

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1445

H.P. 1014

House of Representatives, March 15, 2007

**An Act To Calculate the Livable Wage and Measure the
Bureaucratic Costs To Subsidize Workers Paid Less Than a Livable
Wage**

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BURNS of Berwick.
Cosponsored by Senator STRIMLING of Cumberland and
Representatives: CANAVAN of Waterville, CARTER of Bethel, FARRINGTON of Gorham,
HARLOW of Portland, HAYES of Buckfield, HINCK of Portland, WALCOTT of Lewiston,
WEAVER of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 26 MRSA §1-A** is enacted to read:

3 **§1-A. "Livable wage" defined**

4 As used in this Title, unless the context otherwise indicates, "livable wage" means the
5 statewide average livable wage for a single-parent, one-child household as reported by
6 the Department of Labor in the most recent annual report required pursuant to section
7 1405.

8 **Sec. 2. 26 MRSA §1405** is enacted to read:

9 **§1405. Livable wages; calculation**

10 **1. Calculation.** By December 31, 2007 and annually thereafter, the department
11 shall calculate livable wages for households in the State's counties and metropolitan
12 statistical areas by family size and as statewide averages by developing an annual basic
13 needs budget for the following family sizes:

- 14 A. Single person;
- 15 B. Single parent and one child;
- 16 C. Single parent and 2 children;
- 17 D. Two parents, with one earner and 2 children; and
- 18 E. Two parents, with 2 earners and 2 children.

19 By January 30, 2008 and annually thereafter, the department shall report the livable
20 wages calculated pursuant to this subsection to the Legislature.

21 **Sec. 3. 26 MRSA §1406** is enacted to read:

22 **§1406. Measurement of costs to workers paid less than a livable wage;**
23 **measurement of bureaucratic costs to subsidize workers paid less than a**
24 **livable wage**

25 **1. Measurement of costs to workers paid less than a livable wage.** By December
26 31, 2008 and annually thereafter, the department shall measure for the preceding calendar
27 year the total statewide difference between the total livable wages for those workers paid
28 less than a livable wage, as calculated pursuant to section 1405, and the total actual wages
29 paid those same workers for that year. The department shall also calculate the average
30 difference per worker paid less than a livable wage.

31 **2. Measurement of bureaucratic costs to subsidize workers paid less than a**
32 **livable wage.** By December 31, 2008 and annually thereafter, the department shall
33 produce a report that quantifies and summarizes data gathered and analyzed from all
34 federal, state and local social service agencies and offices regarding the costs of providing
35 direct services to all workers in the State paid less than a livable wage, as calculated
36 pursuant to section 1405.

1 By January 30th of each year, the department shall submit its measurements and reports
2 pursuant to this section to the Legislature.

3 **Sec. 4. Livable wage calculation.** In calculating the livable wages pursuant to
4 the Maine Revised Statutes, Title 26, section 1405, the Department of Labor shall use the
5 methodology set forth by the Maine Center for Economic Policy in the report entitled
6 "Getting By: Maine Livable Wages in 2004."

7 **SUMMARY**

8 This bill directs the Department of Labor to annually calculate the livable wages for
9 various household sizes using the methodology employed by the Maine Center for
10 Economic Policy and to report the livable wage calculations to the Legislature. The bill
11 also defines "livable wage" and requires the department to measure and report on the
12 costs to workers paid less than a livable wage and the bureaucratic costs to subsidize
13 workers paid less than a livable wage.