

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1144

H. P. 950

House of Representatives, March 22, 1977

On Motion of Mr. Curran of South Portland referred to the Committee on Labor. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Laffin of Westbrook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**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 December 15, 1977, 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
December 15, 1977:

Determination of CPI Point Changes
The CPI point change, to the nearest one-tenth point (0.1), shall be derived

from the April, 1977 CPI measured against the October, 1977 CPI.

June 15, 1978:

The CPI point change, to the nearest one-tenth point (0.1), shall be derived from the October, 1977 CPI measured against the April, 1978 CPI.

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.

June 15
Successive Years:

The CPI point change, to the nearest one-tenth point (0.1), shall be derived from the April CPI for the year in question measured against the October CPI for the previous year.

Sec. 4. Availability of CPI. Continuance of the cost-of-living supplement program is contingent upon the availability of the CPI. 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 (\$.01) 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 full four-tenths (0.4) points of 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 (\$.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 (\$.20) per hour during a fiscal year. CPI point changes resulting in unrealized cost-of-living supplement adjustments, because of the aforementioned twenty cent (\$.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 April 1977 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 sections 3, 5 and 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 overtime payments, vacation and holiday pay, sick leave pay, shift differentials and standby or call-back time.

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

Sec. 10. Unclassified employees not subject to Governor's determination. With respect to unclassified employees whose wage rates are not subject to the Governor's 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. Appropriation. There is appropriated from the General Fund the sum of \$1,450,258 for the fiscal year ending June 30, 1978, and the sum of \$2,900,515 for the fiscal year ending June 30, 1979, to accomplish the purposes of this Act. The breakdown shall be as follows:

	1977-78	1978-79
STATE EMPLOYEES SALARY PLAN		
Personal Services	\$ 842,066	\$1,684,131
UNIVERSITY OF MAINE SALARY PLAN		
All Other	588,224	1,176,448
MAINE MARITIME ACADEMY SALARY PLAN		
All Other	19,968	39,936
	<hr/> \$1,450,258	<hr/> \$2,900,515

Any balance remaining in this fund shall carry forward until July 1, 1979, to be used for the same purpose.

STATEMENT OF FACT

The purpose of this bill 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.