

# MAINE STATE LEGISLATURE

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Date: 5/20/25 Report 'A' (Filing No. H- 2/2)

LABOR

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
132ND LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 539, L.D. 853, "An Act to Replace the Minimum Hourly Wage with a Regionally Based Living Wage"

Amend the bill by striking out all of section 4 and inserting the following:

'Sec. 4. 26 MRSA §664, sub-§1, as amended by IB 2015, c. 2, §1, is repealed and the following enacted in its place:

1. Minimum wage. The minimum hourly wage is \$14.65 per hour in the coastal region, northern region and Portland metropolitan region through December 31, 2025. Beginning January 1, 2026, the minimum hourly wage in the coastal region is 80% of the living wage determined by the institute for the State as a whole, for one adult with no children, as of January 1, 2025. Beginning January 1, 2026, the minimum hourly wage in the northern region is 80% of the living wage determined by the institute for the Bangor metropolitan area, for one adult with no children, as of January 1, 2025. Beginning January 1, 2026, the minimum hourly wage in the Portland metropolitan region is 80% of the living wage determined by the institute for the Portland-South Portland metropolitan area, for one adult with no children, as of January 1, 2025. Beginning January 1, 2027, the minimum hourly wage in the coastal region is 85% of the living wage determined by the institute for the State as a whole, for one adult with no children, as of January 1, 2026. Beginning January 1, 2027, the minimum hourly wage in the northern region is 85% of the living wage determined by the institute for the Bangor metropolitan area, for one adult with no children, as of January 1, 2026. Beginning January 1, 2027, the minimum hourly wage in the Portland metropolitan region is 85% of the living wage determined by the institute for the Portland-South Portland metropolitan area, for one adult with no children, as of January 1, 2026. Beginning January 1, 2028, the minimum hourly wage in the coastal region is 90% of the living wage determined by the institute for the State as a whole, for one adult with no children, as of January 1, 2027. Beginning January 1, 2028, the minimum hourly wage in the northern region is 90% of the living wage determined by the institute for the Bangor metropolitan area, for one adult with no children, as of January 1, 2027. Beginning January 1, 2028, the minimum hourly wage in the Portland metropolitan region is 90% of the living wage determined by the institute for the Portland-South Portland metropolitan area, for one

adult with no children, as of January 1, 2027. Beginning January 1, 2029, the minimum hourly wage in the coastal region is 95% of the living wage determined by the institute for the State as a whole, for one adult with no children, as of January 1, 2028. Beginning January 1, 2029, the minimum hourly wage in the northern region is 95% of the living wage determined by the institute for the Bangor metropolitan area, for one adult with no children, as of January 1, 2028. Beginning January 1, 2029, the minimum hourly wage in the Portland metropolitan region is 95% of the living wage determined by the institute for the Portland-South Portland metropolitan area, for one adult with no children, as of January 1, 2028. Beginning January 1, 2030, the minimum hourly wage in the coastal region is 100% of the living wage determined by the institute for the State as a whole, for one adult with no children, as of January 1, 2029. Beginning January 1, 2030, the minimum hourly wage in the northern region is 100% of the living wage determined by the institute for the Bangor metropolitan area, for one adult with no children, as of January 1, 2029. Beginning January 1, 2030, the minimum hourly wage in the Portland metropolitan region is 100% of the living wage determined by the institute for the Portland-South Portland metropolitan area, for one adult with no children, as of January 1, 2029. On January 1, 2031 and each January 1st thereafter, the minimum hourly wage for the coastal, northern and Portland metropolitan regions is 100% of the living wage determined by the institute for the State as a whole, for one adult with no children, as of January 1st of the prior year.

For the purposes of this subsection, "institute" means the Massachusetts Institute of Technology or a successor organization that publishes living wage data for the State.

**Sec. 5. Appropriations and allocations.** The following appropriations and allocations are made.

#### **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

##### **Departments and Agencies - Statewide 0016**

Initiative: Provides ongoing funds for the cost of replacing the statewide minimum wage with a gradual implementation of a regional living wage provided by the Massachusetts Institute of Technology, Living Wage Calculator or its successor beginning January 1, 2026.

<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
Personal Services	\$492,603	\$1,405,735
<b>GENERAL FUND TOTAL</b>	<b>\$492,603</b>	<b>\$1,405,735</b>

<b>HIGHWAY FUND</b>	<b>2025-26</b>	<b>2026-27</b>
Personal Services	\$584,927	\$1,850,455
<b>HIGHWAY FUND TOTAL</b>	<b>\$584,927</b>	<b>\$1,850,455</b>

#### **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS**

	<b>2025-26</b>	<b>2026-27</b>
<b>GENERAL FUND</b>	<b>\$492,603</b>	<b>\$1,405,735</b>

1	<b>HIGHWAY FUND</b>	<b>\$584,927</b>	<b>\$1,850,455</b>
2			
3	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$1,077,530</b>	<b>\$3,256,190</b>
4	<b>COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE MAINE</b>		
5	<b>Maine Community College System - Board of Trustees 0556</b>		
6	Initiative: Provides ongoing funds for the cost of replacing the statewide minimum wage		
7	with a gradual implementation of a regional living wage provided by the Massachusetts		
8	Institute of Technology, Living Wage Calculator or its successor beginning January 1,		
9	2026.		
10	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
11	All Other	\$887,320	\$1,774,640
12			
13	<b>GENERAL FUND TOTAL</b>	<b>\$887,320</b>	<b>\$1,774,640</b>
14			
15	<b>COMMUNITY COLLEGE SYSTEM, BOARD OF</b>		
16	<b>TRUSTEES OF THE MAINE</b>		
17	<b>DEPARTMENT TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
18			
19	<b>GENERAL FUND</b>	<b>\$887,320</b>	<b>\$1,774,640</b>
20			
21	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$887,320</b>	<b>\$1,774,640</b>
22	<b>HEALTH AND HUMAN SERVICES, DEPARTMENT OF</b>		
23	<b>Medical Care - Payments to Providers 0147</b>		
24	Initiative: Provides funding for the Department of Health and Human Services to ensure		
25	that the labor components of rates for certain services equal at least 125% of the minimum		
26	wage for services under Public Law 2021, chapter 398, Part AAAA.		
27	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
28	All Other	\$5,786,737	\$13,329,692
29			
30	<b>GENERAL FUND TOTAL</b>	<b>\$5,786,737</b>	<b>\$13,329,692</b>
31			
32	<b>FEDERAL EXPENDITURES FUND</b>	<b>2025-26</b>	<b>2026-27</b>
33	All Other	\$9,126,425	\$20,569,971
34			
35	<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<b>\$9,126,425</b>	<b>\$20,569,971</b>
36			
37	<b>FEDERAL BLOCK GRANT FUND</b>	<b>2025-26</b>	<b>2026-27</b>
38	All Other	\$109,515	\$247,636
39			
40	<b>FEDERAL BLOCK GRANT FUND TOTAL</b>	<b>\$109,515</b>	<b>\$247,636</b>
41	<b>Office of Aging and Disability Services Central Office 0140</b>		

1 Initiative: Provides funding for the Department of Health and Human Services to ensure  
 2 rate parity for similar services as those subject to the requirement that the labor components  
 3 of rates equal at least 125% of the minimum wage for services under Public Law 2021,  
 4 chapter 398, Part AAAA.

5	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
6	All Other	\$6,918	\$15,725
7			
8	<b>GENERAL FUND TOTAL</b>	<u>\$6,918</u>	<u>\$15,725</u>

9 **Office of MaineCare Services 0129**

10 Initiative: Provides funding for one Public Service Coordinator I position and related All  
 11 Other Costs to support the implementation and management of the regionally based  
 12 minimum wage law.

13	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
14	POSITIONS - LEGISLATIVE COUNT	1.000	1.000
15	Personal Services	\$62,380	\$65,500
16	All Other	\$3,628	\$3,628
17			
18	<b>GENERAL FUND TOTAL</b>	<u>\$66,008</u>	<u>\$69,128</u>

20	<b>FEDERAL EXPENDITURES FUND</b>	<b>2025-26</b>	<b>2026-27</b>
21	Personal Services	\$62,380	\$65,500
22	All Other	\$5,159	\$5,232
23			
24	<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$67,539</u>	<u>\$70,732</u>

26 **HEALTH AND HUMAN SERVICES,**  
 27 **DEPARTMENT OF**  
 28 **DEPARTMENT TOTALS**

29		<b>2025-26</b>	<b>2026-27</b>
30	<b>GENERAL FUND</b>	\$5,859,663	\$13,414,545
31	<b>FEDERAL EXPENDITURES FUND</b>	\$9,193,964	\$20,640,703
32	<b>FEDERAL BLOCK GRANT FUND</b>	\$109,515	\$247,636
33			
34	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$15,163,142</u>	<u>\$34,302,884</u>

35 **LABOR, DEPARTMENT OF**

36 **Regulation and Enforcement 0159**

37 Initiative: Provides ongoing funds for 2 Labor and Safety Inspector positions and related  
 38 All Other costs to support the implementation and enforcement of the regionally based  
 39 minimum wage law.

40	<b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
41	POSITIONS - LEGISLATIVE COUNT	2.000	2.000
42	Personal Services	\$150,671	\$207,761
43	All Other	\$14,005	\$18,674

GENERAL FUND TOTAL	\$164,676	\$226,435
<b>LABOR, DEPARTMENT OF</b>		
<b>DEPARTMENT TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
GENERAL FUND	\$164,676	\$226,435
DEPARTMENT TOTAL - ALL FUNDS	\$164,676	\$226,435
<b>SECTION TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
GENERAL FUND	\$7,404,262	\$16,821,355
HIGHWAY FUND	\$584,927	\$1,850,455
FEDERAL EXPENDITURES FUND	\$9,193,964	\$20,640,703
FEDERAL BLOCK GRANT FUND	\$109,515	\$247,636
SECTION TOTAL - ALL FUNDS	\$17,292,668	\$39,560,149

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

### SUMMARY

This amendment replaces the minimum wage for the State with a gradual implementation of a regional living wage provided by the Massachusetts Institute of Technology, Living Wage Calculator, or its successor organization. The gradual implementation will occur over 5 years, beginning January 1, 2026. The amendment divides the State into regions based on counties for the purposes of a regional living wage. The bill provides that, through December 31, 2025, the minimum hourly wage is \$14.65, which is the minimum hourly wage as of January 1, 2025. Beginning on January 1, 2026, the minimum hourly wage will be replaced by 80% of the Massachusetts Institute of Technology Living Wage as of January 1, 2025, increasing by 5% yearly until 2030. Beginning January 1, 2031, the minimum wage will be 100% of the Massachusetts Institute of Technology Living Wage for the State as a whole as of January 1st of the previous year. The amendment also adds an appropriations and allocations section to the bill.

### FISCAL NOTE REQUIRED

(See attached)

**132nd MAINE LEGISLATURE****LD 853****LR 1278(02)****An Act to Replace the Minimum Hourly Wage with a Regionally Based Living Wage****Fiscal Note for Bill as Amended by Committee Amendment****Committee: Labor****Fiscal Note Required: Yes****A(H-212)**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$7,404,262	\$16,821,355	\$21,248,409	\$26,063,971
Highway Fund	\$584,927	\$1,850,455	\$3,357,865	\$5,174,433
<b>Appropriations/Allocations</b>				
General Fund	\$7,404,262	\$16,821,355	\$21,248,409	\$26,063,971
Highway Fund	\$584,927	\$1,850,455	\$3,357,865	\$5,174,433
Federal Expenditures Fund	\$9,193,964	\$20,640,703	\$25,610,296	\$30,668,672
Federal Block Grant Fund	\$109,515	\$247,636	\$307,737	\$368,667
<b>Revenue</b>				
Federal Expenditures Fund	\$9,193,964	\$20,640,703	\$25,610,297	\$30,668,673
Federal Block Grant Fund	\$109,515	\$247,636	\$307,737	\$368,667

**Fiscal Detail and Notes**

This bill replaces the minimum wage for the State, currently at \$14.65 per hour, with a gradual implementation of a regional living wage as determined by the Massachusetts Institute of Technology, Living Wage Calculator effective January 1, 2026. The total cost to the State as an employer is estimated to be \$1,480,213 in fiscal year 2025-26 and \$4,522,461 in fiscal year 2026-27. This bill includes General Fund appropriations of \$492,603 in fiscal year 2025-26 and \$1,405,735 in fiscal year 2026-27 and Highway Fund allocations of \$584,927 and \$1,850,455 in fiscal years 2025-26 and 2026-27, respectively for the state departments and agencies impacted by this legislation to cover the increased costs for these two funds. The remaining costs of \$402,683 in fiscal year 2025-26 and \$1,266,271 in fiscal year 2026-27 will be distributed across multiple funds across state government.

This bill also includes ongoing General Fund appropriations of \$5,859,663 in fiscal year 2025-26 and \$13,414,545 in fiscal year 2026-27 to the Department of Health and Human Services to ensure that the labor components of rates for certain services equal at least 125% of the minimum wage under PL 2021, chapter 298, Part AAAA and to establish one Public Service Coordinator I position to support implementation and management of the new regionally based minimum wage. Federal Expenditures Fund and Federal Block Grant Fund allocations are also included for the FMAP match.

Ongoing General Fund appropriations of \$164,676 and \$226,435 in fiscal years 2025-26 and 2026-27 are also included in the bill for 2 Labor and Safety Inspector positions within the Department of Labor to support the implementation and enforcement of the new regionally based minimum wage.

This bill also includes ongoing General Fund appropriations of \$887,320 in fiscal year 2025-26 and \$1,774,640 in fiscal year 2026-27 to the Maine Community College System based on the estimated increase in costs associated with the gradual implementation of a regional living wage. Additional costs to the University of Maine System and Maine Maritime Academy can not be estimated at this time.

The increased wages may increase costs to local units of government depending on the existing rates of pay for the lowest paid employees at the time a higher wage would be imposed and cannot be determined at this time.