

MAINE STATE LEGISLATURE

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June 25, 1954

To Raymond C. Mudge, Commissioner of Finance
Re: Salary Increases

This opinion is in response to your memorandum of June 24, 1954, in which you ask the following questions:

1. Would the salary increase apply only to those units of government who had actually saved enough in the 1953-54 year to finance the increase in the 1954-55 year?
2. Would it be possible to pool all balances at the end of the fiscal year by funds, and use the amount so pooled to finance all appropriations within the fund?
3. Would the accounts within the Highway group, Public Service Enterprises and other self-supporting accounts be eligible to receive this increase?
4. Would the nursing service receive another salary increase, having already received one from the Institutional Emergency Fund?
5. Could balances from Old Age Assistance and other grants be used to finance this salary increase?
6. This increase in salaries will create a deficit in the General Fund contribution to the Retirement System. There is an excess appropriation from the General Fund to the Retirement System existing, amounting to \$165,000. Could this unused appropriation be used to cover this deficit?

Answer to Question 1. This question cannot be answered with an unequivocal Yes or No. We can only say that in construing the Joint Order in the sense in which it was proposed and passed - an Order intending to benefit employees and therefore to be liberally construed on their behalf, we cannot interpret the legislative intent to be such as to preclude the supplementing of funds saved with other funds that may be available to help finance an increase to such classes as presently require special consideration, but which did not effect a saving.

Answer to Question 2. No. The various legislative Acts authorizing intra-departmental transfers of funds, under certain conditions, indicate that inter-departmental transfers, which would be necessary in any pooling device, cannot be accomplished without express statutory authority. See, for instances, §2, Ch. 71, R.S. 1944; §14, Ch. 22, R.S. 1944; Ch. 145, P.L. 1945.

Answer to Question 3. For the purposes of this Order, we are of the opinion that any department, bureau, or commission, which will have a portion of its funds lapsing into unappropriated surplus, has effected a saving. With respect to anybody whose income is made a revolving account, or dedicated revenue, it should be presumed that savings have

been effected if sufficient funds are available, over normal operating expenses, to cover the increase for salary.

Answer to Question 4. No provision of the Joint Order would preclude the nursing service from receiving further consideration.

Answer to Question 5. See answer to Question 3.

Answer to Question 6. We do not feel that the Legislative Order embraced a consideration of the aforementioned funds when the Order refers to economies effected by a department. We therefore rule that with respect to this appropriation it be handled in the normal manner.

Alexander A. LaFleur
Attorney General

jgf/c



MAINE STATE EMPLOYEES ASSOCIATION

NO. 19

MAY 19, 1953

Nearly 80 of the 1,600 bills before the Legislature this year affected state employees — directly or indirectly — on wages and fees — on retirement provisions — on personnel law changes. This News Letter deals only with major measures. A later issue of *Dirigo* will explain these more fully as well as other legislation.

SALARIES AND FEES:

L. D. 433—MARTIN BILL: As practically all state employees know, the 96th Legislature has granted a one range four and one-half per cent increase for all state employees. Although strongly urged by Governor Cross and by the Association, the all-powerful Appropriations and Finance Committee unanimously refused to consider any pay raise prior to July, 1953.

Possibly as the indirect result of a week-end of personal contacts, telephone calls, petitions, and even telegrams, the House of Representatives overwhelmingly endorsed Bob Martin's amendment to accept the Governor's recommended date of January 3, 1953. The Senate, however, refused to go along with any retroactive payments by an exceedingly close 17 to 15 margin. The next day, nudged by majority floor leader, Bob Haskell of Bangor, the Senate agreed to a six week advance in the effective date for our one-range hike. Haskell, speaking in support of the measure, praised the leaders of the Association for "their cooperative attitude" and stated that "when labor relations are on such a high level the employer, that is, the State of Maine, should yield a little in recognition."

Close association with members of both houses since January has given us a partial insight into their thinking. Most legislators sincerely believe that a period of economic levelling-off, or even recession, lies ahead. Therefore, to them, a one-range dollar increase seemed quite generous, they asserted several times on the record, in view of general business expectations and the state's financial outlook for the next two years.

Naturally many employees are disappointed that their raise does not go back to the January date—but a raise is a raise and a quarter of a loaf is a far sight better than none at all ! ! ! !

Checks which you will receive on May 27th will include the increase.

JOINT ORDER RELATING TO STATE WAGE POLICY

ORDERED, the House concurring, that,

Whereas, the general fund appropriation measure has been enacted by both branches and signed by the Governor, and

Whereas, the appropriations related to all departments have been fixed by that act, and

Whereas, it is the intent of the legislature that such appropriations should continue to express legislative intent with respect to these departments, and,

Whereas, the Personnel Board has indicated that in order to re-establish the state pay plan on essentially the same sound and equitable basis as it was originally adopted on March 5, 1951 it would be necessary to increase the classifications in general by two ranges.

The legislature does recognize that wage and salary levels for some classes, particularly of the nursing service in institutions may require special consideration over and above the one step wage measure provided for all classified employees.

In view of these conditions the legislature does approve the general proposition that if possible within the appropriations to all affected departments, the wage schedules of these classes of employees may receive special consideration, but the cost incident to such liberalizations shall be limited to such economies that may be effected by the several departments involved.

With reference to the nursing service this order recognizes the general right of the Governor and Council with respect to both the contingent account and the institutional emergency funds, and in no way seeks to restrict the general authority given to the Governor and the Council in appropriations from either of these funds for the problem presented by the nursing service wage scale levels.

JOINT LEGISLATIVE ORDER ON SALARY POLICY

The Directors of MSEA sincerely believe that a Joint Order relating to state wage policy (see box) will be of greater ultimate gain to most employees than any retroactive pay increase would have been. This Order, prepared and introduced at our request by Senator Robert Haskell, has been thoroughly discussed with Finance Officer Mudge and Personnel Director Vaughan. The principles expressed have their support together with that of Governor Cross and Institutional Commissioner Greenlaw. The measure received passage by both branches of the Legislature on the last day of the session.

Stymied during the past two years in all attempts to correct wage schedule inequities, the Association's basic purpose in getting such an order introduced was to gain an expression of legislative intent on the state's wage policy in the future. MSEA wanted the affirmative statement that the Legislature recognized the Personnel Board's position that need of additional range adjustments still existed in some classes of positions. Further we desired that the Legislature express its approval of changes in the state wage schedules if such are possible through administrative savings and personnel economics within present appropriations. Most important of all we needed the assurance that the Legislature would sanction the use of certain funds, i. e., the Governor's contingent fund and the institutional emergency fund, but only if absolutely necessary, in order that major adjustments of the nursing service wages be made within a reasonable time.

In simplest terms this order says: "Boys, we have parcelled out in the very best way we know how, all the money that the state is likely to receive during the next two years. Nobody — state employees included — got all they wanted! However — having spent \$25,000 for a scientific pay plan, we do want to see it kept workable if at all possible. We are, therefore, telling the proper executive people (finance, personnel and other department heads) to do their very best in keeping salaries current within the money we could give them. As for the nurses, attendants, etc., we will okay the Governor and Council's using special funds if necessary, so that we can pay wages at least equal to our major compe-

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tion, i. e., the private hospitals, within the state.

If hoped-for economies are forthcoming it would seem entirely logical to the Association that an adjustment in ranges similar to our "equalization of base" proposal might be possible within the next six to nine month period. This procedure would advance most positions one additional range with dollar increases payable only to employees on Step 1. Every other employee would be assigned to the next lower step in this new range. MSEA still contends that the following advantages favor such an adjustment as soon as possible:

1. Step 4 would again equal prevailing rates.
2. Each employee will eventually benefit by raising of the maximum i. e., Step 8.
3. A sound merit increase policy can be finally established for the first time since the adoption of the P. A. S. plan two years ago.
4. New employees can again be hired at Step 1 instead of Steps 2 or 3.

NURSING SERVICE

We hope that by July 1st a very definite program of range adjustments will be worked out, and that a specific time table for making such changes will have been agreed upon. The Directors of MSEA consider the nursing program to be of paramount importance and agree that all efforts will be taken to assist the Personnel Board and Commissioner of Institutional Services toward its solution.

EMPLOYEE MEMBER TO THE PERSONNEL BOARD

The next-to-the-last bill signed by Governor Cr6as for this session was the Association's Personnel Board Bill. We had our fingers crossed all the way, primarily because of rough treatment received in one branch, despite a favorable report of the Judiciary Committee.

The June Council meeting will elect our representative on the new tri-partite board. The department head member will be selected by the four other members. The 3 present members will be designated as "public members." We firmly believe that employee and department head representation on the board will aid in the making and interpretation of policy on personnel problems.

RETIREMENT LAW CHANGES TEN YEAR VESTED RIGHT

Our Ten-Year Vested Right bill, introduced two years ago, and again this year, has finally had passage. This amendment to the Retirement Law entitles an employee who has worked 10 or more years with the State of Maine to a retirement benefit at the age of 60, even though he may have been separated, by resignation or otherwise, from state service prior to reaching his 60th birthday. This provision does not interfere with the so-called 30-year vested right clause which allows a person to retire immediately after completion of that number of years, and to receive a reduced amount.

Two fundamental requirements must be met in order to be entitled to a retirement allowance at age 60 under the 10-year vested right bill. First, you must have been a member of the retirement system for 10 or more years prior to leaving state employ; and second, you must leave your money in the system until you reach age 60.

The State and the employee both gain under such a plan. A 10-year vested right establishes a goal more attainable by younger employees than the normal retirement at 60 or after 30 years. The inducement of such a goal should enable the State to retain the services of efficient employees for a longer period than at present, thus reducing expensive turnover.

RETIREMENT SYSTEM STUDY OKAYED

The Legislature appropriated the sum of \$25,000 to enable a thorough actuarial survey of our present retirement set-up and 'related titles of the Social Security Act' during the next two year period. As good as our pension plan is considered to be — it is still good business to carefully analyze all phases of the law, its administration, and its financing to further strengthen its future.

Some very good friends of the Association and strong supporters of a sound retirement program have been appointed by Senate President Nathaniel Haskell, and by House Speaker Roswell Bates to represent the Legislature on the 10 man committee charged with carrying out this directive. Those appointed are Senator Benjamin Butler of Farmington, Representa-

tives Lucia Cormier of Rumford, and Willis Trafton of Auburn. The Association's representative will be elected at the June Council meeting.

MILEAGE HIKE DENIED

No change in the present mileage rates of 7c for the first 5000 miles and 6c thereafter was allowed by the powers-that-be. The Appropriations Committee individually admitted that operating costs have gone up, and that they could not refute our figures for higher rates. However, the cost of \$40,000 or thereabouts, was sufficient reason in their eyes to deny our claim. This is the one major bill where we failed to make any headway whatsoever.

DISCIPLINARY AND DISMISSAL CLAUSE CLARIFIED

An amendment which has been introduced four times with slightly different wording in the past 15 years finally won the approval of the 98th. This change protects an employee who has been deprived illegally of his rights under the Personnel Law and Rules, or who has been dismissed without cause. The Association does not believe that there will be many instances when this new wording will be called upon, but it is a psychological gain to know that department heads, supervisors, etc. will now be held a whole lot more responsible for their acts in personnel management than was possible under the original wording of the Law.

RIGHTS OF VETERANS FURTHER DEFINED

Two documents were signed by the Governor which more clearly spelled out the preference to be granted to veterans, disabled or not, and to their widows. Service in the Korean campaign was included for the first time. A companion measure granted the right to leave with pay to members of all Reserve Forces who take annual training duty each year. The former statute was somewhat hazy as to whether more than the National Guard was to be granted such leave.

The Legislature says further salary adjustments can be had IF . . . Economy is everybody's business . . . work for the state as tho you were working for yourself. YOU ARE, you know!!!