

# Senate Legislative Record

# One Hundred and Twenty-First Legislature

State of Maine

# Volume III

Second Special Session (Continued) March 22, 2004 to April 30, 2004

Second Confirmation Session August 25, 2004

Interim Appendix

Senate Legislative Sentiments

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cruise ships. I believe the Queen Mary II will be the first ship coming to Maine for the first time with this new system. I believe we now have agreement from everyone that this is the way to go.

On motion by Senator **MARTIN** of Aroostook, Senate Amendment "A" (S-497) to Committee Amendment "A" (S-429) **ADOPTED**.

Committee Amendment "A" (S-429) as Amended by Senate Amendment "A" (S-497) thereto, **ADOPTED**.

Under suspension of the Rules, **READ A SECOND TIME** and **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-429) AS AMENDED BY SENATE AMENDMENT "A" (S-497)** thereto.

Sent down for concurrence.

The Chair laid before the Senate the following Tabled and Later (3/29/04) Assigned matter:

HOUSE REPORTS - from the Committee on INLAND FISHERIES AND WILDLIFE on Bill "An Act To Reestablish the Great Ponds Act" (EMERGENCY)

H.P. 1251 L.D. 1675

Majority - Ought Not to Pass (11 members)

Minority - Ought to Pass (2 members)

Tabled - March 29, 2004, by Senator BRYANT of Oxford

Pending - motion by same Senator to ACCEPT the Majority OUGHT NOT TO PASS Report, in NON-CONCURRENCE

(In House, March 25, 2004, Reports **READ** and the Bill and accompanying papers **COMMITTED** to the Committee on **INLAND FISHERIES AND WILDLIFE**.)

(In Senate, March 29, 2004, Reports READ.)

On motion by Senator **BRYANT** of Oxford, the Majority **OUGHT NOT TO PASS** Report **ACCEPTED**, in **NON-CONCURRENCE**.

Sent down for concurrence.

The Chair laid before the Senate the following Tabled and Later (1/19/99) Assigned matter:

SENATE REPORTS - from the Committee on LABOR on Bill "An Act To Increase Maine's Minimum Wage"

S.P. 237 L.D. 673

Majority - Ought to Pass as Amended by Committee Amendment "A" (S-359) (8 members)

Minority - Ought Not to Pass (4 members)

Tabled - March 31, 2004, by Senator EDMONDS of Cumberland

Pending - motion by same Senator to RECEDE

(In Senate, March 11, 2004, Reports **READ**. Motion by Senator **EDMONDS** of Cumberland, to **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report **FAILED**. Subsequently, the Minority **OUGHT NOT TO PASS** Report **ACCEPTED**.)

(In House, March 30, 2004, the Majority OUGHT TO PASS AS AMENDED Report READ and ACCEPTED and the Bill PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-359), in NON-CONCURRENCE.)

On motion by Senator **EDMONDS** of Cumberland, the Senate **RECEDED**.

Senator **HATCH** of Somerset moved the Senate **ACCEPT** the Majority **OUGHT TO PASS AS AMENDED** Report, in concurrence.

THE PRESIDENT: The Chair recognizes the Senator from Somerset, Senator Hatch.

Senator **HATCH**: Thank you, Madame President, ladies and gentlemen of the Senate. I'd ask that you support the majority Ought to Pass report so that I can offer another amendment on this, which I think you might find a little better. Thank you very much.

Same Senator requested a Roll Call.

Senator **BLAIS** of Kennebec moved the Bill and accompanying papers be **INDEFINITELY POSTPONE**, in **NON-CONCURRENCE**.

Same Senator requested a Division.

On motion by Senator **TREAT** of Kennebec, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

## ROLL CALL (#327)

- YEAS: Senators: BENNETT, BLAIS, CARPENTER, DAVIS, GILMAN, KNEELAND, LEMONT, MAYO, MITCHELL, NASS, SAVAGE, SAWYER, SHOREY, WESTON, WOODCOCK, YOUNGBLOOD
- NAYS: Senators: BRENNAN, BROMLEY, BRYANT, CATHCART, DAMON, DOUGLASS, EDMONDS, GAGNON, HALL, HATCH, LAFOUNTAIN, MARTIN, PENDLETON, ROTUNDO, STANLEY, STRIMLING, TREAT, THE PRESIDENT - BEVERLY C. DAGGETT

ABSENT: Senator: TURNER

16 Senators having voted in the affirmative and 18 Senators having voted in the negative, with 1 Senator being absent, the motion by Senator **BLAIS** of Kennebec to **INDEFINITELY POSTPONE** the Bill and accompanying papers, in **NON-CONCURRENCE**, **FAILED**.

On motion by Senator **HATCH** of Somerset, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT**: The pending question before the Senate is the motion by the Senator Somerset, Senator Hatch to Accept the Majority Ought to Pass As Amended Report. A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

# ROLL CALL (#328)

- YEAS: Senators: BRENNAN, BROMLEY, BRYANT, CATHCART, DAMON, DOUGLASS, EDMONDS, GAGNON, HALL, HATCH, LAFOUNTAIN, MARTIN, PENDLETON, ROTUNDO, STANLEY, STRIMLING, TREAT, THE PRESIDENT - BEVERLY C. DAGGETT
- NAYS: Senators: BENNETT, BLAIS, CARPENTER, DAVIS, GILMAN, KNEELAND, LEMONT, MAYO, MITCHELL, NASS, SAVAGE, SAWYER, SHOREY, TURNER, WESTON, WOODCOCK, YOUNGBLOOD

18 Senators having voted in the affirmative and 17 Senators having voted in the negative, the motion by Senator HATCH of Somerset to ACCEPT the Majority OUGHT TO PASS AS AMENDED Report, in concurrence, PREVAILED.

### READ ONCE.

Committee Amendment "A" (S-359) **READ** and **ADOPTED**, in concurrence.

Under suspension of the Rules, READ A SECOND TIME.

On motion by Senator **HATCH** of Somerset, Senate Amendment "A" (S-491) **READ**.

**THE PRESIDENT**: The Chair recognizes the Senator from Somerset, Senator Hatch.

Senator **HATCH**: Thank you, Madame President, ladies and gentlemen of the Senate. All this amendment does is decrease the amount of the increase called for in the original bill. It changes the current 6.25 to 6.50 in two steps. The first step is  $10\phi$  and  $15\phi$  in the second. It's a very small step. It's mostly directed at the big box stores and places like McDonald's. In would give wait staff  $12.5\phi$ . We're talking about restaurant workers who only make half of the minimum wage. I would ask for your support on this and I would appreciate it. Thank you very much.

On further motion by same Senator, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

**THE PRESIDENT**: The Chair recognizes the Senator from Kennebec, Senator Blais.

Senator BLAIS: Thank you, Madame President, men and women of the Senate. I was going to just let this go, but I think it is important for me to say something about this because I realize that the object of the amendment before us is to lessen the extensible impact of this legislation. I think that we had a good vote, a reasonable vote on this, the first time it was before this body. I see that the amendment before us has changed some minds. I do want to remind the body, on the record, that all of us, our state, our businesses, individuals, everybody, is going through tough economic times in our state right now. The net effect of this type of legislation, whether it is 1¢ or 10¢ or 50¢ or whatever it may be, is going to impact Maine's small businesses and Maine's young people the most. Those are the ones who are going to be most impacted by this. That means that Mom and Pop operation where you've got a husband and wife that are running a small store and they can afford to hire two or three young people, high school age people, to work for them, the net effect of this type of legislation, statewide, on those businesses is that they are going to have to make a decision as to whether they can afford to employ three or afford to employ two people. I think this sends a very bad message at this particular time to the businesses in this state.

I'll just give you an example of a business I used to be in, the restaurant business. For most small restaurants, you are lucky if you make any profit at all. Most don't make any profit. What they do, if they are able, is pay themselves. When times get tough, like they are right now, that means that if you have got a husband and wife working in that business, in order to keep people employed, one of those members of that family tends to drop their salary first before they cut their staff. I can tell you that from personal experience. If you ask the Maine Restaurant Association what a typical restaurant, an average restaurant that actually makes a profit it's between 3% and 5%. That's for a restaurant that is doing well in this state. Between 3% and 5%. Bear in mind that the meals and lodging tax on restaurants is 7%. The state is taking more money right off the top for those types of small businesses than they can even hope to make as a profit. Most of them don't even make a profit.

Everyone is stretched to the bone right now. So we increase the minimum wage. Where is that money going to come from? As my good colleague from Penobscot, Senator Sawyer, is fond of saying, there is no gold bar in the safe that we can just go and scrape a little bit more off for those small businesses. It's going to have to come from some place. Does that mean it comes out of employee wages? Employee benefits? We've got a very important piece of legislation that is going to be taking effect on July 1<sup>st</sup>, healthcare legislation called Dirigo Health. If those employers have less money to spend on employee benefits does that mean that our vote today may impact the ability of those employers to be able to afford to participate in Dirigo Health? I think it's worth thinking about.

My colleagues, I would urge you to support the motion that is on the floor for the very reason that it's going to reduce the overall impact. I don't know if you folks over there on the other side of the aisle will. I won't be supporting it because I won't support any increase in the minimum wage. I do think it's important, given that we've already passed the majority Ought to Pass report, that we lessen the impact on our state's employers. It's the best that I can possibly do. However, I will not be supporting any increase in the minimum wage at this time. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Washington, Senator Shorey.

Senator **SHOREY**: Thank you, Madame President, men and women of the Senate. The good Senator from Kennebec, Senator Blais, mentioned that the message is sent. The message that is being sent to the business community throughout the country is that Maine raises minimum wage again. They are not going to look at how much it was raised by. They are not going to look at whether it is  $10\phi$  or  $50\phi$ . The perception is reality. The reality is Maine is hostile to business. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Oxford, Senator Bryant.

Senator **BRYANT**: Thank you, Madame President, ladies and gentlemen of the Senate. I just want to make one small comment. I think it is important for the legislature in the State of Maine to also tell the workers and the people that are out there trying to make enough money to survive in the State of Maine that work is going to pay. I think we are in a situation where we are not moving the smaller wage up enough so that a person can make a living, so we end up subsidizing them through the state. I think this is a small movement, but it is a necessary one. I think people need to know that work is going to pay. I would encourage you to vote for the pending motion.

**THE PRESIDENT**: The Chair recognizes the Senator from Waldo, Senator Weston.

Senator **WESTON**: Thank you, Madame President, men and women of the Senate. I'd like to tell you a story. I have a small greenhouse business in my district. Throughout the years he has battled one issue after another while trying to stay in business, mostly with things that we pass from this building. He called me just three days ago and said, 'I no longer employ the high school students from Mt. View High School. Not that I didn't want to, but I finally reached the point that I can't deal with this any more. I want you to come up and see my new employee replacement. It's nailed to the wall and it does the work of the five high school students. I don't have to deal with the changes every year that you send me. I don't have to pay Workers' Comp for this machine. It's dependable. I can run it any time. It does the work of the five kids that used to have spending money.'

Messages are important. They build on each other and become stronger. These few cents that we are adding isn't going to really make the difference in someone's life. In my opinion, it could impact their entire job. That is why I'm not supporting this. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Cumberland, Senator Edmonds.

Senator **EDMONDS**: Thank you, Madame President, men and women of the Senate. I, too, have a story. In my district I, as you

do, go door-to-door. I met a couple in one of my towns, both of whom were earning minimum wage, both of whom brought home 40 hours a week and any overtime they possibly could at minimum wage, and could not pay to live in the mobile home park that they lived in, to support their children, to pay the lot rent, etcetera.

This is a very modest increase in the minimum wage. There are 15,000 people in the State of Maine presently earning between \$6.25 an hour and \$6.65 an hour. If we are able to add any amount to that, that money goes directly into Maine's economy. These people are not socking it away in some savings account. They are paying their bills with it. Every bill they pay out of their hard earned dollars means they don't have to go to the Town of Brunswick or the Town of Freeport or the Town of Yarmouth and ask for general assistance aid. It means they have the pride of spending the money they earn to pay their bills. I just think this is a totally modest and appropriate amount to give these folks who are working as hard as anybody else; anybody who earns \$100,000 or \$150,000. They don't work any harder than the person who is working for minimum wage. I urge you to support the pending motion. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Aroostook, Senator Martin.

Senator **MARTIN**: Thank you, Madame President and members of the Senate. All of us have our own stories and our own things that we can talk about when we talk about minimum wage. I'm just going to relate three of them to you.

One of the towns that I represent happened to have MBNA move in. The irony is that the people who were really concerned were the small store owners because they were paying minimum wage. All of a sudden the competition is going to be starting at \$8. That became the cry in the community, which I thought was interesting. Low and behold, the company came and paid \$8 as a starting wage. Guess what? The salaries of those very same students went up in the grocery stores. They are still there.

I want to talk about an article in the paper this morning. We are worried about out-of-state corporations saying, 'Don't come to Maine because salaries are going up again.' Someone ought to talk to the people in Caribou as a factory closes and the jobs are going to the Dominican Republic. If that's not out-of-state I don't know what is. Do they care about us in Maine? Never have, never will. They are about their bottom line and if they can give salaries for \$1 an hour to pay their employees that is exactly what they are going to do.

Third, I can tell you about a single mother who has three jobs. She refuses to get on any kind of state program. All three of those jobs are paying her minimum wage. There has to be a better way. If this is the only way we can do it, then I say we ought to at least try.

**THE PRESIDENT**: The Chair recognizes the Senator from Franklin, Senator Woodcock.

Senator **WOODCOCK**: Thank you, Madame President. Compelling stories all. Nobody's speech this morning will sway a single vote. I make that observation. We're going on record today. The rhetorical question that needs to be asked in response to many of the comments made this morning is what workers? As the good Senator from Penobscot, Senator Sawyer, has told me many times in our discussions, privately, in order to have well paid employees, one must have employers who will pay well. I know that for a long time in this state, from my perspective, we have discouraged employers. Some will move because of federal regulations. Many will move because they have other business opportunities that are more frugal in other states in the union. Today we will just settle ourselves in to this minimum wage vote. The outcome is probably assured. However, I would again pose a rhetorical question. What workers? It is an important issue for us to consider, twenty years from now, when our grandchildren consider whether or not they are going to be in Maine as a place of residence. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Penobscot, Senator Stanley.

Senator STANLEY: Thank you, Madame President, ladies and gentlemen of the Senate. I'm going to tell you a story too. I came to the Senate side of this building a year-and-a-half ago and I was appointed chair of the Taxation Committee. One of the things that I've heard for the last year and four or five months: 'is why is our tax problem the way it is?' It is because of low wages. I know this is a minor thing. I also know that we, as a state, have a tax problem. One of the main things that we have to do is bring up our wages. I sat here at a forum in January where two of the speakers on a panel said livable wages is one of the things we have to deal with in order to get us from number one to the middle of the pack. I think that we, as a state, should be looking at that factor. As everybody in this building and sitting here knows right now, you're talking 1¢ on the sales tax, spending caps, and everything else underneath the rainbow. The one thing that you can do in this state to improve your rating is to have livable wages. This is just a small part of what we have to do in order to do that.

Speaking on that note, I think that where we have such a tax situation, one of the things we can do to promote economic development and growth in this state is by doing some of the tax reform policy to address issues to help small businesses. By raising the minimum wage this amount is not that bad because you want to look at some of the businesses that are using the minimum wage and what they are offering. The Wal-Marts. They have 15 to 20 hours a week jobs. These are some of the people who are doing it. Ten to fifteen thousand people are affected by this. What we basically have to do is to do some things to bring our economy to the point where people can live off these wages. That's what we need to do.

Here is a perfect example; a person working for the Great Northern Paper Company got laid off. He was making more money on unemployment than by working for minimum wage. There's nothing wrong with that. That's just the way the system is. The problem that we have is that these low wages are what are driving us to the point where we have a tax problem. This legislature is committed to doing tax reform because everybody out there has got a plan. Everybody in this building knows it.

What they have to address is that they have to have a plan that does do the right thing and not raise the tax, put a spending cap, or whatever it is they are thinking of doing. The thing you have to do is hit the problem. This is the problem, low wages in the state. That is the problem. I know this is my commitment, we will help people and we help the state. That is why we are going to solve the tax reform problem as an issue. This is a fact that we have to really be concentrating on, livable wages. I know I've sat here for a-year-and-a-half and have been talking about this for a year-and-a-half. It is something we have to do. I don't know what we have to do to get it through, but I'll tell you, you can do everything else you want, but until you start addressing the issue of low wages in this state, we're going to be in the same predicament we are regardless of whether we change everything. Low wages is driving us to the number one rating.

I know this is a little bit off the subject, but it is one step that Maine has to take to improve their rating in the history of low tax reform. That is why I'm standing up here today. I've lived with this for a year-and-a-half. This is what I've heard for a year-anda-half. Also I've heard the business side and I think there is room to move on that side to help the small businessperson in this state, too. We have to be in a position to be able to do some of these things that we have to bring our wages up. With that being said, I wish you would support the pending motion.

**THE PRESIDENT**: The Chair recognizes the Senator from Washington, Senator Shorey.

Senator **SHOREY**: Thank you, Madame President, men and women of the Senate. When the good Senator from Aroostook, Senator Martin, first stated talking I thought he was going to switch his vote. What he was talking about is market conditions. When he talked about a new employer coming in and driving wages up, that is market conditions. That is what I advocate, not legislation. He also mentioned that the small store owners were concerned that they wouldn't be able to pay their employees the higher wages that would be paid by the competition. Well, of course they were able to. New dollars were coming into the community. What new dollars are we bringing into the State of Maine by doing this? I would suggest absolutely none.

Secondly, the good Senator from Penobscot, Senator Stanley, if I heard him correctly and I apologize if I didn't, suggested that we can solve our tax problem by legislating higher wages for everybody. To me that doesn't make sense. If that is the case, why don't we put an amendment on this, make the minimum wage \$100 an hour so everybody can make \$4,000 a week. They are going to make \$200,000 and we can tax them at 16.5%. Let's see, how much money will that bring into the state? Hey, we don't have a budget problem any more. That just doesn't make sense. Thank you.

**THE PRESIDENT**: The Chair recognizes the Senator from Cumberland, Senator Strimling.

Senator **STRIMLING**: Thank you, Madame President. I just can't believe some of what I am hearing. We're talking about  $10\phi$ . We're talking about \$200 a year for a family. That's like \$17 a month. That's an extra gallon of milk a week. We're disputing whether that is appropriate to provide for our families. I can't believe it.

**THE PRESIDENT**: The Chair recognizes the Senator from Kennebec, Senator Blais.

Senator **BLAIS**: Thank you, Madame President, men and women of the Senate. I appreciate the remarks from my colleague from Cumberland, Senator Strimling. I'd like to try and address that. The fundamental issue really is jobs. If you don't have a job at all, you can't afford to buy even one gallon of milk. We had the opportunity to listen to a lot of stories here today. I think that this is appropriate. Let me inject into this discussion a few facts. Maine's minimum wage is currently 9<sup>th</sup> highest in the nation. We know that Maine's economic performance per capita is 44<sup>th</sup> in the nation. We know that Maine ranked 48<sup>th</sup> in the 2003 Small Business Survival Index.

The good Senator from Penobscot, Senator Stanley, suggested that jobs are a critical factor for us. I believe there was a connection made between higher wages and preserving jobs or maintaining jobs. I'm looking at a few other New England states, the states that are higher up. Among those eight that are above us, one of those states is Connecticut, who has a higher minimum wage than Maine's. In fact, Connecticut is third in the nation. Maine's unemployment rate for January 2003, for example, was 4.8%. Connecticut's was 5.2%. Let's look at Massachusetts. Massachusetts' is up above us. They are sixth in the nation. In January 2003 Massachusetts' unemployment rate was 5.6%. Rhode Island is up above us. They are number seventh, with a higher minimum wage, and an unemployment rate at 5.4%.

I'm not going to suggest that there is a direct correlation there. I think that the statistics show and the studies have shown consistently, over the years, that increases in a minimum wage have very little impact on the majority of workers and the people that they do impact are our youngest people, just entering the job force, those folks who have very limited skills and are in entry level positions who are trying to get training to increase their value so that they can move up the rung, move up the ladder of accomplishment and achievement to be able to provide for themselves. What this legislation does, particularly when we're doing it here in Maine and we're raising ourselves so much higher than the rest of the nation, is it makes it more difficult to compete for those good jobs. Thank you, Madame President.

**THE PRESIDENT**: The Chair recognizes the Senator from Androscoggin, Senator Douglass.

Senator DOUGLASS: Madame President, men and women of the Senate, I rise in support of the pending motion for a very simple reason. This is really about how we value the work that people in our state do. There is a lot of talk about whether it is more important to have a job or not have one. The problem is that, in today's climate, many of the jobs available are not jobs that provide living wages. I'm proud to have been part of a city council in Auburn that voted in 1998 to support living wages. which at that time were approximately \$9 per hour. What that tells you is that our minimum wage does not provide for the adults who are working for it. In fact, many of them live in poverty. I think we need to say, as a state, that our policy is that we will stand up for the workers of the state and provide a modest increase, although it is not up to the level of being a living wage, for those who work. This is really about what the value is of human labor. You could equate it back to our laws when we outlawed child labor and we adopted labor standards requiring payment above the 40 hour work week. It's really all about what we think our workers are worth. I certainly think they are worth this small increase that is provided for in this bill. I hope you will vote in favor with me.

**THE PRESIDENT**: The Chair recognizes the Senator from Waldo, Senator Weston.

Senator **WESTON**: Thank you, Madame President, men and women of the Senate. I must respond to the last statement about valuing people. I value people. I'm going to use my daughter as

an example because she is young, she works in the summer when she's home from college. If I was to put myself in her place and feel valued, if she was offered 10¢ more an hour more by her bosses who own a bed and breakfast she would not consider that a high value. Instead, as a high school student, she was offered to start cleaning those four rooms in that bed and breakfast at \$9 an hour and ended on salary, which was actually comparable to almost \$15. This was not because this body dictated how we value people, but because we have a rising tourism business on the coast and they knew that in order to keep a valuable employee they had to pay. It is that market that can really value and dictate the salaries. If we think we are doing it, then we are being fooled. Thank you.

**THE PRESIDENT**: The pending question before the Senate is the motion by the Senator from Somerset, Senator Hatch to Adopt Senate Amendment "A" (S-491). A Roll Call has been ordered. Is the Senate ready for the question?

The Doorkeepers secured the Chamber.

The Secretary opened the vote.

#### ROLL CALL (#329)

- YEAS: Senators: BRENNAN, BROMLEY, BRYANT, CATHCART, DAMON, DOUGLASS, EDMONDS, GAGNON, HALL, HATCH, LAFOUNTAIN, MARTIN, PENDLETON, ROTUNDO, STANLEY, STRIMLING, TREAT, THE PRESIDENT - BEVERLY C. DAGGETT
- NAYS: Senators: BENNETT, BLAIS, CARPENTER, DAVIS, GILMAN, KNEELAND, LEMONT, MAYO, MITCHELL, NASS, SAVAGE, SAWYER, SHOREY, TURNER, WESTON, WOODCOCK, YOUNGBLOOD

18 Senators having voted in the affirmative and 17 Senators having voted in the negative, the motion by Senator **HATCH** of Somerset to **ADOPT** Senate Amendment "A" (S-491), **PREVAILED**.

### PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (S-359) AND SEANTE AMENDMENT "A" (S-491), in NON-CONCURRENCE.

Sent down for concurrence.

All matters thus acted upon were ordered sent down forthwith for concurrence.

Senate at Ease.

Senate called to order by the President.