

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 537

H. P. 434

House of Representatives, February 4, 1975

Referred to Committee on Appropriations and Financial Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Bustin of Augusta.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

**AN ACT to Provide Automatic Cost-of-living Wage Supplements for State,
Maine Maritime Academy and Classified University of Maine Employees.**

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

Sec. 1. Intent. It is the intent of the Legislature that State, Maine Maritime Academy and classified University of Maine employees receive a cents per hour cost-of-living wage supplement, adjusted semiannually upwards or downwards, according to a plan to be approved by the State Budget Officer and on the basis of detailed justification furnished to the State Controller, to the extent any such supplement becomes due under and in accordance with all the applicable terms and conditions of this Act.

Sec. 2. Effective dates. Effective with the pay period beginning on or after December 15, 1975, and thereafter coinciding with the pay period beginning on or after each June 15th and December 15th, the cost-of-living supplement shall be adjusted or, failing to meet the criteria for such adjustments, reaffirmed at the then existing level.

Sec. 3. Basis for adjustments and method of determination. Such adjustments in the cost-of-living supplement shall be based upon point changes, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, U. S. City Average, All Items — Series A, 1967=100, published monthly by the Bureau of Labor Statistics, U. S. Department of Labor, which for the purposes of this Act shall be called CPI. The method of determining such changes shall be as follows:

Effective Date

December 15, 1975:

Method of Determination

The point change in the CPI to the nearest 0.1 is to be based on the Oc-

June 15
(Each successive year):

tober, 1975 CPI measured against the June, 1975 CPI.

The point change in the CPI to the nearest 0.1 is to be based on the April CPI for that same year measured against the October CPI for the previous year.

December 15
(Each successive year):

The point change in the CPI to the nearest 0.1 is to be based on the October CPI for that same year measured against the April CPI for that same year.

Sec. 4. Availability of CPI. Continuance of the cost-of-living supplement program is contingent upon the availability of the CPI in its present form and calculated on the same basis used to derive the CPI for June, 1975. If the Bureau of Labor Statistics, U. S. Department of Labor, changes the form or the basis of calculating this CPI, the Governor or his authorized representative shall formally request the Bureau of Labor Statistics to make available, for the duration of the legislative biennium affected by such changes, a monthly CPI based on the June, 1975 CPI form and calculation methods.

Sec. 5. Amount of adjustments in the cost-of-living supplement. A 1¢ per hour increase or decrease in the cost-of-living supplement, for each hour worked within a 40-hour week, shall be made for each 0.4 points of change in the CPI measured against its previous level as stipulated in section 3 of this Act.

Sec. 6. Limitations on adjustments in the cost-of-living supplement. Adjustments in the cost-of-living supplement, if any, resulting in a cents per hour increase shall be limited to a cumulative maximum increase of 16¢ per fiscal year. Adjustments in the cost-of-living supplement, if any, resulting in a cents per hour decrease shall be limited to a cumulative maximum decrease of 16¢ per fiscal year. CPI point changes resulting in unrealized cost-of-living supplement adjustments, because of the aforementioned 16¢ limitations, shall be carried forward and utilized in calculating and offsetting subsequent adjustments. In no event shall a decline in the CPI point level below that of June, 1975 provide the basis for further decreases in the cost-of-living supplement or ever result in any cents per hour deductions from authorized pay rates which may be established from time to time.

Sec. 7. Duration of adjustments in the cost-of-living supplement. Each adjustment in the cost-of-living supplement shall continue in full force and effect until superceded by a subsequent adjustment in fulfillment of the stipulations set forth in sections 3, 5 and 6 of this Act.

Sec. 8. Payroll administration. The cost-of-living supplement shall not be incorporated into any authorized basic salary plan, such as the State Salary Plan, which may be established from time to time, but shall be maintained and exhibited separately as a part of each employee's straight time

earnings. The applicable cost-of-living supplement shall be included in computing overtime payments, vacation and holiday pay, sick leave pay, shift differentials and standby/call-back time.

Sec. 9. Unclassified employees subject to Governor and Council determination. With respect to unclassified employees whose wage rates are subject to Governor and Council determination, the Governor and Council shall grant similar and equitable cost-of-living supplement treatment to all individuals holding such positions.

Sec. 10. Unclassified employees not subject to Governor and Council determination. With respect to unclassified employees whose wage rates are not subject to Governor and Council determination, the authorities responsible for determining the wage rates of such employees shall grant similar and equitable cost-of-living supplement treatment to all individuals holding such positions.

Sec. 11. Utilization by other funds. Cost-of-living supplements of employees in departments supported by the Highway Fund, special revenue funds or other funds shall not be adjusted from moneys provided for the General Fund, Salary Plan Fund, but shall be adjusted from funds available to the departments from their own sources.

Sec. 12. University of Maine and Maine Maritime Academy. Cost-of-living supplements of the University of Maine and Maine Maritime Academy employees shall be adjusted in the same manner as state employees. Funds appropriated shall be paid to the University of Maine for classified employees and to the Maine Maritime Academy for its employees on a quarterly basis according to a plan approved by the State Budget Officer and on the basis of detailed justification furnished to the State Controller.

Sec. 13. Retired state employees. All members of the State Retirement System, notwithstanding the provisions of the Revised Statutes, Title 5, section 1128 to the contrary, shall be entitled to similar and equitable treatment in the form of increases and decreases in the cost-of-living supplements calculated on a monthly basis as \$1.73 for each 0.4 points of change measured against its previous level as stipulated in section 3, and subject to the limitations set forth in section 6 converted to their applicable monthly equivalents. The cost of said supplements shall be determined by the Board of Trustees of the Maine State Retirement System and, if necessary, included in their budget requests.

Sec. 14. Appropriation. There is appropriated from the General Fund the sum of \$1,970,188 for the fiscal year ending June 30, 1976, and the sum of \$3,940,376 for the fiscal year ending June 30, 1977 to accomplish the purposes of this Act. The breakdown shall be as follows:

	1975-76	1976-77
SALARY PLAN FUND		
State Employees Fund		
Personal Services	\$1,426,416	\$2,852,832

University of Maine		
Classified Employees	498,458	996,916
Maine Maritime Academy	45,314	90,628
	<u> </u>	<u> </u>
	\$1,970,188	\$3,940,376

Any balance remaining in this fund shall carry forward until June 30, 1977 to be used for the same purpose.

STATEMENT OF FACT

The purpose of this Act is to reasonably protect state employees' wages from inflationary erosion during the course of a biennium by means of semi-annual cost-of-living adjustments, pegged within certain limitations to point changes in the Consumer Price Index, thereby reducing the impact of cost-of-living wage adjustments at the start of each successive biennium.