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

**1. Calculation.** By December 31, 2007 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, 2008 and annually thereafter, the department shall report the livable wages calculated pursuant to this subsection to the Legislature.

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

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

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

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

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

**Sec. 4. 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 directs the Department of Labor to annually calculate the livable wages for various household sizes using the methodology employed by the Maine Center for Economic Policy and to report the livable wage calculations to the Legislature. The bill also defines "livable wage" and requires the department to measure and report on the costs to workers paid less than a livable wage and the bureaucratic costs to subsidize workers paid less than a livable wage.