STATE OF MAINE
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Final Report
of the
STUDY COMMISSION REGARDING LIVEABLE WAGES

February 2006

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Executive Summary

Resolve 2005, Chapter 128 established the Study Commission Regarding Liveable Wages ("the Commission"). The Resolve directed the Commission to submit a report with findings and recommendations to the Second Regular Session of the 122nd Legislature.

The Commission was formed during the fall of 2005 with the appointment of 12 members with representation by the Senate, the House of Representatives, the business community, municipal government, organized labor, an advocacy organization, and the departments of Labor, Health and Human Services and Economic and Community Development. Members representing the departments of Labor, Health and Human Services and Economic and Community Development were nonvoting members. The Commission held 5 public meetings in Augusta on October 5, October 27, November 16, December 7 and December 15, 2005.

The Resolve directed the Commission to study the issues surrounding liveable wages and the charge to the Commission included the following duties:

1. Define what level of compensation constitutes a liveable wage;

2. Identify ways to ensure that all Maine adults earn a liveable wage;

3. Examine the efficacy of a state earned income tax credit that would enable working families to meet their basic needs;

4. Examine how increased access to education and training and access to child care increases the likelihood of earning a liveable wage and identify means of increasing such access;

5. Identify the number of people in Maine who earn less than a liveable wage;

6. Examine how state policies and payments, including MaineCare and other state health care related payments, contribute to the number of Mainers who earn less than a liveable wage; and

7. Examine the economic impact to the State of a liveable wage, including potential effects on job creation or loss; costs of goods and services; competitiveness of Maine businesses in other states; government spending on social services; tax revenue; and whether a mandated liveable wage would continue to drive up the costs of goods and services, which would in turn drive up the liveable wage.

The Commission received presentations from over 25 presenters that addressed 14 broad topic areas. The Commission reviewed various methodologies for determining a liveable wage, including the methodology used by the Maine Center for Economic Policy since 1999. The

Commission requested the Department of Labor to provide data regarding hourly wages for Maine residents and the department prepared and submitted a report to the Commission titled "Maine Occupational Wage Analysis, Developed for the Study Commission Regarding Livable Wages."

After receiving presentations and information and after consideration of proposals put forward by Commission members, the Commission makes the following recommendations that address 14 broad topic areas:

Liveable Wage and Basic Needs Budget

1) Define liveable wage using a basic needs budget.

Earned Income Tax Credit

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Child Care and Adult Care

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I. INTRODUCTION

The Study Commission Regarding Liveable Wages ("Commission") was established in the First Special Session of the 122nd Legislature by Resolve 2005, Chapter 128. A copy of the law is attached in Appendix A. As created, the 12-member Commission includes two members of the Senate, three members of the House of Representatives, one member representing the business community, one member representing municipal government, one member representing organized labor, one member representing the poor and women, and three non-voting members representing the Department of Labor, the Department of Health and Human Services and the Department of Economic Development. The Commission membership list is attached as Appendix B.

The Commission was established to study the issues surrounding liveable wages. Specifically, the Commission was charged with the following duties:

1. Define what level of compensation constitutes a liveable wage;

2. Identify ways to ensure that all Maine adults earn a liveable wage;

3. Examine the efficacy of a state earned income tax credit that would enable working families to meet their basic needs;

4. Examine how increased access to education and training and access to child care increases the likelihood of earning a liveable wage and identify means of increasing such access;

5. Identify the number of people in Maine who earn less than a liveable wage;

6. Examine how state policies and payments, including MaineCare and other state health care related payments, contribute to the number of Mainers who earn less than a liveable wage; and

7. Examine the economic impact to the State of a liveable wage, including potential effects on job creation or loss; costs of goods and services; competitiveness of Maine businesses in other states; government spending on social services; tax revenue; and whether a mandated liveable wage would continue to drive up the costs of goods and services, which would in turn drive up the liveable wage.

Resolve 2005, Chapter 128 required the Commission to submit a report to the Second Regular Session of the 122nd Legislature by December 7, 2005. The Legislative Council, pursuant to Chapter 128, section 9 granted two extensions of time to complete the study - first, until January 15, 2006 and second to February 1, 2006. The resolve authorizes the Commission to introduce legislation related to its report to the Second Regular Session of the 122nd Legislature at the time of submission of its report.

The Commission held 5 public meetings in Augusta on October 5, October 27, November 16, December 7, and December 15, 2005. Presentations were made to the Commission by the following people:

- John Dorrer, Division of Labor Market Information, Department of Labor
- Christopher St. John, Maine Center for Economic Policy
- Marc Mutty, Catholic Diocese of Portland
- Barbara Van Burgel, Department of Health and Human Services
- Joyce Benson, State Planning Office
- Jerome Gerard, Bureau of Revenue Services
- Kate Dufour, Maine Municipal Association
- Sarah Standiford, Maine Women's Lobby
- Henry Bourgeois, Maine Compact for Higher Education
- Peaches Bass, Department of Labor
- Gene Ellis, Department of Labor, Apprenticeship Program
- Becky Dyer, Department of Education, Adult Education Program
- Dr. James Patterson, Hutchinson Center, University of Maine System
- Jerry Ellis, University of Maine's College Success Programs
- Barbara Howard, University of Maine's Bachelor of University Studies
- Adam Krea, Maine State Housing Authority
- Barbara Donovan, Maine Department of Transportation
- Katherine Reilly, State Economist
- Laurie LaChance, Maine Development Foundation
- Glenn Mills, Department of Labor
- Geoffrey Green, Department of Health and Human Services
- Rick Erb, Maine Health Care Association
- Lisa Pohlman, Maine Center for Economic Policy
- Elaine Clark, Bureau of General Services
- Joe Stupak, Maine Education Association
- Professor Michael Hillard, University of Southern Maine
- Ned McCann, Maine AFL-CIO

II. Background

Early in its deliberations, the Commission recognized the need to identify or define a "liveable wage". The Commission reviewed various methodologies for determining a liveable wage, including the methodology used by the Maine Center for Economic Policy ("MECEP"). The Commission noted there are few differences in the various methodologies and recognized that the MECEP methodology is solidly grounded. Therefore, the Commission looked to the MECEP reports on liveable wages as a guidepost in its deliberations. In 1999 MECEP began producing reports that included a calculation of a liveable wage in Maine. MECEP issued reports in 1999, 2002 and 2004. MECEP calculates a liveable wage using a basic needs budget approach. The basic needs budget approach identifies budget items needed for a working family to maintain a reasonable standard of living. The methodology used by MECEP to determine a basic needs budget includes seven expense categories: food, housing, transportation, health care, child care, clothing and personal care. The method of calculating each of the expenses for MECEP's 2004 report is attached as Appendix C. MECEP calculates the liveable wage by dividing the total expenses in a basic needs budget by the number of hours that make up a year of full-time work. Child care, housing and health care are the highest costs for Maine families in the basic needs budget.

The most recent MECEP calculation is contained in the report "Getting By: Maine Livable Wages in 2004". The 2004 calculation identifies a statewide liveable wage for a single person household at $9.23; a single parent, 1 child household at $14.84; a single parent, 2 children household at $18.15; a two parent (1 earner), 2 children household at $14.69; and a two parent (2 earners), 2 children household at $11.51 times two. Table 1 shows the 2004 estimated liveable wages per household by family size in Maine counties and metropolitan statistical areas as identified by MECEP.

Table 1:

	Single Person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner), 2 children	Two parents (2 earners), 2 children
Statewide Average	9.23	14.84	18.15	14.69	(2x) 11.51
Androscoggin	8.73	13.96	17.44	14.03	(2x) 11.15
Lewiston/Auburn MSA	8.64	13.59	17.16	13.69	(2x) 11.01
Aroostook	8.56	11.37	14.78	13.60	(2x) 10.77
Cumberland	9.43	16.02	19.42	15.29	(2x) 12.13
Portland MSA	10.41	17.32	20.76	16.78	(2x) 12.77
Franklin	8.56	11.90	17.00	13.53	)2x) 10.91
Hancock	8.96	13.93	17.26	14.00	(2x) 11.06
Kennebec	8.90	11.71	14.25	13.74	(2x) 10.59
Knox	8.86	14.55	17.82	14.14	(2x) 11.34
Lincoln	9.31	14.84	18.97	14.05	(2x) 11.91
Oxford	8.56	11.90	14.97	13.53	(2x) 10.86
Penobscot	8.56	11.90	15.03	13.53	(2x) 10.89
Bangor MSA	8.97	14.16	17.47	14.22	(2x) 11.16
Piscataquis	8.56	13.98	17.59	13.59	(2x) 11.23
Sagadahoc	9.75	15.13	18.45	15.29	(2x) 11.65
Somerset	8.62	11.37	14.46	13.53	(2x) 10.66
Waldo	8.56	13.90	17.54	13.53	(2x) 11.20
Washington	8.56	11.87	14.90	13.53	(2x) 10.83
York	9.21	15.21	18.69	14.95	(2x) 11.76
Portsmouth-Kittery MSA	10.96	17.37	20.88	17.29	(2x) 12.84

*Source: "Getting By: Maine Livable Wages in 2004", Maine Center for Economic Policy

Using the MECEP calculations, the Commission requested the Department of Labor to provide data regarding hourly wages for Maine residents. The Department of Labor submitted a report to the Commission dated November 4, 2005 and titled, "Maine Occupational Wage Analysis, Developed for the Study Commission Regarding Livable Wages". The Department of Labor data indicates that the mean hourly earnings of the 595,120 Mainers employed statewide in

2004 were $15.83. Median or mid-point earnings were $12.98. Two hundred ninety seven thousand five hundred and sixty (297,560) Mainers earned between $9.43 and $19.14 per hour. Fifty-nine thousand five hundred and twelve (59,512) earn less than $7.42 per hour, while an equal number earn at or above $26.76 per hour.

The Department of Labor data also indicates that median wages are higher in southern Maine with earnings of workers employed in the Portsmouth-Rochester PMSA (includes towns of Berwick, Eliot, Kittery, South Berwick and York) of $14.61. The Portland MSA ranked second with median hourly earnings of $14.02. In the "Northeast Balance of State" which includes the counties of Aroostook, Hancock, Penobscot, Piscataquis and Washington, median hourly earnings of the 82,810 workers were $11.53.

According to the Department of Labor report, statewide median hourly earnings of workers employed in federal, state or local government establishments were above those of their private-sector counterparts. Median hourly earnings of workers employed in the private sector were $12.36 per hour. Federal workers had median hourly earnings of $22.06. State workers had median hourly earnings of $16.68 and local government workers had median hourly earnings of $14.44. Public universities, community colleges and state-owned hospitals were included in state government data. Public schools and several hospitals were included in local government data.

III. Findings and Recommendations

Liveable Wage and Basic Needs Budget

1) **Define liveable wage using a basic needs budget.**
As noted above, the Commission reviewed various methodologies for determining a liveable wage, including the methodology used by the Maine Center for Economic Policy. Currently, the Maine Center for Economic Policy calculates a liveable wage using a basic needs budget. The basic needs budget approach identifies budget items needed for a working family to maintain a reasonable standard of living. The methodology used by the Maine Center for Economic Policy to determine a basic needs budget includes seven expense categories: food, housing, transportation, health care, child care, clothing and personal care. The liveable wage is calculated by dividing the total expenses in a basic needs budget by the number of hours that make up a year of full-time work.

   The Commission as a whole supports the methodology utilized by the Maine Center for Economic Policy and a majority of the Commission recommends that the Legislature enact legislation that directs the Maine Department of Labor to annually calculate the liveable wage per household by family size in Maine counties and metropolitan statistical areas using the methodology developed by the Maine Center for Economic Policy and to annually report the calculation to the Legislature. One member of the Commission objected to placing the methodology in statute.

In addition, a majority of the Commission recommends that the Legislature enact legislation that provides that, unless otherwise specified in legislation, "liveable wage" means the statewide average liveable wage for a single parent, 1 child household as determined by the Department of Labor in the department's most recent annual report.

Draft legislation to implement these recommendations is attached as Appendix D.

Earned Income Tax Credit

2) **Expand the Maine state earned income tax credit.**
In 2000, Maine enacted a non-refundable state earned income tax credit ("EITC") at 5% of the federal EITC. Maine's EITC was reduced from 5% to 4.92% in tax years 2003, 2004 and 2005, but returns to 5% in 2006. Maine's EITC program at 4.92% of the federal EITC provides at most $128 a year to a household. According to the Bureau of Revenue Services, under Maine's credit the following parameters apply:

For taxpayers with no children:
- For single taxpayers with no children the maximum state benefit is $6 for incomes starting at $9,800 and is fully phased out by $11,400.
- For married taxpayers with no children there is no state benefit.

For taxpayers with 1 child:
- For single taxpayers with 1 child the maximum state benefit is $99 and the credit starts for incomes at $14,900 ($41 benefit) and is fully phased out at $30,300.
- For married taxpayers with 1 child the state benefit is $82 and the credit starts for incomes at $18,800 ($42 benefit) and is fully phased out at $31,300.

For taxpayers with 2 or more children:
- For single taxpayers with 2 or more children the maximum state benefit is $128 and the credit starts for incomes at $17,800 ($42 benefit) and is fully phased out at $34,500.
- For married taxpayers with 2 or more children the maximum state benefit is $108 and the credit starts for incomes at $21,600 ($41 benefit) and is fully phased out at $35,500.

In addition, Maine's EITC is not refundable. A non-refundable credit limits the amount of a credit to a family's income tax liability. It allows taxpayers to benefit only to the extent that they owe taxes. It can reduce a family's taxes to zero, but if a family does not owe any taxes, they do not benefit from the credit. A refundable credit is one in which a family receives the full amount of the credit that exceeds the family's income tax liability. If the amount of the EITC exceeds the amount of income tax owed, the difference is paid back to the taxpayer in the form of a rebate. Of the 18 states that have created state EITC's based on the federal credit, 13 (Colorado, District of Columbia, Illinois, Indiana, Kansas, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oklahoma, Vermont and Wisconsin) are refundable.[1]

One of the fundamental issues of concern to the Commission is enabling people to have more disposable income. Therefore, a majority of the Commission recommends that the Legislature enact legislation that expands the Maine state earned income tax credit to 30% of the federal EITC and makes the credit refundable. (Draft legislation to implement this recommendation is attached as Appendix E.) The Maine Bureau of Revenue Services estimates that expanding the Maine state earned income tax credit to 30% of the federal EITC and making it refundable would cost approximately $42.6 million. (One member of the Commission, Peter Gore, abstained from voting. The member neither opposes nor supports the proposal at this time but believes expansion of the state EITC should be discussed in a broader tax policy context.)

Child Care and Adult Care

3) **Increase access to affordable child care.**
Affordable, quality child care is not abundant in Maine. A Maine Community College Survey in 2001 found that one in five of those who want to go back to school cited no child care as an obstacle to college.[2] In addition, access to child care for Maine's workforce is generally cited as a barrier to employment. The Commission recommends that further study of child care issues be undertaken to identify potential solutions to the child care issues that are obstacles to Mainer's entering the workforce and to Maine's low-wage workforce attending higher educational institutions.

4) **Increase commitment to subsidized child care.**
According to an estimate from the Department of Health and Human Services Office of Child Care and Head Start there are approximately 27,250 children in the state who are eligible for child care subsidies but only 13,045 children who receive subsidies. Others in the field note that this is a conservative estimate and suggest subsidies are available to less than one-third of eligible low-income families.[3] The Commission recommends that the state increase its commitment to subsidized child care to ensure that at least 70% of eligible children have access to subsidies by 2008, ensuring quality, affordable child care for more Maine children. The Commission also recommends that the Department of Health and Human Services be directed to report to the Legislature, by December 15, 2006 and annually thereafter, on how the department proposes to reach the goal of at least 70% of eligible children having access to subsidies by 2008. Draft legislation to implement this recommendation is attached as Appendix F.

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[1] Center on Budget and Policy Priorities, May 14, 2004 "A Hand Up, How State Earned Income Tax Credits Help Working Families Escape Poverty in 2004".
[2] Maine Center for Economic Policy "Access to Education and Good Jobs: The Way Life Should Be in Maine."
[3] Presentation of Sarah Standiford, December 15, 2005.

5) **Achieve conformity with federal tax laws in the area of children.**
Maine tax laws are not in conformity with the federal tax laws in the following areas:

1. Child care credit. Maine has an income tax credit equal to 21.5% of the federal child and dependent care credit. The credit was 25% before 2003 and returns to 25% in 2007[4];

2. Personal exemption (for all filers and dependents). Maine's personal exemption for 2005 is $2,850. The federal personal exemption is $3,300; and

3. Child tax credit. There is a federal child tax credit. The federal child tax credit is a $1,000 credit for children under 17.[5] There is no Maine corollary.

The Commission recommends that Maine's tax laws be amended to achieve conformity with federal tax laws regarding the child care credit, personal exemption and child tax credit. Draft legislation to implement these recommendations is attached as Appendix G. The Bureau of Revenue Services estimates the cost of the proposed changes to be approximately $69,950,000.

6) **Support adult care services.**
Maine has a growing elderly population. As Mainers age, adult children caring for their parents are faced with some of the same concerns they deal with in connection with caring for their young children. As with child care, adult care has a direct impact on a person's disposable income. The Commission recognizes that access to adult care is important for Maine's workforce and recommends that the Department of Health and Human Services, Office of Elder Services review how child care programs can be used as a model for providing adult care programs.

Health Care

7) **Provide greater access to health care.**
Many Maine families do not have access to health insurance. Low wage jobs do not typically provide health insurance benefits and individual insurance is costly. The Commission recognizes that health care is one of the major budget items in the basic needs budget and recommends that the State take steps to ensure the provision of adequate health insurance at a reasonable price to Maine residents. Such steps could include:

- Expanding MaineCare by re-opening the waiting list for non-categorical adults and increasing eligibility for them to 125% of the federal poverty level.[6] Currently, the

[4] 36 MRSA 5218.
[5] IRC section 24.
[6] In 2002, the Legislature expanded MaineCare to provide that even if a person does not fit into one of the specific groups or "categories" that are eligible for MaineCare, that person is eligible if they are 20 to 64 years of age and their family income is below or equal to 125% of the federal poverty level. However, the Commissioner of Health

maximum eligibility for non-categorical adults is 100% of the federal poverty level. In addition, enrollment for non-categorical adults is suspended.

- Exploring ways to support Maine businesses in providing health insurance to employees.[7]
- Continuing or undertaking studies of health insurance costs and rates, including ways in which Dirigo Health could be used to contain costs.

Affordable Housing

8) **Promote affordable housing.**
Affordable housing is not adequately available for families in Maine. Many households have a difficult time paying for housing, one of the major budget items in the basic needs budget. In 2004, house prices in Maine were almost 5 times the annual household income.[8] According to the Maine State Housing Authority ("MSHA"), 66% of Maine households cannot afford to buy a median priced home. Also, according to MSHA, 61% of Maine households cannot afford to rent the average 2 bedroom rental. In connection with assisted rental housing, Maine has 45,035 non-elderly households with incomes below 50% of the area median income. There are 22,239 subsidized rental units to serve them, leaving a shortage of 22,796. The Commission recognizes that the lack of affordable housing is a major barrier to an individual's ability to meet a basic needs budget.

The primary source of state funding for affordable housing in Maine is a dedicated portion of the real estate transfer tax that is allocated to the Housing Opportunities for Maine (HOME) Fund. The transfer tax is assessed on the sale of real property. Ten percent of the tax stays with the county that collects the tax as an agent fee. The 90% that is forwarded to the State is split evenly between MSHA and the General Fund. Currently, each year of the biennium the first $7,500,000 of MSHA's share is redirected to the General Fund. The Commission recommends that the Legislature make it more difficult to redirect funds from MSHA's share of the real estate transfer tax.

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and Human Services was authorized to lower the maximum eligibility level to provide coverage to as many persons as possible within the program budget (22 MRSA 3174-G, sub-1, para F.

[7] One opportunity for exploration may be to use the Employment Tax Increment Financing (ETIF) program for guidance in designing a similar program for employers who provide health insurance to their employees. Under the program, an eligible company would be required to be a for-profit Maine business, other than a public utility. In addition, to be a qualified business, the company could not exceed 100 full-time employees and would be required to provide those workers with access to group health insurance. To be an eligible employee, the employee would be required to be a full-time employee that participates in the group health insurance provided by the employer. The HITIF program would be available to assist in the financing of the provision of health insurance to employees by the employer. An HITIF-approved business would be reimbursed 30%, 50% or 75% of the state income tax withholdings paid by qualified employees for up to ten years. The amount of annual payments could be based upon the percentage of the employer contribution to the health care premium as well as the level of coverage (high co-pay, high deductible, etc.

[8] "Measures of Growth 2005", Maine Development Foundation.

9) **Expand property tax related/circuit breaker benefits.**
Housing is a major component in a basic needs budget. To alleviate some of the burden borne by Maine residents in connection with this key component, the Commission recommends changes to the Maine Residents Property Tax Program (also known as the "circuit breaker" program).

The circuit breaker program gives cash back to people with low incomes who have high property taxes or rent. The program reimburses single-person households and multi-member households. Currently, under the program nonelderly households can receive a maximum refund of $2,000. The Commission recommends that the Legislature increase the maximum refund amount for homeowners under the circuit breaker program from $2,000 to $5,000.

The circuit breaker program is also applicable to renters. Renters are eligible for benefits to the extent that 20% of their rent paid is treated as the equivalent of property tax. The Commission recommends that the Legislature increase the renters benefit under the circuit breaker program from 20% to 22%.

The Bureau of Revenue Services estimates the cost of these changes in the circuit breaker program at approximately $20,600,000. Draft legislation to implement these recommendations is attached as Appendix H.

Education and Training

10) **Increase access to education and training.**
Education and training are the cornerstones and fundamental building blocks for earning higher wages. The lack of education and training is often a barrier to earning a liveable wage. In addition, it is paramount to have educated residents in order to have a viable workforce. The Commission is aware that several groups are studying issues related to higher education and training for Maine's workforce and supports the continuation of those efforts. In addition, a particular concern of the Commission is ensuring that support services are available to enable people to fully take advantage of educational opportunities. The Commission supports an increase in access to workforce support services, such as child care and transportation. As a general policy, the state should commit the necessary resources to ensure that every person in the state has access to the education and training (and related support services) that are necessary to earn a liveable wage. Additionally, the Commission recommends that the State make a 10-year commitment to increasing access to post secondary education (including access to adult education and access through tax incentives for employer initiatives) through a series of bonds.

Economic Development

11) **Support funding for economic development.**
According to the Maine Development Foundation's "Measures of Growth 2005", Maine's progress has outpaced New England and U.S. averages over the past few years on each of the performance measures of personal income, gross state product and employment. That report also notes that Maine income levels remain approximately 8% below the U.S. average and that employment increased overall from 2003 to 2004 with the number of manufacturing jobs decreasing and government and non-manufacturing jobs increasing. The types of jobs available in Maine have changed over the past 50 years. In 1950, half of all jobs related to manufacturing. Today one in nine jobs is in manufacturing[9] and service-providing industries now employ 84.2% of Maine's workforce.[10] In addition, globalization is having an impact on the Maine economy. People in Maine buy and sell products and services all over the world.

The Commission recognizes that Maine people are the engine for the Maine economy. The Commission also recognizes that economic development is a crucial and fundamental component of any strategy for moving Maine workers toward earning a liveable wage. The Commission recognizes the importance of a strong economy to both individual households and communities. The Commission recommends that the state make a commitment to funding economic development initiatives through the use of all funding sources, including bonds and the General Fund. The Commission specifically recommends that there be a link between education and economic development. Maine workers need jobs, but there needs to be an educated workforce to fill the jobs. The Commission recognizes the need to create longterm sustaining jobs that create more jobs.

12) **Utilize wage information in state investment decisions.**
The Commission recognizes that the state should be a leader in moving employers toward providing liveable wages, particularly when state dollars are utilized. Therefore, a majority of the Commission recommends that when public dollars are invested to help specific businesses, the wages paid to the employees of those businesses should be considered. In addition, a majority of the Commission recommends that when state dollars are invested, priority should be given to investments in businesses that pay higher wages.

State Contracting

13) **Include payment of liveable wage in state contracting process.**
In 2003, the Legislature enacted 5 MRSA §1825-B, sub-§11 that requires the state to adjust bid prices for personal services to take out the employee health insurance and retirement

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[9] Measures of Growth 2005, Maine Development Foundation.
[10] Presentation to the Study Commission Regarding Liveable Wages, Catherine Reilly, State Economist, State Planning Office.

cost factor and then evaluate all contracts on that equivalent basis. Under the law, the state develops a fair basis for price comparison to level the playing field in the bid evaluation process for employers that offer health and retirement benefits. The law is intended to ensure that employers who offer health insurance are not disadvantaged when they bid on a contract for state work. A majority of the Commission believes that employers who are paying liveable wages to their employees should also not be disadvantaged and recommends that the state adjust bid prices for personal services to take into account liveable wages that are paid by bidding employers. Draft legislation to implement this recommendation is attached as Appendix I.

Minimum Wage

14) **Increase the state minimum wage.**
As of October 2005, Maine's minimum wage is $6.50. A bill carried over to the Second Regular Session of the 122nd Legislature[11] proposes to increase the minimum wage to $7.00 per hour over a 2-year period. A majority of the Commission recommends increasing the minimum wage to $7.00 per hour over a 2-year period, but because a bill is pending before the Legislature, the Commission chose not to submit legislation. In addition, the Commission recommends that the joint standing committee of the Legislature having jurisdiction regularly review the minimum wage and consider updating it and/or indexing it for inflation.

Public Transportation

15) **Promote transportation.**
Working in general is expensive and transportation as one of the major budget items in a basic needs budget can be especially expensive. The Commission recognizes that lack of transportation may prevent some people from working and recommends that the state explore options for expanding access to transportation, including expanding access to public transportation.

People with Disabilities

16) **Increase participation of people with disabilities.**
According to the Maine Development Foundation's "Measures of Growth 2004", in 2000 only 42% of people with disabilities who were not institutionalized participated in the Maine workforce. The Commission recognizes that the contribution of all Maine residents is required for a strong state economy and that more action is needed to create employment opportunities for people with disabilities and to remove some of the difficulties they face in gaining employment. The Commission also recognizes that the State should be a model

[11] LD 235, An Act to Increase the Minimum Wage.

employer in connection with hiring people with disabilities and by fully funding the vocational rehab program.

Asset Building

17) **Promote asset building.**
The Commission recognizes that enabling low-income families to accumulate and preserve assets is an important component of assisting low-income individuals to get ahead. Asset poverty has social and economic costs. Studies indicate that asset poor families often rely on the public resource system. That system often discourages savings and investment by having asset limits that penalize families who save. The social and economic benefits that accrue to families and communities from increased asset investments include increased educational attainment, civic participation, positive health outcomes and potential fiscal benefits from reducing dependence on public resources.[12] Some of the strategies utilized by other states to assist individuals in asset building include improving and expanding access to financial education, increasing affordable homeownership opportunities, raising or eliminating current asset limits in public benefit programs, expanding access to and state support for Individual Development Accounts[13] , promoting a state earned income tax credit, creating new savings opportunities for higher education, supporting children's savings accounts, increasing access to retirement savings opportunities, and implementing antipredatory lending measures.[14] The Commission recognizes the importance of asset building for low-income families and, in particular for low-income women, and encourages further study of the issue.

Unionization

18) **Study the impact of unionization.**
The Commission received information from Professor Michael Hillard that indicated that unionization can be a tool for securing higher wages. One study published by the Economic Policy Institute[15], indicated that unionization raises wages for unionized workers by at least 20% and raises overall compensation by 28%. In addition, unionization reduces wage inequality because it raises wages most for low wage, low skilled workers.[16] Also, unionization's greatest impact is on benefits, not wages – improvements in various benefits, such as paid leave, employer provided health insurance and pensions range from 18 to 54%. A majority of the Commission recommends establishing a study committee to study:
    - State and federal policies and practices regarding unions and how those policies and practices contribute to an increase or decrease in unionization;

[12] "Promoting Economic Security for Working Families" Heather McCulloch, 2005.
[13] An Individual Development Account is a matched savings account designed for low-income individuals with use restricted to high-return investments, such as buying a home or paying for post-secondary education.
[14] "Promoting Economic Security for Working Families" Heather McCulloch, 2005.
[15] Mishel and Walters 2003.
[16] Freeman and Medoff 1984; Freeman 2005.

- The impact on the State of decreased unionization; and
- The effects of unionization on wages and benefits in Maine.

Membership on the study committee should represent as broad a spectrum of interests as possible.

Wages

19) **Increase wages.**

The Commission recognizes the need to increase the wages of Maine residents. The Commission also recognizes the responsibility of the State to ensure that people who do similar jobs are similarly paid. The importance of the state's "equal pay for equal work" law cannot be understated and the Department of Labor should be directed to enforce the current law to ensure equal pay for equal and comparable work.[17]

For Maine workers to earn a liveable wage, the Commission recognizes that wages must be increased. As a first step, the Commission believes that government should be a model in providing liveable wages. To accomplish the goal of increasing the wages of Maine workers to a liveable wage, the Commission makes the following recommendations:

a. Develop a five-year plan to increase the wages of all state workers up to a liveable wage;[18]

b. Develop a five-year plan to increase the wages of all health care related workers up to a liveable wage. The five-year plan should include:
   (i) Regulation reforms that could save health care related employers money and enable those employers to put those savings toward the payment of higher wages;
   (ii) Regulation reforms that could balance current requirements in the health care field, so that money could be available to go toward higher wages; and
   (iii) The creation of wage parity among people who do similar jobs.

   The recommended reforms should be designed so they are not detrimental to the provision of health care and to ensure that savings go toward increased wages; and

c. Develop a ten-year plan to increase the wages of all municipal, county, school system, university system and community college employees up to a liveable wage.

Draft legislation to implement these recommendations is attached as Appendix J.

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[17] 26 MRSA §628 provides that no employer in Maine may "discriminate between employees in the same establishment on the basis of sex, by paying wages to any employee in any occupation in this State at a rate less than the rate at which the employer pays any employee of the opposite sex for comparable work on jobs that have comparable requirements relating to skill, effort and responsibility".

[18] The Commission recognizes there may be issues arising around collective bargaining.

In addition to the above recommendations, four of the Commission members believe that all employers should be required to pay liveable wages to all workers. This group recommends that the requirement to provide liveable wages be incremental and phased in by employer category (e.g. - State, municipal and public educational institutions; State and municipal contractors; recipients of public resources; larger private employers; all employers) to eventually include all employers.

APPENDIX A

Authorizing Legislation (Resolve 2005, chapter 128)

CHAPTER 128
H.P. 854 - L.D. 1236

Resolve, To Establish the Study Commission Regarding Liveable Wages

Sec. 1. Commission established. Resolved: That the Study Commission Regarding Liveable Wages, referred to in this resolve as "the commission," is established; and be it further

Sec. 2. Commission membership. Resolved: That the commission consists of the following members appointed as follows:

1. Two Senators who are members of different political parties, appointed by the President of the Senate;

2. Three members of the House of Representatives of whom no more than 2 are members of the same political party, appointed by the Speaker of the House of Representatives;

3. A representative of the business community, recommended by the Maine State Chamber of Commerce and appointed by the President of the Senate;

4. A representative of municipal government, recommended by the Maine Municipal Association and appointed by the Speaker of the House of Representatives;

5. A representative of organized labor, recommended by the Maine AFL-CIO and appointed by the President of the Senate;

6. A representative of an advocacy organization for the poor or for women, appointed by the Speaker of the House of Representatives;

7. The Commissioner of Labor or the commissioner's designee, as an ex officio, nonvoting member;

8. The Commissioner of Health and Human Services or the commissioner's designee, as an ex officio, nonvoting member; and

9. The Commissioner of Economic and Community Development or the commissioner's designee, as an ex officio, nonvoting member; and be it further

Sec. 3. Chairs. Resolved: That the first-named Senate member is the Senate chair of the commission and the first-named House of Representatives member is the House chair of the commission; and be it further

Sec. 4. Appointments; convening of commission. Resolved: That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. Within 15 days after appointment of all members, the chairs shall call and convene the first meeting of the commission, which must be no later than October 1, 2005; and be it further

Sec. 5. Duties. Resolved: That the commission shall study the issues surrounding liveable wages. In conducting its review, the commission shall undertake to:

1. Define what level of compensation constitutes a liveable wage;

2. Identify ways to ensure that all Maine adults earn a liveable wage;

3. Examine the efficacy of a state earned income tax credit that would enable working families to meet their basic needs;

4. Examine how increased access to education and training and access to child care increases the likelihood of earning a liveable wage and identify means of increasing such access;

5. Identify the number of people in Maine who earn less than a liveable wage;

6. Examine how state policies and payments, including MaineCare and other state health care related payments, contribute to the number of Mainers who earn less than a liveable wage; and

7. Examine the economic impact to the State of a liveable wage, including potential effects on job creation or loss; costs of goods and services; competitiveness of Maine businesses in other states; government spending on social services; tax revenue; and whether a mandated liveable wage would continue to drive up the costs of goods and services, which would in turn drive up the liveable wage; and be it further

Sec. 6. Staff assistance. Resolved: That the Legislative Council shall provide necessary staffing services to the commission; and be it further

Sec. 7. Compensation. Resolved: That the legislative members of the commission are entitled to receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, and reimbursement for travel and other necessary expenses related to their attendance at authorized meetings of the commission. Public members not otherwise compensated by their employers or other entities that they represent are entitled to receive reimbursement of necessary expenses and, upon a demonstration of financial hardship, a per diem equal to the legislative per diem for their attendance at authorized meetings of the commission; and be it further

Sec. 8. Report. Resolved: That, no later than December 7, 2005, the commission shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the Second Regular Session of the 122nd Legislature. The commission is authorized to introduce legislation related to its report to the Second Regular Session of the 122nd Legislature at the time of submission of its report; and be it further

Sec. 9. Extension. Resolved: That, if the commission requires a limited extension of time to complete its study and make its report, it may apply to the Legislative Council, which may grant an extension; and be it further

Sec. 10. Commission budget. Resolved: That the chairs of the commission, with assistance from the commission staff, shall administer the commission's budget. Within 10 days after its first meeting, the commission shall present a work plan and proposed budget to the Legislative Council for its approval. The commission may not incur expenses that would result in the commission's exceeding its approved budget. Upon request from the commission, the Executive Director of the Legislative Council shall promptly provide the commission chairs and staff with a status report on the commission budget, expenditures incurred and paid and available funds.

Effective September 17, 2005.

APPENDIX B

Membership list, Study Commission Regarding Liveable Wages

Study Commission Regarding Liveable Wages

Resolve 2005, Chapter 128

Friday, February 10, 2006

Appointment(s) by the President

Sen. Philip L. Bartlett II - Chair 141 South Street Gorham, ME 04038 207 839-7827	Senate Member
Sen. Dana L. Dow 30 Kalers Pond Road Waldoboro, ME 04572 207 832-4658	Senate Member
Peter Gore Maine State Chamber of Commerce 7 University Drive Augusta, ME 04330	Representing the Business Community
Mike Roland 11 Marriam Street Portland, ME 04103	Representing Organized Labor

Appointment(s) by the Speaker

Rep. Arthur L. Lerman - Chair 95 Green Street Augusta, ME 04330	House Member
Rep. Brian M. Duprey P.O. Box 214 Hampden, ME 04444 207 862-5785	House Member
Rep. Deborah J. Hutton 31 Carding Machine Road Bowdoinham, ME 04008 207 666-3811	House Member
Jane Scease 212 Cathance Road Topsham, ME 04086	Representing Municipal Government
Sarah Standiford 109 Toothaker Road Richmond, ME 04357	Representing Advocacy Organizations for Poor or for Women

Commissioner, Department of Health & Human Services

Barbara Van Burgel Department of Human Services 11 State House Station Augusta, ME 04333-0011 207 287-3106	Commissioner or Designee (Ex Officio, nonvoting member)

Commissioner, Department of Labor

Vanessa Santarelli
Department of Labor
Office of the Commissioner 54 State House Station
Augusta, ME 04333
207 287-3055

Designee (Ex Officio, nonvoting member)

Commissioner, Dept. of Economic & Community Development

T.J. Tavares
DECD
SHS #59
Augusta, ME 04333
207 624-9802

Designee (Policy Specialist)

Staff:

Susan Johannesman 287-1670
OPLA

APPENDIX C

Maine Center for Economic Policy Method for Calculating Basic Needs Budget Expenses

Maine Center for Economic Policy Livable Wage Methodology

How are the Expenses Calculated?

FOOD: The U.S. Department of Agriculture publishes a monthly "Low-cost food plan". An average food cost was calculated for months January through December 2004 for family sizes of one, two and three. These were adjusted by 7.3% allowing for regional adjustment to reflect the higher food costs in the Northeast. It was assumed that there was no urban/rural fluctuation in food prices. No allowance for any take-out, fast food, or restaurant meals where included. This food budget reflects what it costs to adequately meet nutritional needs, not typical consumer behavior.

***HOUSING*:** Fair Market Rents for Existing Housing are compiled by the U.S. Department of Housing and Urban Development. Rents are differentiated for both rural and urban settings in each county in Maine with a Metropolitan Statistical Area. Rents include all utility costs, except for telephone. All family budgets in this report were calculated with the cost of a two-bedroom apartment except in the case of the single person where a one-bedroom apartment was used. Budgets were based on all families living independently, i.e. not as sub-families living with others.

***TELEPHONE*:** Verizon controls 85% of the Maine market for local service and a large portion of long-distance service. Local rates vary across the state, but were estimated to average $18-25/month, with taxes and surcharges included. A total of $29/month was allotted to each family to cover the local charge and a small amount of long distance calls (between 30 and 80 minutes at $0.15/minute) because in Maine, many calls, even those to employers or child care providers, are long distance.

***HEALTH CARE*:** Anthem BCBS HMO Maine's standard plan controlled a large portion of the Maine market for health insurance in 2004. The HMO Maine plan provides full coverage with a $20 co-payment for office visits and a $100/day co-payment of inpatient hospital care. The December 2003 plan cost $419/month for a single person, $754/month for a parent and children and $1256/month for full family. The percentage of employee contributions toward health insurance premiums for Maine was 20% for single employee coverage and 30% for family coverage. Per capita out-of-pocket expenses, $75/month, were drawn from National Health Care Expenditures projections by the Health Care Finance Administration.

If the family earned less than 200% of the poverty level, then the children were eligible for MaineCare, and it was assumed in these budgets that they were participating. In these cases, a premium of $32 for one child and $64 for two children was added to the cost of the parent's health care. If the family earned more than 200% of the poverty level then each member of the family was assumed to incur out-of-pocket expenditures ($75/month) in addition to the premium.

***TRANSPORTATION*:** The IRS calculates the cost of transportation covering gas, oil, maintenance, depreciation, and insurance to be $.375/mile in 2004. Depreciation was assumed to be a partial proxy for car payments. This number was then multiplied by the average annual miles driven by adults in the family (18,961 for an adult male; 11,928 for an adult female). National surveys show 31% of miles driven were for social or recreational purposes; in the basic needs budget, only the cost of the remaining 69% of miles traveled were added, which include travel for work, shopping, family/personal business, and trips to school and church. For a family with two parents, only transportation costs for work-related trips (28%) were included for the second adult.

CHILD CARE: Child Care Market Rates were published by the Department of Human Services' Bureau of Family Independence in September 2004. Rates are given for child care centers as well as child care run out of homes. Home rates were lower than center rates; thus home rates were used to ensure a conservative estimate of child care costs. It was assumed that a four year-old child would need full-time care and a six year-old child would need only "before and after school" care; plus ten weeks of full-time care in the summer. Monthly costs were calculated assuming 52 weeks of care, due to the fact that many parents with children under six have child care contracts, so parents pay for child care even when they may be taking vacation time.

HOUSEHOLD GOODS, CLOTHING, PERSONAL CARE: The Bureau of Labor Statistics calculates the amount spent on household goods, clothing, and personal care by region and income. This calculation includes the cost of clothing, footwear, apparel and services (added for those who have a paid job), housekeeping supplies, and household furnishings and equipment (except for major appliances and miscellaneous items which are assumed to be included in rental and utility costs). Personal care products and services (such as oral hygiene, bath, hair, and shaving products) were also included. This category does not include entertainment, gifts, diapers, reading materials, or other items that may be considered basic needs, so it is therefore a conservative estimate.

Source: Maine Center for Economic Policy, information submitted to Study Commission Regarding Liveable Wages, 10/27/05 meeting.

APPENDIX D

An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the Definition of a Liveable Wage

Title: An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the Definition of a Liveable Wage

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

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

§1-A. "Livable wage" defined

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

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

§1405. Livable wage; calculation

1. Calculation. By December 31, 2006 and annually thereafter, the department shall calculate livable wages for households in the State's counties and metropolitan statistical areas by family size and as statewide averages by developing an annual basic needs budget for the following family sizes:

A. Single person;
B. Single parent and one child;
C. Single parent and 2 children;
D. Two parents, with one earner and 2 children; and
E. Two parents, with 2 earners and 2 children.

By January 30, 2007 and annually thereafter, the department shall report the livable wages calculated pursuant to this subsection to the Legislature.

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

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill directs the Department of Labor to annually calculate the livable wage for various household sizes using the methodology used by the Maine Center for Economic Policy and to report the livable wage calculations to the Legislature. The bill also defines "livable wage".

APPENDIX E

An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Earned Income Tax Credit

Title: An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Earned Income Tax Credit

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

Sec. 1. 36 MRSA §5219-S is amended to read:

§ 5219-S. Earned income credit

A taxpayer is allowed a refundable credit against the taxes otherwise due under this Part equal to 30% ~~5%~~ of the federal earned income credit for the same taxable year~~, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 4.92% instead of 5%. The credit may not reduce the state income tax to less than zero~~.

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill expands the Maine earned income tax credit by increasing it to 30% of the federal credit and by making it refundable.

APPENDIX F

Resolve, to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Subsidized Child Care

Title: Resolve, to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Subsidized Child Care

Sec. 1. Subsidized child care goal. Resolved: That by December 15, 2006 and annually thereafter, the Department of Health and Human Services shall report to the joint standing committee of the Legislature having jurisdiction over health care matters on the department's efforts toward meeting a goal of ensuring that at least 70% of eligible children have access to child care subsidies administered by the department.

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill directs the Department of Health and Human Services to annually report to the joint standing committee of the Legislature having jurisdiction over health care matters on the department's efforts toward meeting a goal of ensuring that at least 70% of eligible children have access to child care subsidies.

APPENDIX G

An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Conformity with Federal Tax Laws

Title: An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Conformity with Federal Tax Laws

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

Sec. 1. 36 MRSA §5126, first paragraph is amended to read:

§ 5126. Personal exemptions

For income tax years beginning on or after January 1, 1998 but before January 1, 1999, a resident individual is allowed $2,400 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. For income tax years beginning on or after January 1, 1999 but before January 1, 2000, a resident individual is allowed $2,750 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. For income tax years beginning on or after January 1, 2000 but before January 1, 2006, a resident individual is allowed $2,850 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return. For income tax years beginning on or after January 1, 2006, a resident individual is allowed $3,200 for each exemption that the individual properly claims for the taxable year for federal income tax purposes, unless the taxpayer is claimed as a dependent on another return.

Sec. 2. 36 MRSA §5218, sub-§1 is amended to read:

1. Resident taxpayer. A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 100% ~~25%~~ of the federal tax credit allowable for child and dependent care expenses in the same tax year~~, except that for tax years beginning in 2003 to 2006, the applicable percentage is 21.5% instead of 25%~~.

Sec. 3. 36 MRSA §5219-Y is enacted to read:

§5219-Y. Child tax credit

A resident individual is allowed a credit against the tax otherwise due under this Part in an amount equal to 100% of the federal child tax credit for each qualifying child under the age of 17.

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill amends Maine's tax laws to achieve conformity with federal tax laws regarding the child care credit, personal exemption and child tax credit.

APPENDIX H

An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the Circuit Breaker Program

Title: An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the Circuit Breaker Program.

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

Sec. 1. 36 MRSA §6201, sub-§11-A is amended to read:

11-A. Rent constituting property taxes accrued for nonelderly household. "Rent constituting property taxes accrued for nonelderly household" means 22% ~~20%~~ of the gross rent actually paid in cash or its equivalent in any tax year by a claimant and the claimant's household solely for the right of occupancy of their Maine homestead in the tax year and which rent constitutes the basis, in the succeeding calendar year, of a claim for relief under this chapter by the claimant.

Sec. 2. 36 MRSA §6207, sub-§1, paragraph A-1 is amended to read:

A-1. Fifty percent of that portion of the benefit base that exceeds 4% but does not exceed 8% of income plus 100% of that portion of the benefit base that exceeds 8% of income to a maximum payment of $5,000 ~~$2,000~~.

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill increases the maximum refund amount for homeowners under the Maine Residents Property Tax Program, the so-called "circuit breaker program" from $2,000 to $5,000 and increases the renter's benefit from 20% to 22%.

APPENDIX I

An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Contracting Process

Title: An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Contracting Process

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

Sec. 1. 5 MRSA §1825-B, sub-§12 is enacted to read:

12. Rulemaking; livable wages. State departments and agencies may not achieve cost savings due to cost differentials that derive from a bidder's failure to provide livable wages to its employees. The State Purchasing Agent shall adopt rules governing the purchase of services and the awarding of grants or contracts for personal services to establish a basis for bid price and cost comparison among businesses that provide livable wages to their employees and those that do not provide livable wages. The rules must include a methodology for calculating bid price and cost differentials for services provided by businesses due to the provision of livable wages for employees. The rules must adjust the bid prices to establish an equivalent basis for bid price and cost comparison among businesses when awarding contracts. These rules must apply to all state departments and agencies. Rules adopted pursuant to this subsection are routine technical rules as defined in chapter 375, subchapter 2-A.

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill requires the State Purchasing Agent to adjust bid prices for personal services to take into account livable wages that are paid by bidding employers.

APPENDIX I

An Act to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Contracting Process

Title: Resolve, to Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Plans to Increase Wages to Maine Workers

Sec. 1. Development of plans to increase wages. Resolved: That the Department of Labor shall:

1. Develop a five-year plan to increase the wages of all state workers to a livable wage;
2. Develop a five-year plan to increase the wages of all health care related workers to a livable wage. The five-year plan must include:
   A. Regulation reforms that could save health care related employers money and enable those employers to put those savings toward the payment of higher wages;
   B. Regulation reforms that could balance current requirements in the health care field, so that money could be available to go toward higher wages; and
   C. The creation of wage parity among people who do similar jobs; and
3. Develop a ten-year plan to increase the wages of all municipal, county, school system, university system and community college employees to a livable wage.

Any reforms proposed pursuant to this section must be designed so they are not detrimental to the provision of health care and to ensure that savings go toward increased wages

SUMMARY

This bill is a recommendation of the Study Commission Regarding Liveable Wages. The bill directs the Department of Labor to develop plans to increase wages to workers in this State.