

## **The Maine Heritage Policy Center**

### **Testimony to Oppose LD 1386**

#### **“An Act Regarding the Determination of the Prevailing Wage Rate for Public Works Projects”**

Senator Bellows, Representative Sylvester, and distinguished members of the Committee on Labor and Housing, my name is Adam Crepeau and I serve as a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to speak in opposition to LD 1386.

The Maine Heritage Policy Center is opposed to LD 1386 because it would move the survey that is conducted to find the median wage and benefits for construction workers in the state from September to the month of July. In addition, it would collect a second data set that encompasses certified payroll submissions on state construction projects in July. The Maine Department of Labor would be able to choose whichever wage is higher from the two datasets to determine the prevailing wage. It would also increase the fine for noncompliance with the survey administered to determine the prevailing wage. We're concerned with several different aspects of this legislation.

First and foremost, LD 1386 would allow the prevailing wage to remain stagnant even if overall private sector wages decrease. Because this bill allows the Maine Department of Labor Standards to use payroll submission data from state construction projects in July when determining the prevailing wage, the rates may not be consistent with declines in the private sector, if they occur. Despite this inequity, public works employees would consistently realize an increase or remain even in wage and benefits because the prevailing wage could be perpetually determined by the higher wage and benefit information collected through the two data sets.

This bill also increases the forfeiture for non-participation from \$50 to \$250. State government should not be fining businesses or individuals for being reluctant to participate in a survey. While the data collected is valuable information, businesses in the state should not be required to participate. Afterall, they may have more pressing matters to attend to, such as operating their businesses and navigating the red tape on the books in Maine.

Right now, the state collects one dataset to determine the prevailing wage through a survey which is conducted in September. By moving survey data collection to July, wages may increase for individuals that receive the prevailing wage. We could not obtain information from the Department of Labor in time for the public hearing on this bill. Something for the committee to

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consider is if and how the wage would differ if the survey to determine the prevailing wage is conducted in July versus September.

For those reasons, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on this bill. Thank you.