

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1965

H. P. 1806 House of Representatives, January 19, 1976
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-SIX

**AN ACT Providing Automatic Cost-of-Living Wage Supplements For State,
Maine Maritime Academy and University of Maine Employees.**

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

Sec. 1. Intent. It is intended that all State, Maine Maritime Academy and University of Maine employees receive a cents per hour cost-of-living supplement, adjusted semiannually upwards or downwards, according to plans 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 June 15, 1976, and semiannually thereafter, the cost-of-living supplement shall be adjusted or, failing to meet the criteria for such adjustment, reaffirmed at the then existing level.

Sec. 3. Basis for adjustments and method of determination. 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, hereinafter referred to as CPI. The method of determining such changes, because of Bureau of Labor statistics time lags, shall be as follows:

Adjustment Dates	Determination of CPI Point Changes
June 15, 1976:	The CPI point change, to the nearest one-tenth point (0.1), shall be derived from the April, 1976 CPI measured against the October, 1975 CPI.
December 15, 1976:	The CPI point change, to the nearest one-tenth point (0.1), shall be derived from the October, 1976 CPI measured against the April, 1976 CPI.
June 15 Successive Years	The CPI point change, to the nearest one-tenth (0.1), shall be derived from the April CPI for the year in question measured against the October CPI for the previous year.
December 15 Successive Years:	The CPI point change, to the nearest one-tenth point (0.1), shall be derived from the October CPI for the year in question measured against the April CPI for the 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 October, 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 appropriate conversion tables.

Sec. 5. Amount of adjustments in the cost-of-living supplement. A one cent (\$0.01) per hour increase or decrease in the cost-of-living supplement, for each hour worked within a forty (40) hour week, shall be made for each four-tenths (0.4) points change in the CPI measured against its previous level as stipulated in section 3.

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 twenty cents (\$0.20) per hour during a 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 twenty cents (\$0.20) per hour during a fiscal year. CPI point changes resulting in unrealized cost-of-living supplement adjustments, because of the aforementioned twenty cent (\$0.20) limitations, shall be carried forward cumulatively to be applied to subsequent adjustment calculations. In no event shall a decline in the CPI point level below that of October 1975 provide the basis for further decreases in the cost-of-living supplement or ever result in any deductions from authorized basic pay plan rates.

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 superseded by a subsequent adjustment in fulfillment of the stipulations set forth in section 3, section 5 and section 6.

Sec. 8. Payroll administration. The cost-of-living supplement shall not be incorporated into any authorized basic pay plan, such as the State Pay 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 over-time payments, vacation and holiday pay, sick leave pay, shift differentials and standby and 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 its 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. Retired state employees, teachers or beneficiaries of either, notwithstanding Title 5, sections 1124 and 1128 to the contrary, shall be granted similar and equitable cost-of-living supplement treatment calculated on the basis that one-fourth of one per cent (0.0025%) per month of retirement annuity equates with one cent (\$0.01) for each four-tenths (0.4) points of CPI 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 percentage 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. Appropriations. There is appropriated from the General Fund the sum of \$146,164 for the fiscal year ending June 30, 1976, and the sum of

\$3,507,952 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	\$ 94,217	\$2,261,200
University of Maine Employees	50,249	1,205,984
Maine Maritime Academy Employees	1,698	40,768
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	\$146,164	\$3,507,952

Any balance remaining in this fund shall carry forward until July 1, 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.