

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

Majority

SJK
ROS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

Date 6/21/23 Majority

L D 1854
(Filing No H- 669)

STATE AND LOCAL GOVERNMENT

Reproduced and distributed under the direction of the Clerk of the House

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H P 1184, L D 1854, "An Act to Complete and Implement the Comprehensive Review of the Classification and Compensation System for Executive Branch Employees"

Amend the bill in section 4 in subsection 4 by striking out all of paragraph B (page 1, lines 19 to 22 in L D) and inserting the following

'B The procedure must provide for a market pay study every 4 years that compares the salaries of state employees with employees performing comparable work for a sampling of private and public employees in this State, other New England states and other states as appropriate The bureau shall submit a report on the market pay study to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs, the joint standing committee of the Legislature having jurisdiction over state and local government matters and the bargaining agents that represent a bargaining unit of state employees no later than September 30, 2024 and every 4 years thereafter'

Amend the bill in section 5 in subsection 8 in the 9th line (page 1, line 35 in L D) by striking out the following "labor organization that represents" and inserting the following 'bargaining agents that represent'

Amend the bill in section 6 in the 2nd line (page 2, line 2 in L D) by striking out the following "a" and inserting the following 'the'

Amend the bill in section 6 in the 4th line (page 2, line 4 in L D) by striking out the following "performed" and inserting the following 'that was undertaken'

Amend the bill by striking out all of section 7 and inserting the following

'Sec. 7. Report to Legislature and bargaining agents. No later than January 31, 2024, the Commissioner of Administrative and Financial Services shall submit a report based upon recommendations in the comprehensive review of the classification and compensation system for employees of the executive branch of the State undertaken pursuant to a memorandum of agreement executed with the Maine Service Employees Association, SEIU Local 1989 on June 25, 2019 to the joint standing committee of the

COMMITTEE AMENDMENT

ROS

1 Legislature having jurisdiction over appropriations and financial affairs, the joint standing
2 committee of the Legislature having jurisdiction over state and local government matters
3 and the bargaining agents that represent bargaining units of state employees

4 **Sec. 8. Negotiations.** No later than January 31, 2024, the Commissioner of
5 Administrative and Financial Services, or the commissioner's designee, shall begin
6 negotiating in good faith with the bargaining agents that represent bargaining units of state
7 employees on the implementation of the recommendations to close the pay gaps between
8 employees of this State and public and private employees performing comparable work in
9 this State, other New England states and other states as appropriate '

10 Amend the bill by striking out all of section 9 and inserting the following

11 **'Sec. 9. Appropriations and allocations.** The following appropriations and
12 allocations are made

13 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

14 **Administration - Human Resources 0038**

15 Initiative Provides one-time funding to the Department of Administrative and Financial
16 Services to commission a comprehensive study of the wages and compensation system for
17 employees of the executive branch of the State pursuant to a memorandum of agreement
18 executed with the Maine Service Employees Association, SEIU Local 1989 on June 25,
19 2019

20	GENERAL FUND	2023-24	2024-25
21	All Other	\$1,200,000	\$0
22			
23	GENERAL FUND TOTAL	<u>\$1,200,000</u>	<u>\$0</u>

24 **Administration - Human Resources 0038**

25 Initiative Provides funding for one Public Service Coordinator I position, 3 Human
26 Resource Analyst positions and related costs to complete the classification plan every 10
27 years and the market pay study every 4 years

28	GENERAL FUND	2023-24	2024-25
29	POSITIONS - LEGISLATIVE COUNT	4 000	4 000
30	Personal Services	\$433,420	\$457,080
31	All Other	\$21,500	\$21,500
32			
33	GENERAL FUND TOTAL	<u>\$454,920</u>	<u>\$478,580</u>

34 **State Employee Compensation Stabilization Fund N472**

35 Initiative Establishes the State Employee Compensation Stabilization Fund with a base
36 Other Special Revenue Funds allocation of \$500 beginning in fiscal year 2023-24

37	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
38	All Other	\$500	\$500
39			
40	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$500</u>	<u>\$500</u>

41

COMMITTEE AMENDMENT

ROS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS	2023-24	2024-25
GENERAL FUND	\$1,654,920	\$478,580
OTHER SPECIAL REVENUE FUNDS	\$500	\$500
DEPARTMENT TOTAL - ALL FUNDS	\$1,655,420	\$479,080

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively

SUMMARY

This amendment changes the frequency of the market pay study conducted by the Department of Administrative and Financial Services from every 2 years to every 4 years. The amendment requires the department to submit the study no later than September 30, 2024 and every 4 years thereafter to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs, the joint standing committee of the Legislature having jurisdiction over state and local government matters and the bargaining agents that represent bargaining units of state employees. The amendment requires the department to submit to the same group, no later than January 31, 2024, a report based on the comprehensive review of the classification and compensation system that was undertaken by the department pursuant to a memorandum of agreement executed with the Maine Service Employees Association, SEIU Local 1989 on June 25, 2019. The amendment requires the department to begin negotiations with the bargaining agents that represent bargaining units of state employees no later than January 31, 2024 to implement closing the pay gaps.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 1854

LR 1090(02)

An Act to Complete and Implement the Comprehensive Review of the Classification and Compensation System for Executive Branch Employees

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-669)

Committee: State and Local Government

Fiscal Note Required: Yes

Fiscal Note

Redistribution of final priority transfers

Reduces funding to the Highway and Bridge Capital program - Other Special Revenue Funds

Increases funding to the State Employee Compensation Fund - Other Special Revenue Funds

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$1,654,920	\$478,580	\$493,206	\$508,301
Appropriations/Allocations				
General Fund	\$1,654,920	\$478,580	\$493,206	\$508,301
Other Special Revenue Funds	\$500	\$500	\$500	\$500

Fiscal Detail and Notes

The bill establishes the State Employee Compensation Stabilization Fund with a base Other Special Revenue Funds allocation of \$500 beginning in fiscal year 2023-24. The bill requires the Commissioner of the Department of Administrative and Financial Services (DAFS) to submit the consultant's recommendations related to closing the pay gap between employees of the state and public and private employees by January 31, 2024. The Commissioner is required to implement the recommendations by July 1, 2024. If the recommendations are not implemented by July 1, 2024, the salary of every employee of the executive branch must be increased by 5% at an estimated cost of \$55,000,000. The cost of the Consultant's recommendations will not be known until the study is completed. These salary increases would be paid from the Fund.

Current law provides that, at the close of any fiscal year, balances remaining in the unappropriated surplus of the General Fund after other priority transfers have been made as part of the so called "cascade" be distributed 80% to the Maine Budget Stabilization Fund and 20% to the Highway and Bridge Capital program.

This bill proposes to lower the percentage of funding distributed to the Highway and Bridge Capital program from 20% to 19% and redirect that 1% to the State Employee Compensation Stabilization Fund. The amount of any revenue under this provision will not be known until the close of fiscal year 2023-24.

C "A" (H-669)

The bill includes a one-time General Fund appropriation of \$1,200,000 in fiscal year 2023-24 to DAFS to commission a comprehensive study of the wages and compensation system for employees of the executive branch of State Government pursuant to a memorandum of agreement executed with the Maine State Employees Association on June 25, 2019. The bill also includes General Fund appropriations of \$454,920 in fiscal year 2023-24 and \$478,580 in fiscal year 2024-25 to DAFS for one Public Service Coordinator I position, 3 Human Resource Analyst positions and related costs to complete the classification plan every 10 years and the market pay study every 4 years.