

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1576

S.P. 617

In Senate, July 9, 2013

**An Act To Fund Agreements with Certain State Employee Unions
and Ensure Equitable Treatment for Other State Employees**

(EMERGENCY)

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator THIBODEAU of Waldo. (GOVERNOR'S BILL)

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** certain obligations and expenses incident to the operation of state
4 collective bargaining agreements will become due and payable immediately; and

5 **Whereas,** it is the responsibility of the Legislature to act upon those portions of
6 collective bargaining agreements negotiated by the executive branch that require
7 legislative action; and

8 **Whereas,** the Governor and the Legislature share a desire to address in a timely
9 manner the needs of certain state employees excluded from collective bargaining units;
10 and

11 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
12 the meaning of the Constitution of Maine and require the following legislation as
13 immediately necessary for the preservation of the public peace, health and safety; now,
14 therefore,

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

16 **Sec. 1. PL 2013, c. 368, Pt. E, §1** is amended to read:

17 **Sec. E-1. Merit increases.** Notwithstanding the Maine Revised Statutes, Title 26,
18 ~~section~~ sections 979-D and 1285, or any other provision of law, any merit increase,
19 regardless of funding source, scheduled to be awarded or paid between July 1, 2014 and
20 June 30, 2015 to any person employed by the departments and agencies within the
21 executive branch, including the constitutional officers and the Office of the State Auditor,
22 or by the legislative branch or judicial branch may not be awarded, authorized or
23 implemented. These savings may be replaced by other Personal Services savings by
24 agreement of the State and the bargaining agents representing state employees.

25 **Sec. 2. Costs to General Fund.** Costs to the General Fund must be provided in
26 all or part through a transfer of Personal Services appropriations within and between
27 departments and agencies and from the Salary Plan program, General Fund account in the
28 Department of Administrative and Financial Services in the amount of \$2,531,317 for the
29 fiscal year ending June 30, 2014 and in the amount of \$6,234,562 for the fiscal year
30 ending June 30, 2015 to implement the economic terms of the collective bargaining
31 agreements made by the State and the American Federation of State, County and
32 Municipal Employees, the Maine State Troopers Association, the Maine State Law
33 Enforcement Association and, subject to ratification, the Maine State Employees
34 Association, to provide equitable treatment of employees excluded from bargaining
35 pursuant to the Maine Revised Statutes, Title 26, section 979-A, subsection 6, paragraphs
36 E and F and, notwithstanding Title 26, section 979-D, subsection 1, paragraph E,
37 subparagraph (3), to implement equitable adjustments for confidential employees.

38 **Sec. 3. Transfer of Personal Services appropriations between programs**
39 **and departments.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585

1 or any other provision of law, available balances in the General Fund for Personal
2 Services in fiscal year 2013-14 and fiscal year 2014-15 may be transferred by financial
3 order between programs and departments within the General Fund upon recommendation
4 of the State Budget Officer and approval of the Governor to be used for costs associated
5 with collective bargaining agreements for state employees.

6 **Sec. 4. Costs to the Highway Fund.** Costs to the Highway Fund must be
7 provided in all or part through a transfer of Personal Services allocations within and
8 between departments and agencies and from the Salary Plan program, General Fund
9 account in the Department of Administrative and Financial Services in the amount of
10 \$879,796 for the fiscal year ending June 30, 2014 and in the amount of \$2,181,684 for the
11 fiscal year ending June 30, 2015 to implement the economic terms of the collective
12 bargaining agreements made by the State and the American Federation of State, County
13 and Municipal Employees, the Maine State Troopers Association, the Maine State Law
14 Enforcement Association and, subject to ratification, the Maine State Employees
15 Association, to provide equitable treatment of employees excluded from bargaining
16 pursuant to the Maine Revised Statutes, Title 26, section 979-A, subsection 6, paragraphs
17 E and F and, notwithstanding Title 26, section 979-D, subsection 1, paragraph E,
18 subparagraph (3), to implement equitable adjustments for confidential employees.

19 **Sec. 5. Transfer of Personal Services allocations between programs and**
20 **departments.** Notwithstanding the Maine Revised Statutes, Title 5, section 1585 or any
21 other provision of law, available balances in the Highway Fund for Personal Services in
22 fiscal year 2013-14 and fiscal year 2014-15 may be transferred by financial order
23 between programs and departments within the Highway Fund upon recommendation of
24 the State Budget Officer and approval of the Governor to be used for costs associated
25 with collective bargaining agreements for state employees.

26 **Sec. 6. Adjustment of salary schedules for fiscal year 2013-14.** Effective at
27 the beginning of the pay week commencing closest to September 1, 2013, the salary
28 schedules for employees subject to the collective bargaining agreements described in
29 sections 2 and 4 of this Act must be adjusted upward by 1%. The salary schedule
30 adjustment made by this section for employees in bargaining units represented by the
31 Maine State Employees Association is contingent upon ratification of the agreements
32 tentatively agreed to on July 3, 2013.

33 **Sec. 7. Adjustment of salary schedules for fiscal year 2014-15.** Effective at
34 the beginning of the pay week commencing closest to July 1, 2014, the salary schedules
35 for employees subject to the collective bargaining agreements described in sections 2 and
36 4 of this Act must be adjusted upward by 1%. The salary schedule adjustment made by
37 this section for employees in bargaining units represented by the Maine State Employees
38 Association is contingent upon ratification of the agreements tentatively agreed to on July
39 3, 2013.

40 **Sec. 8. New, temporary and seasonal employees; similar and equitable**
41 **treatment.** Employees in classifications included in bargaining units subject to
42 collective bargaining agreements described in sections 2 and 4 of this Act who are
43 excluded from collective bargaining pursuant to the Maine Revised Statutes, Title 26,

1 section 979-A, subsection 6, paragraphs E and F must be given treatment similar and
2 equitable on a pro rata basis to that given employees covered by the collective bargaining
3 agreements.

4 **Sec. 9. Confidential employees; similar and equitable treatment.**
5 Confidential employees must be given treatment similar and equitable on a pro rata basis
6 to that given employees covered by collective bargaining agreements described in
7 sections 2 and 4 of this Act. The Governor is authorized to adjust the salaries of
8 confidential employees to achieve parity with their counterparts in the legislative branch
9 and judicial branch, and such adjustments may be made effective July 1, 2013. For the
10 purposes of this section, "confidential employees" means those employees within the
11 executive branch, including probationary employees, who are in positions excluded from
12 bargaining units pursuant to the Maine Revised Statutes, Title 26, section 979-A,
13 subsection 6, paragraphs B, C, D, I and J.

14 **Sec. 10. Employee salaries subject to Governor's adjustment or approval.**
15 The Governor is authorized to grant similar and equitable treatment consistent with this
16 Act for those unclassified employees whose salaries are subject to the Governor's
17 adjustment or approval.

18 **Sec. 11. Transfer from Salary Plan program and special account funding.**
19 The Salary Plan program, General Fund account in the Department of Administrative and
20 Financial Services may be made available as needed in allotment by financial order upon
21 the recommendation of the State Budget Officer and approval of the Governor to be used
22 for the implementation of the collective bargaining agreements for state employees and
23 for other economic items contained in this Act in fiscal years 2013-14 and 2014-15.
24 Positions supported from sources of funding other than the General Fund and the
25 Highway Fund must be funded from those other sources.

26 **Sec. 12. Authorization for reimbursement of costs associated with**
27 **contract resolution.** The Department of Administrative and Financial Services may be
28 reimbursed from the Salary Plan program, General Fund account in the Department of
29 Administrative and Financial Services for the costs of contract resolution, administration
30 and implementation and other costs required by the process of collective bargaining and
31 negotiation procedures.

32 **Sec. 13. Appropriations and allocations.** The following appropriations and
33 allocations are made.

34 **JUDICIAL DEPARTMENT**

35 **Courts - Supreme, Superior and District 0063**

36 Initiative: Deappropriates funds from eliminating merit pay increases for judicial branch
37 employees in fiscal year 2014-15.

38

1	GENERAL FUND	2013-14	2014-15
2	Personal Services	\$0	(\$740,629)
3			
4	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$740,629)</u>

5			
6	JUDICIAL DEPARTMENT		
7	DEPARTMENT TOTALS	2013-14	2014-15
8			
9	GENERAL FUND	\$0	(\$740,629)
10			
11	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$740,629)</u>

12 **LEGISLATURE**

13 **Law and Legislative Reference Library 0636**

14 Initiative: Deappropriates funds from eliminating merit pay increases for legislative
15 branch employees in fiscal year 2014-15.

16			
17	GENERAL FUND	2013-14	2014-15
18	Personal Services	\$0	(\$14,351)
19			
20	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$14,351)</u>

21 **Legislature 0081**

22 Initiative: Deappropriates funds from eliminating merit pay increases for legislative
23 branch employees in fiscal year 2014-15.

24			
25	GENERAL FUND	2013-14	2014-15
26	Personal Services	\$0	(\$182,424)
27			
28	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$182,424)</u>

29			
30	LEGISLATURE		
31	DEPARTMENT TOTALS	2013-14	2014-15
32			
33	GENERAL FUND	\$0	(\$196,775)
34			
35	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$196,775)</u>

36 **PROGRAM EVALUATION AND GOVERNMENT ACCOUNTABILITY,**
37 **OFFICE OF**

38 **Office of Program Evaluation and Government Accountability 0976**

1 Initiative: Deappropriates funds from eliminating merit pay increases for legislative
2 branch employees in fiscal year 2014-15.

3

4	GENERAL FUND	2013-14	2014-15
5	Personal Services	\$0	(\$12,314)
6			
7	GENERAL FUND TOTAL	<u>\$0</u>	<u>(\$12,314)</u>

8

9 **PROGRAM EVALUATION AND**
10 **GOVERNMENT ACCOUNTABILITY, OFFICE**
11 **OF**
12 **DEPARTMENT TOTALS**

13		2013-14	2014-15
14	GENERAL FUND	\$0	(\$12,314)
15			
16	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$12,314)</u>

17

18 **SECTION TOTALS**

19		2013-14	2014-15
20	GENERAL FUND	\$0	(\$949,718)
21			
22	SECTION TOTAL - ALL FUNDS	<u>\$0</u>	<u>(\$949,718)</u>

23 **Emergency clause.** In view of the emergency cited in the preamble, this
24 legislation takes effect when approved.

25 **SUMMARY**

26 This bill implements the cost items in the collective bargaining agreements reached
27 between the State and the American Federation of State, County and Municipal
28 Employees, the Maine State Troopers Association and the Maine State Law Enforcement
29 Association and, if tentative agreements are ratified, the Maine State Employees
30 Association and provides for equitable treatment for confidential employees and certain
31 other employees excluded from collective bargaining.

32 The bill specifies the costs from the General Fund and Highway Fund to fund salary
33 increases and authorizes the transfer by financial order of available General Fund and
34 Highway Fund balances as necessary.

35 The bill provides for the adjustment of certain salary schedules in fiscal year 2013-14
36 and in fiscal year 2014-15. The bill provides for similar and equitable treatment of
37 confidential employees, probationary employees and other employees excluded from
38 collective bargaining.

1 The bill authorizes the Governor to adjust confidential employee salaries as required
2 to achieve parity with comparable positions in the legislative and judicial branches and
3 further authorizes the Governor to grant similar and equitable treatment of employees
4 whose salaries are subject to the Governor's adjustment or approval.

5 The bill authorizes use of the Salary Plan program to fund the collective bargaining
6 agreements and other cost items and provides that positions supported from other funds
7 must be funded whenever possible from those other sources.

8 The bill provides for reimbursement to the Department of Administrative and
9 Financial Services for costs incurred in the process of collective bargaining and contract
10 administration and related costs.

11 The bill provides that employees of the legislative and judicial branches are subject to
12 the same merit pay freeze in fiscal year 2014-15 as executive branch employees and
13 deappropriates funds related to the elimination of those merit pay increases.

14 **FISCAL NOTE REQUIRED**

15 **(See attached)**



126th MAINE LEGISLATURE

LD 1576

LR 2198(01)

An Act To Fund Agreements with Certain State Employee Unions and Ensure Equitable Treatment for Other State Employees

Fiscal Note for Original Bill
Sponsor: Sen. Thibodeau of Waldo
Committee: Not Referred
Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	(\$949,718)	(\$973,462)	(\$997,797)
Appropriations/Allocations				
General Fund	\$0	(\$949,718)	(\$973,462)	(\$997,797)

Fiscal Detail and Notes

This bill authorizes a 1% salary increase effective September 1, 2013 and 1% effective July 1, 2014 for certain Executive Branch employees. It provides funding through the transfer of General Fund and Highway Fund Personal Services balances between programs and departments and from the Salary Plan program within the Department of Administrative and Financial Services. The General Fund cost is estimated to be \$2,531,317 in fiscal year 2013-14 and \$6,234,562 in fiscal year 2014-15. The Highway Fund cost is estimated to be \$879,796 in fiscal year 2013-14 and \$2,181,684 in fiscal year 2014-15.

This bill also authorizes the Governor to adjust the salaries of confidential employees to achieve parity with their counterparts in the legislative and judicial branches. That cost cannot be estimated at this time.

Eliminating merit pay increases for employees in the legislative branch and the judicial branch will result in General Fund savings of \$949,718 in fiscal year 2014-15.