

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1854

H.P. 1184

House of Representatives, May 2, 2023

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

Reference to the Committee on State and Local Government suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative GATTINE of Westbrook.

Cosponsored by Senator BALDACCI of Penobscot and

Representatives: ABDI of Lewiston, ANKELES of Brunswick, ARFORD of Brunswick, BELL of Yarmouth, BOYLE of Gorham, BRENNAN of Portland, CLOUTIER of Lewiston, CLUCHEY of Bowdoinham, COLLINGS of Portland, COPELAND of Saco, CRAFTS of Newcastle, CRAVEN of Lewiston, CRAY of Palmyra, CROCKETT of Portland, DANA of the Passamaquoddy Tribe, DHALAC of South Portland, DILL of Old Town, DODGE of Belfast, DOUDERA of Camden, EATON of Deer Isle, FAULKINGHAM of Winter Harbor, FAY of Raymond, GEIGER of Rockland, GERE of Kennebunkport, GOLEK of Harpswell, GRAHAM of North Yarmouth, GRAMLICH of Old Orchard Beach, HASENFUS of Readfield, HEPLER of Woolwich, HOBBS of Wells, JACKSON of Oxford, JAUCH of Topsham, KESSLER of South Portland, KUHN of Falmouth, LANDRY of Farmington, LaROCHELLE of Augusta, LEE of Auburn, LOOKNER of Portland, MADIGAN of Waterville, MALON of Biddeford, MASTRACCIO of Sanford, MATHIESON of Kittery, MATLACK of St. George, MEYER of Eliot, MILLETT of Cape Elizabeth, MILLIKEN of Blue Hill, MONTELL of Gardiner, MOONEN of Portland, MORIARTY of Cumberland, MURPHY of Scarborough, O'CONNELL of Brewer, O'NEIL of Saco, OSHER of Orono, PAULHUS of Bath, PERRY of Calais, PERRY of Bangor, PLUECKER of Warren, POIRIER of Skowhegan, PRINGLE of Windham, RANA of Bangor, RECKITT of South Portland, RIELLY of Westbrook, RISEMAN of Harrison, ROBERTS of South Berwick, ROEDER of Bangor, RUNTE of York, RUSSELL of Verona Island, SACHS of Freeport, SALISBURY of Westbrook, SARGENT of York, SAYRE of Kennebunk, SHAGOURY of Hallowell, SHEEHAN of Biddeford, SKOLD of Portland, SMITH of Palermo, STOVER of Boothbay, SUPICA of Bangor, Speaker TALBOT ROSS of Portland, TERRY of Gorham, WARREN of Scarborough, WHITE of Waterville, WILLIAMS of Bar Harbor, ZAGER of Portland, ZEIGLER of Montville, Senators: BAILEY of York, BEEBE-CENTER of Knox, BLACK of Franklin, BRENNER of Cumberland, CARNEY of Cumberland, CHIPMAN of Cumberland, CURRY of Waldo, DAUGHTRY of Cumberland, GROHOSKI of Hancock, HICKMAN of Kennebec, INGWERSEN of York, President JACKSON of Aroostook, LaFOUNTAIN of Kennebec, LAWRENCE of York, MOORE of Washington, NANGLE of Cumberland, PIERCE of Cumberland, RAFFERTY of York, RENY of Lincoln, ROTUNDO of Androscoggin, TIPPING of Penobscot, VITELLI of Sagadahoc.

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

2 **Sec. 1. 5 MRSA §1536, sub-§1, ¶A**, as amended by PL 2015, c. 267, Pt. L, §8, is
3 further amended to read:

4 A. Eighty percent to the stabilization fund; ~~and~~

5 **Sec. 2. 5 MRSA §1536, sub-§1, ¶G**, as enacted by PL 2021, c. 398, Pt. ZZZ, §3,
6 is amended to read:

7 G. ~~Twenty Nineteen~~ percent to the Highway and Bridge Capital program, Other
8 Special Revenue Funds account; ~~and~~

9 **Sec. 3. 5 MRSA §1536, sub-§1, ¶H** is enacted to read:

10 H. One percent to the State Employee Compensation Stabilization Fund under section
11 7061, subsection 8.

12 **Sec. 4. 5 MRSA §7061, sub-§4**, as enacted by PL 1987, c. 541, is amended to read:

13 **4. Implementation.** The procedure established pursuant to this section ~~shall~~ must be
14 implemented by the bureau in conjunction with state agencies. State agencies shall provide
15 sufficient employees and resources to efficiently and effectively implement this section.

16 A. The procedure shall provide for periodic updating of job descriptions ~~and the~~
17 compensation plan under section 7065 at least every 5 years to accurately reflect
18 current duties and responsibilities of each job classification.

19 B. Beginning in 2024, the procedure must provide a market pay study every 2 years
20 that compares the salaries of state employees with employees performing comparable
21 work for a sampling of private and public employees in the State, other New England
22 states and other states as appropriate.

23 C. Beginning in 2024, the procedure must provide for a comprehensive review of the
24 classification plan every 10 years to make modifications and improvements as
25 determined necessary.

26 **Sec. 5. 5 MRSA §7061, sub-§8** is enacted to read:

27 **8. State Employee Compensation Stabilization Fund.** The State Employee
28 Compensation Stabilization Fund, referred to in this subsection as "the fund," is established
29 and administered by the Department of Administrative and Financial Services. Amounts in
30 the fund must be expended to augment the salaries of state employees to provide parity
31 between the salaries of state employees and the salaries of comparable positions in the
32 public and private sectors as determined by a market pay study under subsection 4,
33 paragraph B or other market pay study conducted, contracted or reviewed by the
34 Department of Administrative and Financial Services and as agreed upon through
35 negotiations with the labor organization that represents state employees. The fund is funded
36 by revenue received pursuant to section 1536, subsection 1, paragraph H. Amounts in the
37 fund may be invested as provided by law, and interest earned by the fund is credited to the
38 fund. The balance of the fund may not lapse but must be carried forward to the next fiscal
39 year. For purposes of this subsection, "state employee" has the same meaning as in Title
40 26, section 979-A, subsection 6.

1 **Sec. 6. Commissioner of Administrative and Financial Services to complete**
2 **review.** The Commissioner of Administrative and Financial Services shall complete a
3 comprehensive review of the classification and compensation system for employees of the
4 executive branch of the State performed pursuant to a memorandum of agreement executed
5 with the Maine State Employees Association on June 25, 2019, including a recalculation
6 of the market salary report using current salary data.

7 **Sec. 7. Report to Legislature.** By January 31, 2024, the Commissioner of
8 Administrative and Financial Services shall submit a report based upon recommendations
9 made by a consultant commissioned by the commissioner to perform a comprehensive
10 review of the classification and compensation system for employees of the executive
11 branch of the State performed pursuant to a memorandum of agreement executed with the
12 Maine State Employees Association on June 25, 2019.

13 **Sec. 8. Implementation; automatic increase.** By July 1, 2024, the Commissioner
14 of Administrative and Financial Services shall implement the recommendations to fund the
15 closing of the pay gap between employees of the State and public and private employees
16 performing comparable work in the State, other New England states and other states as
17 appropriate. If the recommendations under section 7 are not implemented by July 1, 2024,
18 the salary of every employee of the executive branch must increase by 5%. The
19 commissioner shall pay for salary increases under this section from the State Employee
20 Compensation Stabilization Fund established in the Maine Revised Statutes, Title 5, section
21 7061, subsection 8.

22 **Sec. 9. Appropriations and allocations.** The following appropriations and
23 allocations are made.

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

25 **Administration - Human Resources 0038**

26 Initiative: Provides one-time funding to the Department of Administrative and Financial
27 Services to commission a comprehensive study of the classification and compensation
28 system for employees of the executive branch of State Government pursuant to a
29 memorandum of agreement executed with the Maine State Employees Association on June
30 25, 2019.

31 GENERAL FUND	2023-24	2024-25
32 All Other	\$1,000,000	\$0
33		
34 GENERAL FUND TOTAL	<u>\$1,000,000</u>	<u>\$0</u>

35 **SUMMARY**

36 This bill requires:

- 37 1. A periodic updating of the compensation plan for classified state employees;
- 38 2. A market pay study every 2 years comparing the salaries of classified state
39 employees with salaries of employees performing comparable work;
- 40 3. A comprehensive review of the classification plan every 10 years to make
41 modifications and improvements as determined necessary;

1 4. The establishment of the State Employee Compensation Stabilization Fund to pay
2 for the increase of state employee salaries as determined by market pay studies conducted,
3 contracted or reviewed by the Department of Administrative and Financial Services and as
4 agreed upon through negotiations with the labor organization representing state employees.
5 Funding for the State Employee Compensation Stabilization Fund comes from 1% of the
6 unappropriated General Fund surplus at the close of each fiscal year;

7 5. The Commissioner of Administrative and Financial Services to complete a
8 comprehensive review of the classification and compensation system for employees of the
9 executive branch of the State performed pursuant to a memorandum of agreement executed
10 with the Maine State Employees Association on June 25, 2019, including a recalculation
11 of the market salary report using current salary data;

12 6. The Commissioner of Administrative and Financial Services to submit a report based
13 upon recommendations made by a consultant commissioned by the commissioner to
14 perform a comprehensive review of the classification and compensation system for
15 employees of the executive branch of the State;

16 7. The implementation, by July 1, 2024, of the recommendations to close the pay gap.
17 If the Commissioner of Administrative and Financial Services fails to implement the
18 recommendations by July 1, 2024, the salaries of all state employees is increased by 5%;
19 and

20 8. One-time funding to the Department of Administrative and Financial Services to
21 commission the comprehensive review.