come from someplace, and for them, the options to cover higher wage-and-hour costs are extremely limited. The results of those actions by employers have already been felt in some areas. As wages increase beyond the ability of some businesses to pay them, the end results may be less than desirable – for the business and for their employees.

The Maine State Chamber will be present to testify in support to some parts (but not all) of LD 1757 at the January 24 public hearing. For additional information or questions, please contact Peter Gore by calling (207) 623-4568, ext. 107, or by emailing pgore@mainechamber.org. □

Traditional Industries... (Continued from Page 1...)

need and capacity is determined, by expanding access through Maine Quality Centers, long-distance learning, or other arrangements.

- Community College System to identify what would be required to establish a Community College Center and programing in Waldo County, i.e., costs, facility needs, contributions from area employers, timeline for possible implementation, etc.

It's not news that Maine's workforce is aging and there is a need to grow Maine's workforce. The workforce pipeline challenge is not just about the supply and quality of baccalaureate and advanced degree earners. A large percentage of the workforce knowledge and skills needed are those in the traditional industries. Maine must increase the supply and quality of "knowledge workers" whose specialized skills enable them to work productively within traditional industries and occupations, as well as increase the supply of those with baccalaureate and advanced degrees. The ideas behind this legislation could have the potential to support the pipeline by building a gateway towards these careers, enhance the capacity of talent, and produce more, perhaps better, skilled workers, while supporting innovation, economic growth and entrepreneurship.

According to Rep. Herbig, this concept is something the whole state could benefit from, and she is hopeful this model could be applied to other parts of the state. Rep. Herbig stated that she believes LD 1698 could help pave a pathway from education to employment, resulting in real, positive results. The Maine State Chamber supports the general concept of LD 1698, we look forward to reading the finalized legislation and reviewing the fiscal note when it becomes available.

For additional information or questions, please contact Megan Sanborn by calling (207) 623-4568, ext. 108, or by emailing msanborn@mainechamber.org. □

**Legislative
Strictly Social**

This Networking Reception
is brought to you by:

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COMMERCE**

Wed., February 28, 2018 ♦ 5:00 to 7:00 p.m.
The Senator Inn & Spa (Western Avenue, Augusta)

**COMPLIMENTARY HORS D'OEUVRES
& CASH BAR**

The Maine State Chamber invites you to its **FREE Legislative Strictly Social** networking reception. Our annual Legislative Strictly Social is an ideal way for you, the Maine business leader, to interact with legislators, business associates, new and prospective Maine State Chamber members, and government representatives in a relaxed setting. **Please register by emailing your complete contact information to kmorrell@mainechamber.org.**

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Save yourself a seat at this special (free) event!

Internet Data Privacy and Net Neutrality:

What Does Internet Data Mean for Maine Businesses and Maine Consumers?

Thursday, February 15 | 7:30 to 9:30 a.m. | The Senator Inn & Spa, Augusta

With legislative action at the federal and state levels under considered this year, learn more about what this issue means for the Maine business community. This is a free event but seating is limited so pre-registration is a must. To register or for more information, please visit www.MaineChamber.org. □