Agricultural Workers Minimum Wage Committee Virtual Meeting October 16, 2023, 1:00 – 3:00 p.m.

Zoom Link: https://mainestate.zoom.us/j/86802231722
Website: https://mainestate.zoom.us/j/86802231722

Desired Outcomes - By the end of this meeting, we will have:

- Reminded ourselves of the Working Agreements guiding the Committee's work and grounded Committee discussion on direct relevance to the Governor's Executive Order
- Learned from presentations on the piece work and ag labor statistics
- Discussed an approach to farmer and agricultural worker input
- Provided an opportunity for public input

What	When
Opening Remarks – McBrady, Fortman Review of Working Agreements and Agenda Review - Saffeir	1:00 - 1:05
Feedback on Requests for Information from 10/2 meeting	1:05 – 1:15
Presentation: Piece Work Holli Francis Passamaquoddy Wild Blueberry Co. Eric Venturini, Wild Blueberry Commission of Maine Scott Cotnoir, DOL Bureau of Labor Standards	1:15 – 1:45
Presentation: Agricultural Labor Statistics Pam Hird, New England Statistician, National Agricultural Statistics Service	1:45 – 2:05
Discussion	2:05 – 2:25
Public Input	2:25 – 2:35
Written Comments Approach to Farmer and Farmworker Input - McBrady, Fortman Next steps- Saffeir	2:35 – 3:00



Office of The Governor

No. 1 FY 23/24 DATE July 23, 2023

AN ORDER ESTABLISHING A COMMITTEE TO DEVELOP AND IMPLEMENT A MINIMUM WAGE BILL FOR AGRICULTURAL WORKERS

WHEREAS, Maine's agriculture sector fuels our economy, contributing more than \$3.6 billion in economic impact, employing over 27,000 people, and supporting approximately 1.3 million acres of farmland; and

WHEREAS, Maine's agricultural workers, including farmers and farm workers, are the foundation for a vibrant food system that ensures the availability of high-quality farm products year-round; and

WHEREAS, all those who make their living in the agricultural sector deserve fair wages for their labor; and

WHEREAS, L.D. 398, An Act To Make Agricultural Workers and Other Related Workers Employees Under Wage and Hour Laws, was passed by the 131st Legislature; however, due to concerns about its potential scope, terminology, and potential unintended consequences, the bill was vetoed;

WHEREAS, legislation implementing a minimum wage bill for agricultural workers should be enacted with a clear understanding of the resulting impacts on State or Federal labor, employment, and other relevant laws;

NOW, THEREFORE, I, Janet T. Mills, Governor of the State of Maine, pursuant to Me. Const. Art V, Pt. 1, §§ 1 & 12, do hereby Order as follows:

I. ESTABLISHMENT AND PURPOSE

The Committee to Develop and Implement a Minimum Wage Bill for Agricultural Workers is hereby established. The purpose of the Committee is to develop legislation for introduction in the second session of the 131st Legislature that will implement a minimum wage for agricultural workers, identify

the impacts the bill will have through other laws interconnected with Federal and State wage and hour laws, and ensure the full range of impacts are thoroughly understood by both agricultural employers and their workers.

The Committee shall:

- A. Identify what State or Federal labor laws and regulations may apply to seasonal and full-time farm workers if deemed employees for the purpose of minimum wage payment, including but not limited to unemployment requirements, independent contractor status, recordkeeping, piecework compensation, overtime maximum limitations, wage calculation and housing, and other relevant employment-related criteria;
- B. Review terminology in State law and regulation related to agricultural labor and agricultural workers and its application, if any, related to minimum wage legislation;
- C. Identify other topical issues of concern related to minimum wage and agricultural employment that can be readily analyzed as necessary;
- D. Gather data, to the extent practicable, on wages and benefits currently paid to agricultural workers, including migrant workers; and
- E. Identify any guidance from the Department of Labor necessary to assist employers regarding a proposed minimum wage bill.

II. Membership

The Co-Chairs of the Committee shall be the Commissioner of Department of Agriculture, Conservation and Forestry and the Commissioner of Department of Labor, or their designees. The Attorney General is requested to provide legal assistance to the Committee, within available resources. The following are invited to be on the Committee:

- 1. The Speaker of the House of Representatives or her designee;
- 2. The President of the Senate or his designee;
- 3. A representative of the Maine Farm Bureau;
- 4. A representative of the Maine Potato Board;
- 5. A representative of the Wild Blueberry Commission;
- 6. A representative of the Maine Dairy Industry;
- 7. A representative of the Maine Organic Farm Gardeners Assocation;
- 8. A representative of the Passamaquoddy Wild Blueberry Co.;
- 9. A representative of the Maine AFL-CIO;
- 10. A representative of the Pine Tree Legal Assistance Farm Worker Unit;
- 11. A representative of the Maine Center for Economic Policy;
- 12. A representative of an statewide organization dedicated to supporting farmworkers and immigrants Downeast; and
- 13. A representative of a statewide land trust dedicated to protecting farmland and supporting farmers.

III. Proceedings

The Departments shall co-chair, set the agenda for, and schedule the Committee meetings. The Committee may conduct its work in part by using subcommittees to be established at the discretion of the co-chairs. The Committee shall meet as often as necessary to complete its duties. The Committee shall seek feedback from interested parties in a manner that accommodates time constraints and seasonal considerations affecting individuals' ability to participate.

To the extent practicable, all meetings shall be open to the public and held in locations determined to by the Committee, or will be held virtually, but the proceedings of the Committee are not otherwise "public proceedings" within the meaning of 1 M.R.S. § 402(2)(F). The Department of Agriculture, Conservation and Forestry and the Department of Labor shall staff the Committee as resources permit.

IV. Recommendations

The Committee shall submit a summary of its assessment process, findings, and any corresponding recommendations to the Governor on or before December 1, 2023, after which the authority of this Executive Order shall dissolve.

V. Compensation

Members of the Committee shall serve without compensation.

VI. Effective Date

The Effective Date of this Order is July 25, 2023.

Janet T. Mills, Governor

Agricultural Workers Minimum Wage Committee Working Agreements

The Committee to Develop and Implement a Minimum Wage Bill for Agricultural Workers established by Executive Order 1 23/24 is an advisory committee. Discussions and deliberations will be conducted in accordance with the Working Agreements determined by the co-Chairs in consultation with the members of the Committee. In accordance with those Working Agreements, Committee members will strive to achieve a common understanding of the subjects and outcomes of the Committee's work, including the resulting final summary of its assessment process, findings, and any corresponding recommendations to the Governor. The Committee's work will be guided by an aspiration to achieve consensus. Decisions regarding the final summary, findings, and recommendations will be made by the co-Chairs with input from Committee members and will be submitted to the Governor by the co-Chairs on behalf of the Committee.

- Meetings will start and end on time.
- When meetings are held in person, Committee members will make every effort to attend in person to maximize learning, communication, and collaboration.
- Cameras will remain on during virtual meetings to facilitate communication and understanding.
- Meeting materials will be shared in advance of meetings with sufficient time for review.
- Come prepared, having read meeting materials and completed assignments.
- Be present and engaged.
- Strive for equal airtime, enabling all to participate fully.
- Listen with curiosity and an openness to learning and understanding.
- Adopt a creative problem-solving orientation.
- Name the tension, kindly.
- Humor is welcome.

Agricultural Workers Minimum Wage Committee Membership

Committee Co-Chairs

- Commissioner Laura Fortman, Maine Department of Labor
- Deputy Commissioner Nancy McBrady, Maine Department of Agriculture, Conservation and Forestry

Committee Membership

- 1. The Speaker of the House of Representatives or her designee
 - Speaker Talbot Ross
 - Thom Harnett (alternate)
- 2. The President of the Senate or his designee
 - Senate President Jackson
 - Sen. Tipping (alternate)
- 3. A representative of the Maine Farm Bureau
 - Penelope Jordan
- 4. A representative of the Maine Potato Board
 - Jeannie Tapley
- 5. A representative of the Wild Blueberry Commission
 - Eric Venturini
- 6. A representative of the Maine Dairy Industry
 - Heath Miller
- 7. A representative of the Maine Organic Farmers and Gardeners Association
 - Heather Spalding
- 8. A representative of the Passamaguoddy Wild Blueberry Co.
 - Darren Paul
 - J.D. Newell (alternate)
 - Holli Francis (alternate)
- 9. A representative of the Maine AFL-CIO
 - Matt Schlobohm
- 10. A representative of the Pine Tree Legal Assistance Farm Worker Unit
 - Mike Guare
- 11. A representative of the Maine Center for Economic Policy
 - Arthur Phillips
- 12. A representative of a statewide organization dedicated to supporting farmworkers and immigrants Downeast
 - Juana Rodriguez, Mano en Mano
 - Sean Douglas, Mano en Mano (alternate)
- 13. A representative of a statewide land trust dedicated to protecting farmland and supporting farmers
 - Shelley Megquier, Maine Farmland Trust



NORTHEASTERN REGION **FARM LABOR REPORT**



NATIONAL AGRICULTURAL STATISTICS SERVICE

United States Department of Agriculture • Washington, D.C. 20250 Northeastern Regional Field Office Harrisburg, PA 17112 4050 Crums Mill Rd, Suite 203 ● www.nass.usda.gov

Regional Contacts

Posted online May 24, 2023

Phone: 717-787-3904 Email: nassrfoner@usda.gov

- Pennsylvania King Whetstone, Regional Director
- Delaware-Maryland Shareefah Williams, State Statistician
- New England King Whetstone, Acting State Statistician
- New Jersey Bruce Eklund, State Statistician
- New York Charles Walker, State Statistician

April Hired Workers Up 3 Percent; Wage Rate Increased 5 Percent from Previous Year

There were 651,000 workers hired directly by farm operators on the Nation's farms and ranches during the week of April 9-15, 2023, up 3 percent from the April 2022 reference week. Workers hired directly by farm operators numbered 511,000 during the week of January 8-14, 2023, up 1 percent from the January 2022 reference week.

Farm operators paid their hired workers an average wage of \$18.08 per hour during the April 2023 reference week, up 5 percent from the April 2022 reference week. Field workers received an average of \$17.26 per hour, up 5 percent. Livestock workers earned \$16.48 per hour, up 4 percent. The field and livestock worker combined wage rate, at \$16.99 per hour, was up 4 percent from the 2022 reference week. Hired laborers worked an average of 40.6 hours during the April 2023 reference week, up 2 percent from the hours worked during the April 2022 reference week.

Farm operators paid their hired workers an average wage of \$18.55 per hour during the January 2023 reference week, up 5 percent from the January 2022 reference week. Field workers received an average of \$17.67 per hour, up 7 percent, while livestock workers earned \$16.71 per hour, up 4 percent from a year earlier. The field and livestock worker combined wage rate, at \$17.26 per hour, was up 5 percent from the January 2022 reference week. Hired laborers worked an average of 38.9 hours during the January 2023 reference week, down 1 percent from the hours worked during the January 2022 reference week.

Northeast Region I (Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont)

There were 22,000 workers hired directly by farms during the week of January 8-14, 2023. All hired workers worked an average of 42.7 hours during the survey week. The average wage rate for all hired workers was \$18.50 per hour. Field workers earned an average of \$18.89 per hour and livestock workers averaged \$15.69 per hour. Field & livestock workers combined earned an average of \$17.08 per hour.

There were 35,000 workers hired directly by farms during the week of April 9-15, 2023. All hired workers worked an average of 41.9 hours during the survey week. The average wage rate for all hired workers was \$18.10 per hour. Field workers earned an average of \$17.69 per hour and livestock workers averaged \$15.71 per hour. Field & livestock workers combined earned an average of \$16.94 per hour.

Northeast Region II (Delaware, Maryland, New Jersey, and Pennsylvania)

There were 19,000 workers hired directly by farms during the week of January 8-14, 2023. All hired workers worked an average of 36.0 hours during the survey week. The average wage rate for all hired workers was \$18.53 per hour. Field workers earned an average of \$17.45 per hour and livestock workers averaged \$16.82 per hour. Field & livestock workers combined earned an average of \$17.19 per hour.

There were 26,000 workers hired directly by farms during the week of April 9-15, 2023. All hired workers worked an average of 39.4 hours during the survey week. The average wage rate for all hired workers was \$18.15 per hour. Field workers earned an average of \$17.19 per hour and livestock workers averaged \$16.35 per hour. Field & livestock workers combined earned an average of \$16.92 per hour.

> For the complete "Farm Labor" report, go to: https://usda.library.cornell.edu/concern/publications/x920fw89s The Farm Labor report and all other NASS reports are available online at www.nass.usda.gov.

Eliminating the Exemption: Subchapter 3 Compliance

MINIMUM WAGE

RECORDKEEPING

REST BREAKS

LIMITS ON MANDATORY OVERTIME

Overview

- Contents of Subchapter 3
- Minimum wage requirements
 - What is a wage?
 - Lodging and meal credits
- Recordkeeping
- Rest Breaks
- Limits on Mandatory Overtime

Subchapter 3 – What's Covered?

Minimum Wage

Recordkeeping

Unfair Contracts – "no employer shall by contract with an employee or by any other means exempt himself from this subchapter"

Overtime and Tips

Enforcement

Minimum Wage

Employees must be paid at least minimum wage in every work week

Work week is 7 consecutive days, regardless of payroll cycle

No specific method of payment is required

Piece rate may be used as long as the employee earns at least minimum wage for all hours worked

What is a wage?

- Compensation paid to any employee
- In form of legal tender
- Convertible to cash on demand
- Includes the reasonable cost to the employer of providing board or lodging
- May include debit cards or other electronic transfer IF the employee can make an initial withdrawal of their entire net pay without additional cost

Lodging and Meal Credits

- Employers are allowed to take a credit against the minimum wage for the <u>reasonable cost</u> of providing lodging or meals as long as it is provided primarily for the benefit of the employee
- The employee must voluntarily accept the lodging or meals
- Records required

Reasonable Cost

- "Reasonable cost" may not include any profit to the employer or any affiliated person
- Reasonable cost may include the actual cost of operation and maintenance, as well as a reasonable rate of depreciation
- Reasonable cost is **not** the same as fair market value or lost profit (for instance lost rental income)
- The burden is on the employer to establish reasonable cost and the employer must maintain records substantiating that cost
- Failure to keep appropriate records may result in losing the credit

For the Benefit or Convenience of the Employee

- Meals are generally considered to be for the benefit or convenience of the employee
- If the employer is obligated to provide the housing or meals, it is considered for the benefit of the employer and therefore no credit may be taken

Transportation

- Under Maine law, only board (meals) and lodging credits may be taken against minimum wage
- Transportation may be evaluated as to whether it is considered work time or not
- Federal law allows credits for "other facilities" whether a credit may be taken depends on the type of transportation
 - Normal, commute transportation may be an "other facility" primarily benefiting employees
 - Travel to a remote or distant job site is normally for the employer's benefit and therefore not an "other facility"
 - Transportation of migrant or seasonal farm workers to and from the point of hire is for the employer's benefit and therefore no credit can be taken

Example 1

- Dairy Farm rents a nearby house to provide housing to its workers. The farm pays \$400/month for the house, which can house 3 workers. The farm takes \$30.77 per week as a credit against minimum wage for each worker.
- Alex works for Dairy Farm and earns \$14 per hour. They work 35 hours week 1, earning \$490 gross, then the farm deducts \$30.77 for the provision of housing. Alex's effective hourly wage is \$13.12.
- Although this is below \$13.80, this is a permissible credit and not a minimum wage violation
- \$400 x 12 months / 52 weeks = \$92.31 / 3 workers = \$30.77 per week

Example 2

- Dairy Farm owns a nearby house to provide housing to its workers. Prior to housing workers, the farm rented the house for \$550 per month. The cost to the farm for maintaining the house and utilities is \$400. The farm takes \$42.31 per week as a credit against minimum wage for each worker.
- Alex works for Dairy Farm and earns \$14 per hour. They work 35 hours week 1, earning \$490 gross, then the farm deducts \$42.31 for the provision of housing. Alex's effective hourly wage is \$12.79.
- This is not a valid deduction because the credit exceeds the reasonable cost to the employer – the employer may not profit
- ▶ \$550 x 12 months / 52 weeks = \$126.92 / 3 workers = \$42.31

Example 3

- ▶ Blueberry Farm provides lunch to its workers five days a week. The farm pays a local restaurant \$150 per week to provide boxed lunches for its 25 workers. Blueberry Farm claims a \$.15 credit per hour based on its cost and an estimated number of hours worked each week. The farm pays its workers \$13.65 per hour due to providing meals.
- ▶ When Dale was hired by Blueberry Farm, they were told that the hourly rate was \$13.65 and that lunch would be provided on weekdays. Dale accepted the job.
- Although Dale's hourly rate is less than \$13.80, this is a valid credit and does not violate minimum wage
- ▶ \$150 /25 = \$6 per week / average of 40 hours = \$.15

Recordkeeping

Section 665 in Subchapter 3 requires that employers:

- Keep true and accurate records of the hours worked by each employee
- > Keep true and accurate records of the wages paid to each employee
- Preserve these records for at least 3 years
- With each payment of wages, provide each employee a detailed pay statement, including the date of the pay period and
 - > Hours
 - Total earnings
 - Itemized deductions (this includes any credits for lodging or meals)
- Pay statements may be electronic as long as the employee has ready access to the statement and can print it without cost



Two Recordkeeping Statutes

Required by Section 622

- Date and amount paid to each employee
- Daily record of the time worked by each employee
- Records must be accessible to MDOL "at any reasonable hour"
- Excludes salary-exempt employees

Required by Section 665

- Hours worked by each employee
- Wages paid to each employee
- Maintained for a period of at least 3 years
- Furnish pay statement showing date, hours worked, total wages and itemized deductions
- Accessible to MDOL to examine and inspect
- Excludes salary-exempt employees

Recordkeeping Practices

- Accuracy over form
 - There is no specific form or system required, as long as the required records are accurate and maintained
- Purpose is to identify:
 - ▶ Who is the worker?
 - What hours did they work?
 - What were they paid?
 - When were they paid?
- ▶ If no records exist, look to worker's records and/or statements
- ► Lack of records is an independent violation



Rest Breaks

- Requires that employees must be given the opportunity to take a break of at least 30 consecutive minutes after working 6 hours unless certain exceptions apply
- Employees may decline to take the break
- □ The break may be paid or unpaid to be unpaid, employee must be **completely** relieved of duty

Rest Breaks - Exemptions

- Emergency in which there is danger to property, life, public safety or public health
- Does not apply to any place of employment where there are fewer than 3 employees on duty at any one time and where the nature of the work allows frequent, paid breaks of a shorter duration
- Written agreement between employee and employer

Limits on Mandatory Overtime



Employers may not **require** employees to work more than 80 hours of overtime in any consecutive 2-week period



Voluntary overtime is not limited

Limits on Mandatory Overtime - Exemptions

- Seasonal employers
- Work in response to emergencies declared by the Governor
- Essential public services e.g. utilities, snow plowing, telecommunications
- Work necessary to protect public health or safety
 - Excess overtime must be "outside the normal course of business"
- Salary-exempt employees
- Doctors in certain circumstances
- Certain types of annual maintenance where an employer shuts down operations



Agricultural Workers Minimum Wage

A basic framework for the legislation





Our Charge

As a Committee, our task is to develop legislation that will implement a minimum wage for agricultural workers.

The simplest way to complete this task is by removing the current exemption from subchapter 3 for individuals employed in agriculture and recreating an exemption from overtime pay.

Elements of a bill that will implement Maine's minimum wage for agricultural workers

KEY ELEMENTS OF CHAPTER 7, SUBCHAPTER 3

- Minimum wage must be paid to agricultural employees
- Agricultural employees will remain exempt from time and a half pay for work over 40 hrs. requirement;
- Agricultural employers will be required to keep accurate records and provide employees with a pay statement
- General MDOL enforcement authority over the minimum wage



ADDITIONAL CHAPTER 7 ELEMENTS

- Agricultural employers will be required to offer a 30-minute break to employees after 6 hours of work
- Agricultural employers may not require
 employees to work more than 160 hrs. in
 any consecutive 2-week period.
 Agricultural employees may voluntarily
 work additional hours above 160 in any
 consecutive 2-week period.

To be continued...

- Our next meeting will be held on Monday, Oct. 16th from 1:00pm-3:00pm
- We will discuss in greater detail the legislation elements outlined in this slide show
- We will hear presentations on piece rate

For any questions, feedback or to submit written public comment, please email Dillon Murray: Dillon.f.murray@maine.gov





Ryan Busby Alfred, ME

Hi,

I have worked on several organic farms over the last 7 years. This year I'm starting my own farm in Alfred, ME. Over the years I was always paid fairly and my wages were well above federal minimum wage. The farm businesses I worked for were not getting rich, but they figured out how to value employees well enough to keep us around, and keep there businesses profitable.

I studied economics at university and the historical data and case studies are pretty clear that minimum wage laws do not benefit societies as they are promised to or intended to. Many people believe that minimum wage will create a floor below which low wage workers cannot fall. In reality, it creates a hurdle over which less people can climb. If the intention is to help low wage workers in the farm sector, the unfortunate outcome is that some existing employees get a forced pay raise while other workers get their hours cut or not hires at all. For the perspective of the business owner, they now have fewer choices about how to run their business and inevitably have to hire less people and expect more from those they can hire. It turns into another squeeze on small farms.

Minimum wage is bad for farm workers, bad for farms and bad for Maine's iconic farm economy.

Kelsey Herrington

Two Farmers Farm
Scarborough, Maine
Certified Organic by MOFGA

To the Agricultural Minimum Wage Committee:

Thank you for making these Committee meetings open to the public. My name is Kelsey Herrington - I co-own Two Farmers Farm in Scarborough. Farming has been the sole source of income for my family for the last decade, and I have been an employer of farm workers since 2014. I have watched the first three meetings and found them very informative, and I have some followup questions and comments:

- 1. In a previous Committee meeting, it was stated that ensuring that agricultural workers have a right to overtime pay is "not something this Committee is specifically charged with." Can the Committee please clarify if continuing to deny farm workers the right to overtime pay is a firm parameter of the Governor's order that we must accept? In other words, is the Committee willing to consider including the right to overtime pay as part of the final language submitted to the Governor?
- 2. If I recall correctly, the right of agricultural workers to concerted activities protection has not come up yet in the Committee. My understanding, from debate over this issue prior to the convening of this Committee, is that concerted activity protection is part of Maine's minimum wage law. Can the Committee clarify if that is true, and if not, how concerted activities protection is related to this issue? Is concerted activities protection going to be addressed at any point by this Committee? Is the Committee willing to consider including the right to concerted activities protection in the final language submitted to the Governor?
- 3.I have appreciated the comments from the public about the lack of farm worker participation so far. My experience talking with farm workers in my immediate network is that they do not know that this Committee is happening, let alone that they are welcomed at the meetings or can submit public comments. In that vein, I have a few questions:
- 3a. Is outreach about this Committee being done directly in farm worker communities? A similar question was asked recently by a member of the public, and my recollection is that the primary response from the Committee was that the information about the Committee is being disseminated widely via email listservs. Are any of those email lists knowingly populated with the contact information of farm workers? Are email listservs the best way to reach farm workers, especially migrant and other workers who are most negatively impacted by the current labor laws? Has the Committee consulted with farm workers and farm worker advocates to make sure that farm workers do in fact know about these meetings and can attend, or at least watch the meeting recordings, and have the ability to submit comments?
- 3b. Can the Committee clarify if it would be legal for farm employers to fire or otherwise retaliate against employees who speak up publically to this Committee about their workplace experiences/concerns? Can any farm worker advocates speak to how likely retaliation of this nature, legal or illegal, would be by an employer against a farm worker? What is the Committee's plan to protect farm workers from retaliation?

- 4. An observation: of the 15 members of the Committee, at least seven clearly represent farm owners/employers (Maine Farm Bureau, Maine Potato Board, Wild Blueberry Commission, Maine Dairy Industry, Maine Organic Farmers and Gardeners Association, Passamaquoddy Wild Blueberry Co., and Maine Farmland Trust), and only three clearly represent farm workers (Maine AFL-CIO, Pine Tree Legal, Mano en Mano). There are four members of various governmental positions (DOL, DACF, Speaker of the House, President of the Senate) and also a representative of the Maine Center for Economic Policy. While some individual members representing the various governmental entities and the farm employer/owner organizations may be sympathetic to farm workers, they do not represent farm workers. This Committee disproportionally represents farm owners/employers at a rate of 2:1.
- 4a. How will the Committee overcome this inherent bias and power imbalance to make sure farm worker voices are heard just as clearly as the voices of the owners, and to produce a minimum wage law that is truly fair to farm workers?