

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)

HARY

STATE OF MAINE
AUGUSTA, MAINE

STATE OF MAINE

STUDY OF AND RECOMMENDATIONS
FOR THE
CLASSIFICATION AND COMPENSATION
OF STATE EMPLOYEES

December 30, 1975

This report is confidential and intended solely
for the information of the client to whom it is
addressed, and those individuals he may
designate.

George W. Baird, Jr.
Pamela A. Black
Richard R. Broholm

Prepared by
Herbert F. Crehan Miles B. King Ph.D.
Robert A. Fuller Alan Langer
John A. Haas, Ph.D. Robert H. Selles
William D. Jones Joan P. Varga



HAY ASSOCIATES
Boston, Massachusetts

C

JAN 28 1986

STATE LAW LIBRARY
AUGUSTA, MAINE

SECTION

TABLE OF CONTENTS

	Page
I Introduction	1
II Recommendations In Brief	3
III Recommended Salary Structures	6
Schedule I	8
Schedule Ia	10
IV Noncash Recommendations and Findings	13
Table NC1	24
Table NC2	25
Table NC3	26
Exhibit Ia	27
Exhibit 1	28
Exhibit 2	29
Exhibit 3	33
Exhibit 5	37
Exhibit 4	40
Exhibit 6	41
V Salary Administration - Policy & Principle	42
VI Organizing for Compensation & Classification	48
VII Reallocation of Classes Based on Measured Job Content	52
Chart: Present Grades vs. Measured Content	54
Table: Distribution of Classes by Grade - Present vs. Recommended	58
Range Change Recommendations - Omnibus Bill	60
Table 1: Analysis of Civil Engineering Job Family	67
Table 2: Analysis of Nursing Job Family	68
Table 3: Analysis of Data Processing Job Family	69
Table 4: Analysis of Clerk-Typist-Steno Job Family	70
Table 5: Analysis of Human Service Job Family	71
Table : Collapsible Classes	73
VIII Analysis of Actual Base Salaries	77
Scatter Diagram 1: Total Incumbents	78
Scatter Diagram 2: Department of Agriculture	81
Scatter Diagram 3: Education	83

	Page
Scatter Diagram 4: Manpower Affairs	85
Scatter Diagram 5: Finance and Administration	87
Scatter Diagram 6: Conservation	89
Scatter Diagram 7: Health & Welfare	91
Scatter Diagram 8: Transportation	93
Scatter Diagram 9: Mental Health & Correction	95
Scatter Diagram 10: Public Safety	97
Scatter Diagram 11: Unclassified Services	99
Exhibit I: Salary Distribution by Grade Step	102
Table: Analysis of Organization Variations in Salary Practice	104
IX External Comparisons	105
Chart A	108
Chart F	111
Chart G	113
Chart G4	115
Chart SA (1)	117
Chart SA (F)	119
Chart MI	121
Table M2	122
Table M1	125
Table: Composite Market Comparisons	127
X Unclassified Positions	128
XI Study Procedures	133
Appendix	
Covering Letter	
Position Questionnaire	
Covering Letters	
Position Inventory Record Institution Sheet	
Unclassified Position Questionnaire	
Analyst Training Agenda	
Procedures for Analysts	
Job Activity Questionnaire	
Classification Project	
List of Evaluators	
Memorandum Re: Review of Position Specification	
Guide Charts	

INTRODUCTION

This report contains the findings and analyses, and documents the study methods employed, to produce recommended salary structures, noncash adjustments, reclassifications, and concepts for organizing, assigning accountability for, determining, and maintaining cash and noncash compensation for State employees.

Specifically, this report will include procedures for maintaining classification and compensation systems, organization and accountability for the compensation and classification system, ways of controlling the award of merit increases, policy alternatives for dealing with exempt, overtime and/or special conditions of work, criteria for establishing unclassified positions, and the collapsing of specific classifications. A later report will outline procedures for establishing required knowledge, skill and ability, and desirable entrance requirements, and any additional basis for collapsing and banding of specifications.

In August, 1975, the Commissioner of Finance and Administration engaged Hay Associates to review and report on the classification and compensation system for the employees of the State of Maine. This study was prompted by concerns expressed by the Legislature, employees and employee representatives, key officials of the Executive branch, and other interested bodies. History and the shadow of events to come give substance to these concerns. The last reclassification study that was implemented was dated March, 1951. The last reclassification study (not implemented) was reported in 1967. The current pay grade structure was established in April, 1974. The 106th Legislature changed the budget preamble to gain control of an increasing pressure for upwards reallocation of classes. Employee labor organizations are currently seeking confirmed jurisdiction with expectations for bargaining to begin within the next twelve months. The traditional differences in status, security and pay between classified and unclassified employees are being challenged and blurred. The financial integrity of public institutions is bearing close scrutiny, and taxpayers are asking more effectiveness on the part of these institutions and their employees.

Thus, there is an apparent acceleration of events and pressures which compel early consideration of the subjects dealt with in this report by the State, and which compel the consultants to urge early decision on and implementation of the recommendations contained in this report.

The Commissioner of Finance and Administration imparted a strong sense of urgency at the beginning of the study which the consultants attempted to carry forward in all phases of the project. The consultants agreed, half way through the project schedule, to a requested

elevation in priority of the study of unclassified positions. Increased utilization of computerized data analysis was undertaken, beyond that originally projected, to improve the chances for completing the project on schedule. Participating State of Maine employees faced unusual demands for productivity and time commitment. Despite the pace of the project, care was taken to assure that the opinion, ideas and understanding of knowledgeable individuals was evoked. Approximately sixty individuals representing the Agencies, various Commissions, Boards, and Employee Organizations attended an early briefing session introducing the purposes, scope and priorities of the project. The consultants received a high degree of cooperation and, with few exceptions, State employees delivered as promised.

Special recognition is due the Project Coordinator who efficiently organized and directed the State task force, and arranged for the multitude of meetings, interviews, facilities and resources with dispatch and equanimity. Recognition of a special nature is also due the Deputy Commissioner, Finance and Administration, and the Director of the Office of Employee Relations, each of whom provided the resources and influence of their offices on numerous occasions, over and above their personal participation in support of the purposes of the study. Others participating in, or otherwise supporting the study, include representatives from most of the major Agencies of the State of Maine. The insights and perspectives of the Governor, members of the Legislative Council, members of the Personnel Board, officials of Employee Organizations, the Commissioner of Transportation, the Commissioner of Finance and Administration, and the Executive Director of the Maine State Retirement System were of substantial value and will serve as focal points for many of the recommendations emerging with this and subsequent reports.

RECOMMENDATIONS IN BRIEF

Convert to a true merit pay plan:

- Reallocate classes to pay grades based on measured job content (Section VII).
- Implement a salary schedule (Section III) for all classified employees other than those employees whose class specifies and requires a licensed physician.
- Implement a salary schedule for all employees whose class specifies and requires a licensed physician (Section III).
- Set salary levels in relation to the average actual base salaries paid in appropriate markets (Section III).
- Review annually and adjust (as necessary) salary schedules in relation to appropriate market comparisons (Section V).
- Convert steps X and Y (longevity steps) to merit steps, thus producing merit ranges with seven merit steps (Section III and V).
- Establish progression, step to step, at a 5 percent rate of increase (Section III).
- Establish controls to limit funds provided to agencies for merit step increases (Section V).
- Train and coach supervisors to measure performance, and administer salaries in relation to performance.
- Reward performance instead of length of service, and provide greater rewards for the best performance.

Improve the efficiency and reliability of the classification process:

- Maintain a schedule of interviews to validate requests for reclassification (Section XI).
- Upgrade the quality of written specifications.

- Evaluate each new or revised class by applying the Hay Guide Chart, Profile method of evaluation. (Section XI).
- Allocate new or revised classes to pay grades in accordance with evaluation point ranges. (Section VII).
- Provide for agency input to the evaluation process. (Section VI).

Strengthen the noncash compensation program by:

- Reducing employee contributions for basic life insurance to reflect net plan costs.
- Provide improved information resources to employees about benefit programs.
- Solicit competitive quotation for medical insurance to assure cost efficiency.
- Examine the feasibility of reducing the level of retirement benefits payable to individuals terminating employment prior to age 60.
- Consider the need to increase the \$350.00 surgical schedule in the medical plan.
- Reconsider the practice of linking increases in retiree benefits to general increases for active State employees.

Organize for improved management of compensation:

- Charter the Personnel Board in an advisory (only) capacity (Section VI).
- Provide for appeals of evaluations by individual incumbents through ascending management levels, and with final arbitration if all levels are exhausted (Section V).
- Separate classification operations (as now provided within the Personnel Department) from Compensation Planning and Research (Section VI).

- Place the accountability for medical insurance (as a benefit) with the Maine State Retirement System (Section IV).
- Assign accountability for the administration of salaries of unclassified employees to Compensation Planning and Research (Section VI).
- Establish a policy for rewarding unclassified employees that is consistent in intent with similar policies for classified employees (Section X).

RECOMMENDED SALARY STRUCTURES

The several considerations underlying the creation of the recommended salary structures include the objectives set forth for this study, an examination of salary structures used by the State of Maine dating back to 1965, the testing of six structural variations for effect, the points of view expressed by individuals interviewed by the consultants, and the consultants findings documented in Section VII, VIII, and IX of this report.

- The study's objectives called for proposed salary ranges which... provide for pay which is competitive with appropriate public and private employment labor markets, and which will provide incentive for, and reward advancement.
- Examination of past salary structures revealed variations in the number of grades (41 to 47), the rate of progression in ascending steps within ranges (4 to 5 percent). The spread between bottom and top steps of a range (28 to 35 percent). However, the number of steps remained constant at seven.
- Various combinations of salary grades and ranges were produced and measured for salary cost effect and employee impact, given the reallocation of classes based on job content points. Grade combinations included 35, 39, and 41 grades, with point range progressions including 1.077, 1.09 and 1.08 percent. An additional structure involving a 10 percent rate of progression, required in excess of 60 grades, was discarded for this reason (so many grades would fail to provide adequate incentive for movement from grade to grade).
- Interviews with the Governor, members of the Legislative Council, member of the Personnel Board, Officials of several (but not all) Employee Organizations and the current heads of several agencies, revealed many common points of view on the following specifics:
 - Market comparisons should, in some respect, include both the private and public sectors.

- State of Maine salaries should be comparable, meaning at or close to the average of the appropriate market.
- There is strong probability many existing classifications are invalid, and the present allocation of classes to pay ranges inequitable.
- The development of a true merit system would be desirable.

The recommended salary structures are part of a larger recommendation, outlined in the preceding Section II of this report. The consultants would not recommend these salary structures, independent of the other features of the larger recommendation, which includes: converting of Steps X and Y to merit steps (instead of longevity); the establishment of controls for the amount, number and frequency of merit increases by agency; the training of supervisors and managers in performance measurement and the administration of salaries for State employees within their jurisdiction.

SCHEDULE I

Grade	Point Range		A	B	C	D	E	X	Y
1	76	81	5205	5465	5739	6026	6327	6643	6975
2	82	87	5332	5599	5879	6173	6482	6806	7146
3	88	94	5458	5731	6018	6319	6635	6967	7315
4	95	101	5606	5886	6180	6490	6815	7156	7514
5	102	109	5775	6064	6367	6685	7019	7370	7739
6	110	118	5943	6240	6552	6880	7224	7585	7964
7	119	127	6134	6441	6763	7100	7455	7828	8219
8	128	137	6344	6661	6994	7344	7711	8097	8502
9	138	147	6554	6882	7226	7588	7967	8366	8784
10	148	159	6786	7125	7481	7856	8249	8661	9094
11	160	171	7038	7390	7760	8148	8555	8983	9432
12	172	184	7291	7656	8039	8441	8863	9306	9771
13	185	198	7586	7965	8363	8782	9221	9682	10,166
14	199	214	7903	8298	8713	9149	9606	10,086	10,590
15	215	230	8240	8652	9085	9539	10,016	10,517	11,043
16	231	248	8598	9028	9479	9954	10,452	10,974	11,524
17	249	267	8977	9425	9896	10,392	10,912	11,458	12,031
18	268	288	9398	9868	10,361	10,880	11,424	11,995	12,595
19	289	310	9862	10,355	10,873	11,417	11,988	12,587	13,216
20	311	334	10,347	10,864	11,407	11,978	12,577	13,206	13,866
21	335	360	10,867	11,410	11,981	12,580	13,209	13,869	14,562
22	361	388	11,442	12,014	12,615	13,246	13,908	14,603	15,333
23	389	418	12,053	12,656	13,289	13,954	14,652	15,385	16,154
24	419	450	12,706	13,341	14,008	14,710	15,446	16,218	17,029
25	451	484	13,401	14,071	14,775	15,514	16,290	17,105	17,960
26	485	522	14,265	14,978	15,727	16,514	17,340	18,207	19,117
27	523	562	14,452	15,175	15,934	16,731	17,568	18,446	19,368
28	563	605	14,912	15,658	16,441	17,263	18,126	19,032	19,984
29	606	652	15,551	16,329	17,145	18,003	18,903	19,848	20,840
30	653	702	16,177	16,986	17,835	18,728	19,664	20,647	21,679
31	703	757	16,841	17,683	18,567	19,497	20,472	21,496	22,571
32	758	815	17,569	18,447	19,369	20,339	21,356	22,424	23,545
33	816	878	18,336	19,253	20,216	21,227	22,288	23,402	24,572
34	879	945	19,166	20,124	21,130	22,188	23,297	24,462	25,685
35	946	1018	20,061	21,064	22,117	23,224	24,385	25,604	26,884
36	1019	1097	21,031	22,083	23,187	24,347	25,564	26,842	28,184
37	1098	1181	22,080	23,184	24,343	25,561	26,839	28,181	29,590
38	1182	1272	23,190	24,350	25,568	26,847	28,189	29,599	31,078
39	1273	1370	24,724	25,960	27,258	28,622	30,053	31,556	33,133
40	1371	1476	25,771	27,060	28,413	29,835	31,327	32,893	34,538
41	1477	1590	27,113	28,469	29,892	31,388	32,957	34,605	36,335

The schedules facing and following this page detail the pay ranges recommended for implementation by the State of Maine, coincident with the reallocation of classes recommended in Section VII, and adoption by the State, of recommendations for moving to a true merit system of compensation.

Those pay ranges (Salary Schedule I) arrayed over 41 grades; are characterized by a spread of approximately 35 percent from Step A to Step Y. Each range of pay included seven steps, each step 5 percent higher than the preceding step.

The salary levels at Step D of these ranges are generally comparable (approximately equal or close to) with the average actual salaries of labor markets appropriate to the State of Maine. Labor markets selected as appropriate for comparison by the State include the local market made up of Maine employers and adjacent States for grades 1 through 25 (76-484 points), and the market represented by the 12 Northeastern States and Washington, D.C. reported in the Hay 1975 State Survey for grades 26 through 41 (485-1590 points). These markets are selected for comparison on the assumption they serve as major sources of labor for the State, the local Maine market for non-exempt and lower level exempt employees, and the Northeastern States for other employees.

The following table illustrates this comparison:

	Grade 1 76 Points	Grade 16 240 Points	Grade 25 480 Points	Grade 35 960 Points	Grade 40 1440 Points
Maine Salaries-Step D Proposed	6026	9954	15,514	23,224	29,835
Local Maine Employers-Avg.	5900	10,100	15,800		
12 Northeast States and D.C.-Avg.			15,300	23,700	28,400

Each Step D, selected as the control step for comparing salary ranges, was calculated to provide a consistent relationship between grades one and twenty-five, and a second differing but consistent relationship between grades 26 and 41. The formulae for calculating Step D in these grades are:

$$\begin{aligned} \text{Grades 1-25: } & \$24.39 P + \$4100 \\ \text{Grades 26-41: } & \$14.79 P + \$8700 \end{aligned}$$

In these formulae, P is the middle point (or approximate middle point) of the point range (developed through processes described in Section VII of this report) for the grade.

SALARY SCHEDULE Ia
(Physicians)

Grade	Point Range		A	B	C	D	E	X	Y
29	606	652	19,869.91	20,863.63	21,905.67	23,002.91	24,153.05	25,360.70	26,628.17
30	653	702	20,495.91	21,520.95	22,595.81	23,727.62	24,914.00	26,159.70	27,467.09
31	703	757	21,160.24	22,218.50	23,328.20	24,496.70	25,721.53	27,007.61	28,357.38
32	758	815	21,888.45	22,983.13	24,131.02	25,339.73	26,606.91	27,937.05	29,333.27
33	816	878	22,654.17	23,787.09	24,975.14	26,226.13	27,537.43	28,914.30	30,359.37
34	879	945	23,498.18	24,673.36	25,905.69	27,203.27	28,563.28	29,991.60	31,490.51
35	946	1018	24,379.70	25,598.96	26,877.50	28,223.78	29,634.96	31,116.17	32,671.55
36	1019	1097	25,350.64	26,618.47	27,947.92	29,347.82	30,815.21	32,355.97	33,973.04
37	1098	1181	26,398.24	27,718.46	29,102.85	30,560.60	32,088.63	33,693.06	35,376.95
38	1182	1272	27,509.72	28,885.52	30,328.21	31,847.33	33,439.69	35,111.68	36,866.47
39	1273	1370	29,642.79	30,495.27	32,018.35	33,622.13	35,303.23	37,068.39	38,920.98
40	1371	1476	30,090.39	31,595.26	33,173.28	34,834.91	36,576.65	38,405.48	40,324.89
41	1477	1590	31,431.83	33,003.78	34,654.15	36,387.86	38,207.25	40,029.41	42,122.57

Impact-Pay Ranges, Schedule I

These salary schedules are reasonably competitive, and provide a basis for consistent reward at a minimum 5 percent level for meritorious performance, and have the potential for the truly meritorious performer to reach the top step of the salary range in much less than six years.

Taken with the recommended reallocation of classes, with which this recommendation is closely linked, the outside cost of increased salaries to the State would not exceed 11.1 percent of payroll. The outside cost is estimated based on the approximate 10,767 classified employees included in this analysis. The estimate assumes, for purposes of cost comparison, that employees allocated to ranges higher than their present range will occupy the comparable step in the higher range, e.g., an employee at Step E in his or her current range will be at Step E in the new higher range. The estimate also assumes for purposes of cost comparison, that employees allocated to ranges lower than their present range, will continue to enjoy their current salary.

Taking the same data, but assuming that all employees changing grade will occupy a comparable step in the lower or higher grade, the following would result:

84 percent would receive higher pay.

16 percent would receive lower pay.

Schedule Ia - Physicians

Salary Schedule Ia (Physicians), is recommended for implementation by the State coincident with Schedule I, and the reallocation of all classes recommended in Section VII of this report. This schedule is to be used for incumbents of positions requiring licensed physicians, however employed (practicing physicians or physicians occupying administrative positions).

Pay ranges run from grade 29 through grade 41. Point ranges are identical with those specified for Schedule I. Each range is characterized by a spread of approximately 35 percent, and includes seven steps, A through Y, with each step 5 percent higher than the preceding step.

The proposed salary levels for Physicians are generally higher (\$5000 higher at Step D) than the salary levels proposed for other State employees occupying positions with equivalent measured content. The formula for calculating Step D of Salary Schedule Ia is: $\text{Step D \$} = 14.79P + \13700 .

Impact - Physicians

Assuming (for cost comparison purposes) that individual Physicians would occupy the same step of the proposed salary range (assigned on the basis of points) as the step occupied in the present salary range, the impact would be as follows:

15 of the 21 Physicians' salaries covered in this analysis would increase by a total approximately \$32,000.

Salary steps occupied by three Physicians would be lower than steps currently assigned, for an aggregate decrease of \$2300. This is not considered an offset to increases for cost comparison purposes.

NONCASH RECOMMENDATIONS AND FINDINGS

In the aggregate, noncash compensation programs (employee benefit plans and personnel policies) are well-designed and appropriate from the point of view of benefit levels and financial controls. There are no significant gaps in coverage and no apparent duplication of benefits. In terms of the value of noncash compensation provided for State employees, we find the program to be slightly below the average of noncash in the private sector for the following reasons:

- The lack of Federal Social Security coverage for State employees.
- The absence of any supplement retirement program, (e.g., stock purchase, thrift/savings plan).
- Group life insurance which is essentially paid for by employees.

Elements of noncash compensation which are "average" or reasonably typical of benefits in the private sector are:

- Blue Cross/Blue Shield and major medical which is fairly competitive.
- Sick pay policy which is a quite typical practice.
- The number of holidays is standard.

Elements of noncash compensation which are above average in practice include:

- A competitive retirement program which provides substantial benefits at age 60.
- A vacation schedule which equals or exceeds practice in the private sector.

Our specific recommendations for change in the noncash compensation program are as follows:

1. Reduce employee contributions for basic group life insurance to reflect net plan costs during the recent plan years.
2. Solicit competitive quotations for medical insurance in order to ensure cost efficiency.
3. Improve communication of benefit programs particularly in the area of medical benefits and the availability of a resource to answer employer questions.

On a long-term basis, the following issues should be considered:

1. The appropriateness of the \$350 surgical schedule for the medical plan.
2. The level of retirement benefits payable to employees terminating prior to age 60.
3. Integration of employee benefit program administration within one department.

In summary, noncash compensation for State employees is generally competitive and appropriate for the environment.

4. The provision of tying increases in retiree benefits to general increases for active employees is not in the best interest of State finances; this policy should be seriously reconsidered.

Noncash compensation (employee benefit plans and personnel policies) typically range in value from 25 percent to 40 percent of actual base compensation. Thus, it is a critical element of total remuneration and should be reviewed periodically to ensure its continued appropriateness.

In order to objectively assess noncash compensation, Hay has developed a unique method of quantifying the value of benefits and policies. Standard factors are applied to each element of the program having a meaningful economic value, and a "worth" of noncash is developed at various levels of evaluated position content. This allows for an evaluation of internal equity and external competitiveness for noncash compensation and total remuneration (base compensation plus noncash) in a manner which is consistent with our base compensation methodology.

Service Company Comparison

As our first step in arriving at noncash and total remuneration conclusions, we compared State of Maine practice with our national data base of 39 service companies. These employers are basically not for profit organizations, i.e., hospitals, associations, blue cross/blue shield. The noncash comparisons are as follows:

<u>Hay Points/Client Point</u>	<u>Maine Noncash</u>	<u>Average Service Noncash</u>
100/240	\$2,820	\$ 3,475
200/480	4,050	5,200
400/960	6,520	8,000
600/1440	9,050	10,900

The total remuneration comparisons follow:

<u>Hay Points/Client Points</u>	<u>Maine Total Remuneration</u>	<u>Average Service Total Remuneration</u>
100/240	\$12,210	\$12,950
200/480	18,520	20,200
400/960	30,665	33,800
600/1,440	42,570	46,100

It can be seen that both noncash and total remuneration practice for the State of Maine lags behind this particular national average. It should be pointed out that all employers in this service company data base are participants in the Federal Social Security system and that many maintain supplemental retirement plans in addition to the basic pension plan.

New England Survey

As an additional comparison we have completed comparisons for 26 New England employers who are participants in both the Hay Cash and Non-cash Surveys. This group is a mixture of industrial and financial organizations and most are national organizations headquartered in New England. The noncash compensation comparisons are as follows:

<u>Hay Points/Client Points</u>	<u>Maine Noncash</u>	<u>Average New England Company Noncash</u>
200/480	\$4,050	\$ 5,800
400/960	6,520	8,900
600/1,440	9,050	12,600

The total remuneration comparisons are as follows:

<u>Hay Points/Client Points</u>	<u>Maine Total Remuneration</u>	<u>Average New England Company Total Remuneration</u>
200/480	\$18,520	\$22,500
400/960	30,665	37,700
600/1,440	42,570	55,500

It is clear that Maine noncash and total remuneration is substantially below the average for this special New England group. It is very important to remember that the most significant elements of noncash are salary related---pensions, group life insurance, vacations, etc. Thus, to the extent that base compensation for this group far exceeds Maine compensation practice, noncash and total remuneration will be substantially compressed. In fact, Maine noncash as a percent of salary is not far removed from the New England average of noncash as a percent of salary---27 percent at 400 Hay points (960 Maine points) versus the New England average of 31 percent. The substantial spread is more accurately attributed to the significant difference in base compensation.

Special Survey Comparison *

As a final comparison, we have compared noncash compensation for the special local survey. This comparison is on an estimated basis since these employers are not regular Hay clients and since not all noncash data for this group was complete. The approximate noncash comparisons are as follows:

<u>Hay Points/Client Points</u>	<u>Maine Noncash</u>	<u>Average Special Survey Noncash</u>
42/100	\$ 2,100	\$ 2,200
100/240	2,820	2,975
150/360	3,450	3,550
200/480	4,050	4,275

Essentially, noncash compensation for the State of Maine is comparable to the level provided by this special survey group. This is true for both the absolute values illustrated and for noncash as a percent of compensation.

Conclusions

Noncash compensation as a percent of base compensation is somewhat below average. This position is not significant enough to substantially influence total compensation strategy. In other words, the deviation from "average" noncash compensation practice is not sufficient to warrant a compensating base salary adjustment.

This conclusion applies to the great majority of State of Maine employees, i.e., those not covered by a special retirement arrangement. For those incumbents covered by special retirement arrangements (certain law enforcement personnel and other designated positions) noncash compensation is far above average, representing as much as 40 percent to 45 percent of base compensation. This level of noncash should be considered in reaching total compensation decisions for these positions.

- * The Special Survey referenced herein consist of noncash data from three municipalities, two state governments, two hospitals, one bank and eight industrial companies. In order to preserve confidentiality the participants are coded by number on Exhibits I through VI. Exhibit Ia following lists the participants by name.

RETIREMENT BENEFITS

The most important aspect of the Maine State Retirement System is that State employees are not covered under Federal Social Security. Thus, members are not covered for:

- Old age benefits (retirement)
- Survivor benefits, or
- Disability insurance

under Social Security as are employees in the private sector and in many instances, the public sector. Included in our special sample for retirement comparisons are three states: New Hampshire, Vermont and Massachusetts. Both New Hampshire and Vermont cover their employees under Social Security while Massachusetts, like Maine, does not provide Social Security coverage for its employees. In all comparisons, it is essential to factor in the presence or absence of Social Security in order to achieve a meaningful assessment of the appropriateness of the Maine System's benefit levels. See Exhibit I and II, in this section, for Market Comparison of Retirement Benefits.

I. Retirement Income

A. Eligibility: Included positions (as specifically enumerated by State Law) are required to become members as of their date of hire.

Note: Certain special positions - Forest Rangers, State Police, etc., are covered by different retirement provisions which are briefly discussed at the conclusion of this Section.

B. Member Contributions: Six and one-half percent of compensation.

C. State Contribution: Actuarially determined periodically - presently about 1.6 times the member contribution (i. e., 10.5 percent of compensation).

D. Unreduced Retirement Benefits

1. Eligibility: Age 60

2. Annual Retirement Benefit - 2 percent multiplied by Average Final Compensation (the average of the three highest years of compensation), the result multiplied by the number of years of Creditable Service (essentially years of membership).

State Comparisons

We have estimated the levels of retirement income payable under the retirement systems of New Hampshire, Vermont and Massachusetts (see Tables NC 1 and NC 2 at the conclusion of this Section). Maine benefits payable to an employee age 65 (the most common retirement age) with 30 years of Creditable Service are second only to Massachusetts benefits and significantly higher than Vermont and New Hampshire benefits. However, when Primary Social Security benefits are included as part of total retirement income, Maine Benefits are less than total retirement income provided in the other three states. If we assume that employees pay one half of the cost of their Primary Social Security benefit, the inclusion of one-half of that amount in total retirement income places Maine benefits in a comparable position with New Hampshire and Vermont. At age 60 with 25 years of Creditable Service, Maine Benefits are equal to Massachusetts benefits and substantially higher than New Hampshire and Vermont benefits. Again, we would point out that New Hampshire and Vermont employees will be eligible for Social Security Benefits as early as age 62 with full benefits payable at age 65.

Survey Comparisons

In order to provide further assessments of the appropriateness of Maine retirement benefits we have illustrated Maine benefits against the "average" retirement benefit for Hay Survey participants. For the average retirement benefit, we have assumed 50 percent of average final compensation less one-half of Primary Social Security. This assumes 30 years of service at age 65 (Table NC 3 is at the conclusion of this Section).

Our illustration shows that Maine benefits are somewhat below the total of survey average retirement benefits plus Primary Social Security for average Final Compensation of less than \$25,000 and slightly higher above that level. Once again, Maine benefits are substantially greater than the survey average benefits considered alone but Social Security benefits must be considered as a source of retirement income and the "average plan" illustrated would typically be non-contributory (Maine employees presently provide 35 percent to 40 percent of the total annual contribution for State employees).

Overall Comment

The retirement income produced by the State Plan at age 65 is competitive both within the public and private sector. At the same time it is not unduly generous, it is fiscally responsible and provides adequate retirement income. The availability of unreduced retirement benefits

at age 60 must be termed as "liberal" but should be viewed in the context of the total system, in terms of the number of members who actually retire at age 60 (as opposed to age 65) and in light of a stated-or implicit-objective of providing opportunities for younger State employees.

E. Early Retirement Benefits

1. Eligibility: Any age with 25 years of Creditable Service.
2. Annual Benefit: A benefit computed using the basic formula (2 percent x average final compensation x years of Creditable Service) but actuarially reduced to reflect the period for which payments will be made. The following is illustrative of the actuarial reductions:

<u>Early Retirement Age</u>	<u>% Reduction</u>
57	8.0%
53	16.7%
50	22.1%

Comment

The most common requirement to have benefits commence prior to normal retirement within the private sector is the attainment of a certain age (usually age 55) and the completion of a minimum number of years of service (e.g., 10 years). While the absence of an age requirement for the Maine Plan is quite favorable, the requirement of 25 years of service is quite restrictive. The following illustration presents this situation

Age: 55 Average Final Compensation: \$10,000

Credited Service Years:

	<u>10</u>	<u>20</u>	<u>25</u>	<u>30</u>
Hay Survey				
Average *	\$585	\$1,165	\$1,461	\$1,750
Maine	Not	Not	\$3,895	\$4,674
	Available	Available		

* Assumes 50 percent actuarial reduction, i.e., 5 percent per year under age 65.

For shorter service employees, early retirement benefits are not available from the Maine Plan, but longer service employees fare far better

than their counterparts in the private sector. This generous provision should be reviewed for consistency with long-term State objectives.

F. Vested Rights to Deferred Benefits

1. Eligibility: Ten years of Creditable Service and non-withdrawal of member contributions.

2. Annual Benefit: A benefit payable at age 60 using the basic retirement formula as applied to Average Final Compensation and Creditable Service at termination.

Comment

The service requirement of ten years is quite appropriate as competitive. The payment of full vested benefits at age 60 is far more generous than the private sector.

G. Post-Retirement Income Adjustment: All system retirement benefits are either increased or decreased by a percentage equal to any general adjustments in state salaries made to active state employees.

Comment

This provision is sometimes present in public plans but almost never found in private plans (with the possible exception of negotiated plans). The most common practice is to review retiree benefits periodically, and if an increase is warranted by changes in the cost of living and if such an increase is financially feasible, a unilateral action to increase retiree benefits is taken by the employer.

II. Survivors Income

A. Pre-Retirement: Beneficiaries of members with 18 months of service during the 42 months preceding death will be eligible for death benefits as follows (after 7/1/76 the service requirement will be eliminated, i.e., all members will be eligible when hired):

	<u>Monthly Benefit</u>
Spouse	\$100
Spouse + 1 child	200
Spouse + 2 children	250
Spouse + 3 children	300
1 Parent *	100
2 Parents *	175

* Applies only if there is no spouse or dependent children.

Comment

This provision takes the place of survivor benefits which would otherwise be paid under Social Security. This feature provides excellent coverage and the liberalized eligibility as of 7/1/76 is quite appropriate.

B. Post-Retirement: Standard optional payments are available.

III. Disability Income

A. Occupational Disability: $66 \frac{2}{3}$ percent of Average Final Compensation less Workmen's Compensation if payable.

B. Nonoccupational Disability: If 10 or more years of Creditable Service, disability benefits are equal to 90 percent of the retirement benefit which would have been payable as if the member continued in employment until age 60.

Comment

The present provision creates a gap with regard to shorter service employees who are disabled for nonoccupational reasons. As of July 1, 1977, this gap will be closed and disability will be treated alike regardless of reason, i. e., $\frac{2}{3}$ rd of Average Final Compensation will be payable. This will correspond to the private sector's long-term disability coverage and will provide adequate benefits.

IV. Special Retirement Benefits

Certain classifications receive retirement income based on special provisions and benefit formulae. This would include:

<u>Group</u>	<u>Retirement Benefit</u>
Airplane Pilots	50% AFC at 55/25
Liquor Inspectors	50% Final Comp. at 55/25
Forest Rangers	50% Annual Comp. at 50/25
Maine State Prison	50% AFC at 50/20
Law Enforcement and State Police	50% Annual Comp. after 20 years

Special treatment of those involved in the protection of the public and/or involved in hazardous duty has been standard practice in the public sector historically. We would make two comments in this regard.

1. The extra value of these special arrangements should be factored into compensation decisions for these special classifications.

2. Inclusion of these special classifications should be reviewed periodically to ensure that these arrangements are consistent with public policy and state objectives.

Retirement Income Comparisons

Age 65-30 Years of Service - Average Final Compensation: \$7,500

	<u>Maine</u>	<u>Massachusetts</u>	<u>Vermont</u>	<u>New Hampshire</u>
1. State Retirement Plan	\$4,500	\$5,625	\$3,750	\$3,300
2. Estimated Primary Social Security	--	--	2,800	2,800
3. Total Retirement Income	4,500	5,625	6,550	6,100

Age 60-25 Years of Service - Average Final Compensation: \$7,500

	<u>Maine</u>	<u>Massachusetts</u>	<u>Vermont</u>	<u>New Hampshire</u>
1. State Retirement Plan	\$3,750	\$3,750	\$2,250	\$3,125
2. Estimated Primary Social Security	--	--	N.A.	N.A.
3. Total Retirement Income	3,750	3,750	2,250	3,125

TABLE NC 2

Retirement Income Comparisons

Age 65-30 Years of Service - Average Final Compensation: \$12,500

	<u>Maine</u>	<u>Massachusetts</u>	<u>Vermont</u>	<u>New Hampshire</u>
1. State Retirement Plan	\$7,500	\$9,375	\$6,250	\$5,000
2. Estimated Primary Social Security	--	--	3,500	3,500
3. Total Retirement Income	7,500	9,375	9,750	8,500

Age 60-25 Years of Service - Average Final Compensation: \$12,500

	<u>Maine</u>	<u>Massachusetts</u>	<u>Vermont</u>	<u>New Hampshire</u>
1. State Retirement Plan	\$6,250	\$6,250	\$3,750	\$5,200
2. Estimated Primary Social Security	--	--	N.A.	N.A.
3. Total Retirement Income	6,250	6,250	3,750	5,200

TABLE NC 3

Retirement Income Comparisons

Maine State Retirement System
versus
Hay Survey Average*

Thirty Years of Service at Age 65

Average Final Compensation

	<u>\$7,500</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$25,000</u>	<u>\$40,000</u>
1. Hay Survey Average *	\$2,350	\$3,400	\$5,450	\$10,450	\$17,950
2. Estimated Primary Social Security	2,800	3,200	4,100	4,100	4,100
3. Total Retirement Income (1)+(2)	\$5,150	6,600	9,550	14,550	22,050
4. Maine's Retirement Benefit	\$4,500	6,000	9,000	15,000	24,000

* Fifty percent of final average earnings less one-half of Primary Social Security Benefits.

Special Survey Noncash Data

-Exhibits I-VI-

MUNICIPALITIES

Augusta
Bangor
Portland

STATE GOVERNMENT

Massachusetts
New Hampshire

HOSPITALS

Augusta General
Central Maine General

FINANCE

Northeast Bank

MANUFACTURING

Brooks Woolen Company, Inc.
Burnham & Morrill Company
CMP
General Electric
G. H. Bass
Globe Albany
Great Northern
International Paper Company

Note: In order to preserve the confidentiality of data, survey results are presented in random order.

Exhibit II
Principal Provisions
of Thrift Savings Plans
Survey Employers

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Eligibility for Membership	No Plan	All salaried employees with 6 months service	No Plan	No Plan	No Plan	No Plan	All salaried employees with the exception of Officers and Directors	No Plan	No Plan	Employees who are scheduled to work more than 30 hrs. per week for more than 5 mos. per year	No Plan	No Plan	No Plan	1 year of service	No Plan	No Plan
Basic Member Contributions (Minimum maximum employer matched)		2% to 10% of basic compensation.	No Plan				1% to 6% of basic compensation			2% to 6% of basic compensation				2% to 5% of basic compensation		
Voluntary Member Contribution		Not allowed					Not allowed			Not allowed				Not allowed		
Employer Matching of Basic Member Contributions		50¢ of each \$1.00 in basic contributions					50¢ of each \$1.00 in basic contributions			50¢ of each \$1.00 in basic contributions				50 ¢ for each \$1.00 in basic contributions; invested in employer stock		
Requirements for Vesting in Employer contributions		20% vested for each year of participation; fully vested in 5 years					3 years of membership			2½ yrs of membership				2 years of membership		

**Exhibit I
Principal Provisions
of Pension Plans
Survey Employers**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Eligibility for Membership	Age 25 and 1 yr. of service	All employees on date of hire	Immediately for all permanent employees	No Plan	Age 30 and 5 yrs of service	All permanent full time employees after 6 mos. of employment	One yr of continuous service	All full time employees with 3 yrs of continuous service	5 yrs of service	First day of month following hire	All permanent full time employees after 6 mos of employment		Age 25 and 1 yr of service; hired prior to age 55	All full time employees w/ 3 yrs. continuous service	Age 25 with 3 yrs. of service	Regular employees are eligible immediately
Normal Retirement Age & Service Requirements	Age 65 and 10 years service	Age 65	Age 60		Age 65 with 10 yrs of service	Age 60	Age 65 and 15 years service	Age 65 and 15 years service	Age 65 and 5 years of service	Age 65	Age 60	Age 60	Age 65 and 20 yrs of service	Age 65	Age 65 - no service requirement	Age 65-no service requirement
Normal Retirement Benefit Formula	Career Pay Plan: Formula not stated	Final Average Plan: 50% of final 5 yr. average 30 yrs. service — integrated with Primary Soc.Sec.	Final Average Plan: Highest 5 yrs of compensation multiplied by 1/60th the result multiplied by yrs of service (not to exceed 30) plus 1/120th of 5 yr average times yrs of service in excess of 30. Benefits are reduced to reflect Soc.Sec. after age 65.		Final Average Plan: 2/3 of 1% of 1st \$4,800 - average last 5 yrs earnings 1 2/3% of amt above \$4,800 x yrs of service	Final Average: 2% (1/50) average final comp. x of yrs of prior service not to exceed 25 - plus an amt. equal to 1/60 of average final comp. x yrs service after 7/1/42	Career Average Plan: 1% of earnings up to \$6,600 plus 2.1% of earnings in excess thereof each yr.	Flat Dollar Plan: \$4.75 per month for each year of service	Flat Dollar Plan: 1.25 x number of completed yrs of service equals amt. of monthly payments	Final Average Plan: 1% of average of last 5 yrs of employment x number of yrs of continuous service	Final Average: 2% (1/50) average final comp. x number of yrs of prior service not to exceed 25 - plus an amt. equal to 1/60 of average final comp. x yrs service after 7/1/42	Final Average Plan: 2% (1/50) average final comp. x number of yrs. of prior service not to exceed 25 plus an amt equal to 1/60 of average final comp. x yrs served after 7/1/42	Final Average Plan: 60% of average earnings less 1/2 primary Soc. Sec. in effect at retirement date proportionately reduced for service less than 20 yrs.	Career Average Plan: .00875 x first \$3,000 .015 x balance of salary x years of service	Career Average Plan: 1 1/2% of first \$500 of monthly earnings 2% of excess for each month	Final Average Plan: 2 1/2% multiplied by the average of annual earnings during the 3 yrs preceding retirement for each year of service
Early Retirement Benefits	Age 55 and 10 years service	Age 55	N.A.		Age 55 and 20 years of service	30 yrs of service: actuarially reduced	Pension is reduced by 1/2% for each month your retirement precedes the mo. following attainment of age 62.	Age 55 and 15 yrs. continuous service. benefit actuarially reduced	Age 55 & 5 yrs service: \$1.25 x number of years of service actuarially reduced equals the monthly benefit	Age 55 and 10 - 15 yrs service	30yrs of service: actuarially reduced	30 yrs of service: actuarially reduced	Age 55 and 10 yrs service; accrued benefits are reduced 3% for each yr. between age 60 and 65 - reduction below age 60 not available	Age 55 and 20 yrs of service	Age 55 and 10yrs of service - no reduction for age 62 and 20 yrs service	Age 55 (no service requirement) 1 1/2% multiplied by the average of annual earnings during the 3 yrs preceding retirement for each yr of service
Requirements for Deferred Vested Benefits	Age 45 and 15 years service	10 yrs. of service	15 yrs of service		Not Stated	10 yrs of service	10 or more yrs. of credited service.	10 yrs continuous service	Age 50 and 20 yrs of service	Age 45 and 15 yrs of service	10 yrs of service	10 yrs of service	Age 40 and 5yrs 50% Age 45 and 10 yrs - 100%	12 years of continuous service	10 yrs of continuous service	10 yrs of credited service
Disability Provisions	None	After 10 years of service a disability benefit is provided	After 10 yrs of service a disability benefit equal to 90% of the service retirement benefit		None	25% of average highest compensation	Total disability after 15 yrs of service entitles employee to normal pension benefits	Benefit computed in the same manner as your pension at Early Retirement based on your yrs. of continuous service to the date of disability	None	None	25% of average highest compensation prior to disability	25% of average highest compensation prior to disability	None	Total disability after 12 years of service employee is entitled to normal retirement benefit	Not available	On the Job: 72% of salary plus dependents benefits Non-occupational: accumulated pension as if age 55
Employee Contributions	3.8 : 1 ratio	Non-contributory	Rate of contribution is based on entry age into system per schedule - a % of wages in excess of SS wage base plus % of wages not in excess e.g. male age 30 = 3.8% + 7.6%		Non-contributory	6 1/2% of annual earnings	1% of the first \$6,600 of your compensation in each calendar year plus, 2.1% of your compensation above that amount.	Non-contributory	Non-contributory	1% of salary equal to SS base plus 2% in excess	6 1/2% of annual earnings	6 1/2% of annual earnings	Non-contributory	Non-contributory	Non-contributory	5% for employees hired before 1/1/75; 7% for those hired 1/1/75 and after

DEATH BENEFITS

I Basic Group Life Insurance

A. Eligibility - Included positions (as specifically enumerated by state law to include virtually all "half-time" or greater positions with an expected existence of one year or longer) are automatically covered unless membership is declined by the employee.

B. Coverage - Each member has basic life insurance equal to one year of compensation; amounts are rounded up to the next higher even multiple of \$1,000, e.g.,

<u>Annual Compensation</u>			
<u>Greater Than</u>	but	<u>Less Than</u>	<u>Amount of Insurance</u>
\$ 5,000		\$ 6,000	\$ 6,000
10,000		11,000	11,000
15,000		16,000	16,000
20,000		21,000	21,000

C. Maximum Basic Insurance - \$25,000

D. Accidental Death and Dismemberment - Coverage is equal to the full amount of basic insurance.

E. Disability Provision - In the event of total disability, premium payments may be waived and life insurance continued in full or in a reduced amount depending upon whether or not the member is eligible for a disability retirement allowance.

F. Member Contributions - \$0.15 per week per \$1,000 of basic insurance (\$0.65 per month, per \$1,000).

G. Retiree Insurance - Retirees under the Maine State Retirement System who had basic group life insurance coverage for at least 10 years retain life insurance coverage. Coverage is based on the average of basic insurance in effect during the three years preceding retirement and reduces by 15 percent for each year of retirement to a minimum of 25 percent of the original amount.

II Supplemental Group Life Insurance

A. Eligibility - Same as Basic Plan.

- B. Coverage - Same as Basic Plan.
- C. Maximum Supplemental Insurance - \$25,000.
- D. Accidental Death and Dismemberment - Coverage is equal to the full amount of supplemental insurance.
- E. Disability Provision - Same as Basic Plan.
- F. Member Contributions - \$0.12 per week per \$1,000 of supplemental insurance (\$0.51 per month, per \$1,000).
- G. Retiree Insurance - Supplemental group life insurance terminates at retirement (dividends from supplemental group life insurance are used to provide death benefits to the beneficiaries of retirees who had supplemental insurance while active employees).

Comment

The amount of group life insurance available (up to two year's salary) is quite competitive. The one negative feature is the very low maximum amount of \$25,000. While this impacts on only those incumbents earning in excess of \$25,000 annually, we question the internal equity of covering a key official earning \$35,000 annually for less than 150 percent of compensation while all incumbents earning \$25,000 or less are covered for 200 percent of compensation.

At the present time, participants in the Basic Plan pay the full costs of their insurance plus a contribution to reserves for future retiree claims. Participants in the Supplemental Plan pay the full cost of their insurance plus a contribution to reserves which are used to provide additional death benefits to beneficiaries. As of June 30, 1974, the total of these two reserves approximated \$3,000,000.

During the past year, the employee premium rate for supplemental coverage was reduced to reflect the fact that employees were actually paying more than the net cost of their insurance. We recommend that the financial experience of basic insurance for active employees be reviewed for the past three years to determine the average net cost. Based on this review, employee premiums rates should be reduced (e.g., if net cost is 67 percent of gross cost, employee premiums could be reduced perhaps 25 percent or 30 percent) in order to make death benefit coverage more competitive.

III. Dependent Life Insurance

A. Eligibility - Employees who subscribe to Basic Life Insurance may elect to cover their dependents under this program.

B. Schedule of Benefits:

1. Spouse - \$2,000
2. Children 6 months to 19 years - \$500
3. Children under 6 months - \$100

C. Cost of Insurance - Employees pay the full cost of this insurance: \$0.78 per month, per family.

Comment

This plan adds a modest benefit at no cost to the State. As such we believe that it adds to the competitiveness of the overall death benefit program.

--See Exhibit III following this page--

Exhibit III
Principal Provisions of Death
Benefits –Group Life- Accidental
Death & Dismemberment
Business Travel Accident
Survey Employers

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Life Insurance																
Eligibility for membership	All full time employees after 3 mos of employment	All salaried employees at date of hire	All employees at date of hire	No Plan	All full-time employees after 3 mos.of employment	All designated employees at date of hire	All exempt salaried employees	No Plan	Salaried employees	All employees at date of hire	All permanent employees after 6 months of service	All designated employees at date of hire	All employees after 3 mos. employment	All employees at date of hire	All employees after 6 mos. of employment	All designated employees after 2 mos. of employment
Noncontributory Group Life Insurance	\$2,000 coverage	2 years compensation	\$1,500 coverage		\$2,000 coverage	1 yrs. compensation	2 yrs. compensation		None	\$15,000 coverage	None	1 year compensation	3 years compensation	1 ½ years compensation	1 ½ years compensation	\$2,000 coverage
Contributory Group Life Insurance	Addl coverage may be obtained at cost of employee per schedule to a max. \$25,000	Addl. 2 years compensation	Not stated		Addl. coverage may be obtained at expense of employee per schedule max of \$25,000	Addl. 1 yrs. compensation for a total of 2 yrs.	Addl. 2 yrs. compensation		Less than \$6,667 - \$5,000 \$6,667-\$10,000 - \$10,000 \$10,000-\$13,334 - \$15,000 \$13,334-\$16,667 - \$20,000 \$16,667-\$20,000 - \$25,000 \$20,000-\$23,334 - \$30,000 \$23,334-\$26,667 - \$35,000 \$26,667 & over - \$40,000	Addl. coverage not to exceed 2 times salary can be obtained at cost to employee	For amt. equal to the next highest \$1,000 over annual salary	Addl. 1 years compensation for a total of 2 years	None	Addl. 1 years compensation for a total of 2 years.	None	Addl. \$1,000 to \$21,000 based on salary can be obtained at employee's expense
Accidental Death and Dismemberment	\$2,000 coverage employer paid	Equal to non-contributory amount	\$750 accidental dismemberment \$3,000 accidental death		Equal to non-contributory amounts	Equal to non-contributory amounts	Equal to non-contributory amounts		Equal to amts in above schedule	Equal to non-contributory amounts	Equal to contributory amt.	Equal to non-contributory amt.	None	Coverage in Multiples of \$10,000 up to a max. of \$250,000-total max.10 times salary \$.05 per month per \$1,000	3 years compensation	Equal to non-contributory amt.
Employee Contributions	\$44 per \$1,000 per mo.	Not stated	\$.60 bi-weekly contribution		Not stated	\$.48 per \$1,000 per month	Up to 45 - \$.25 per \$1,000 per mo 45-54 - \$.40 per \$1,000 per mo. 55-64 - \$.75 per \$1,000 per mo. 65 & over - \$1.95 per \$1,000 per mo		\$1.30 per \$1,000 per month	\$.40 per \$1,000 per month for amts in excess of \$15,000	\$.15 per \$1,000 per month	\$.48 per \$1,000 per month	None	Age 39 & under \$.26 / \$1.00/mo. Age 40-49 - \$.40 per \$1,000/mo. Age 50-59 - \$.60 per \$1,000/mo. Age 60 & over - \$1.00 per \$1,000 per month	None	Employee pays 24% of premium for basic \$2,000 coverage. Adl coverage per \$1,000 per mo. Under 45- \$.45; 45-54: \$.53 55 and over- \$1.57 Retired to age 70- \$3,000
Business Travel - Accident																
Eligibility for membership	Not available	All employees	No Plan	No Plan	No Plan	No Plan	No Plan	No Plan	All full-time employees under age 70 w/annual earnings as follows: Class A - \$25,000+ Class B - \$10,000 less \$25,000 Class C - less than \$10,000	No Plan	No Plan	No Plan	No Plan	All employees at date of hire	No Plan	No Plan
Amount		\$100,000							Class A - \$100,000 Class B - \$50,000 Class C - \$25,000					\$250,000		

HEALTH CARE BENEFITS

I. Hospital Benefits (Maine Blue Cross)

- A. Room and Board - Covered in full up to semi-private room rates for as long as 365 days per admission.
- B. Ancillary Hospital Expenses (Drugs, X-Rays, Operating Room, etc.). Covered in full for as long as 365 days per admission.
- C. Maternity - All hospital expenses are covered in full provided membership commenced at least 270 days prior to admission.

Comment

The level of hospital benefits provided by this plan compares favorably with any other hospital coverage reported either in our special survey or the annual Hay Survey.

II. Physicians Benefits (Maine Blue Shield)

- A. Surgical Allowance - By schedule to a maximum of \$350 for a single procedure; if multiple surgery required, the less expensive major procedure will be covered at 2/3rds of the scheduled amount.
- B. Surgical Assistant Allowance - Covered at 12 percent of the surgical benefit; the minimum reimbursement is \$20, the maximum reimbursement is \$70.
- C. Anesthetist - Covered at 20 percent of the surgical benefit; the minimum reimbursement of \$15 the maximum reimbursement is \$70.
- D. Obstetrical - \$87.50 for attending physician.
- E. In-Hospital Doctors' Visits - \$5 per day 1st 7 days, \$4 per day next 14 days, \$3 per day for the remaining 344 days.

Comment

The physicians benefits provided are below average when compared with the annual Hay Survey and the Special Survey, e. g., employees of the State of Vermont are covered by a surgical schedule with a maximum of \$500. It should be pointed out that surgical fees which exceed the Blue Shield Schedule are covered (other than routine obstetrical) under major medical. We will illustrate the affect of combining these two benefit sources.

III. Major Medical Benefits

A. Deductible - When basic plan benefits (Blue Cross/Blue Shield) are exhausted and covered medical expenses during a six (6) month period exceed \$100, a \$50 deductible is paid by the member and major medical benefits commence.

B. Major Medical Reimbursement - After payment of the deductible (III A above) major medical benefits pay 80 percent of the first \$3,000 in covered medical expenses, i. e. , up to \$2,400. Covered medical expenses in excess of \$3,000 are reimbursed 100 percent by major medical up to the per-disability maximum.

C. Major Medical Maximum - \$50,000 for each disability.

Comment

This major medical coverage compares favorably with the programs included in our data base. The following illustration will demonstrate the operation of the combination of hospital, physicians and major medical benefits.

Assumptions: Five days of hospitalization \$75 per day semi-private plus \$60 per day in ancillaries. Surgical fee of \$1,000; assisting surgeon \$200; anesthetist \$180. At home doctor's visits, drugs, prescriptions, etc., \$150.

	<u>Blue Cross</u>	<u>Blue Shield</u>	<u>Major Medical</u>
1. Hospital Charges (\$135 a day for 5 days: \$675)	\$675		
2. Physicians' Fees (\$1380)		\$490	\$672
3. Out of Hospital Expenses (\$150)			\$120
Total	<u>\$675</u>	<u>\$490</u>	<u>\$792</u>

Equals \$1,957

Total medical expenses for this illustrated disability amounted to \$2,205. The combination of reimbursements from all sources amounted to \$1,957 or 89 percent of total expenses. While there is a trend (within the private sector) towards reimbursement of all medical expenses, on our judgement, the present plan certainly provides adequate medical benefits. Every effort should be made to insure

that members (1) understand how their medical program operates, (2) know who to go to in order to have technical questions answered and (3) understand how and when to file medical claims.

IV Medical Plan Costs

The State of Maine presently pays the full cost of employee premiums (\$17.70); employees pay the additional premium for family coverage (and additional \$27.14) per month for a total of \$44.84. Hospital and physicians' benefits are financed through Maine Blue Cross/Blue Shield and major medical benefits are underwritten by Union Mutual Insurance Company.

Comment

The State of Maine presently pays approximately 40 percent of the total premium for family coverage while employees pay approximately 60 percent. This is somewhat below competitive standards particularly versus the private sector but less so against the public sector. At some point in the future the State should consider assuming 50 percent of the additional premium for family coverage. We don't feel that such an improvement is necessary at this time.

In order to ensure that medical benefits are being secured at the most economical cost, the program should be put out to bids periodically (perhaps every five years). Since this process has not been undertaken for some time, we recommend that it be considered at the next anniversary date.

V Retiree Medical Coverage

Retirees under age 65 and those over age 65 who are not covered by Medicare Part A, continue on the same medical program with lifetime major medical benefits limited to \$25,000. Retirees age 65 and over are covered by a companion Blue Cross/Blue Shield plan which is integrated with Medicare benefits.

Comment

This policy is both competitive and appropriate.

--See Exhibit V following this page--

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Sick Days (Short Term Disability)																	
Policy	1 day for each month of service	Guaranteed \$45.00 per wk. for 6 mos.	Work Week 5 5½ 6	Accum. Days/month 1¼ 1-3/8 1-1/2	\$25 per wk. for 13 wk. for each disability	10 days for each year of service	1 day for each mo. of service	After 8 days of disability a wkly amt. equal to 60% of earnings - max. \$150 min. \$35 - payments cont. for 26 weeks	Not available	10 wks at full salary plus \$9 per week for 13 wks under disability insurance.	1 week for each year of service after 5 yrs of service a 5 wk. min. applies	1 day for each mo. of service	15 days for each year of service	10 days per yr.	100% of base salary - 2 wks. per year of service - min. 4 weeks	1 mo. for each year of service- 1st mo. full salary thereafter ½ salary	15 days for each year of service
Maximum	60 days	Company usually pays full salary for 6 mos.	Work Week (days) 5 5½ 6	Max Work Days 90 99 108	13 weeks per disability	60 days	90 days	26 weeks		10 weeks — full salary 13 weeks — Disability Ins.		180 days	Not available		22 weeks	None	
Long Term Disability	No Plan		No Plan		No Plan		No Plan										
Eligibility for Membership		All employees after 1 yr. of employment				Management Employees		All salaried employees after 1 or more yrs. of continuous service.	All full time employees after 3 mos of service	All salaried employees	All salaried not union employees on date of hire	No Plan	No Plan	All employees after 1 year of service.	All salaried employees on date of hire	All salaried employees after 6 mos. of service	No Plan
Waiting Period for Benefits		6 months				3 months		Eligible immediately on enrollment	180 days	6 months	6 months			None		6 months	
Monthly Benefits		50% of base compensation				60% of base compensation less primary soc. sec. max. \$2,000		55% of base compensation less primary soc. sec. max. \$2,5000	60% of base compensation less Family Soc Sec. maximum \$2,000	per mo. Less than \$6,667 - \$125 \$ 6,667-10,000 - \$250 \$10,000-13,334 - \$375 \$13,334-16,667 - \$500 \$16,667-20,000 - \$625 \$20,000-23,334 - \$750 \$23,334-26,667 - \$875 \$26,667 & over - \$1000	60% of base compensation less primary soc. sec.			100% of base salary for 5 mo. thereafter 60% of base	60% of base compensation	60% of base compensation	
Benefit Duration		Recovery, death or age 65				Recovery, death or age 65		Recovery, death or age 65	Recovery, death or age 65	Death, recovery or age 65	Death, recovery or age 65			Death, recovery or age 65	Death, recovery or age 65	Death, recovery or age 65	
Employee Contributions		Non-contributory				Non-contributory		\$1.20 per wk.	Not available	Non-contributory	25¢ per \$100 of salary per month			Non-contributory	Non-contributory	1/3 of premium costs	

PERSONNEL POLICIES

A. Sick Pay (Short-term disability)

State employees receive credit towards absence for medical reasons equal to one day for each month of service, i. e., twelve days per year. Unused sick days may accumulate for up to 90 days. If an extended absence exhausts the accumulated days, unused sick days which would have accumulated except for the 90 day maximum (called "lapsed days") may be available for salary continuation. Once all pay is used, disability benefits may be available from the State Retirement System.

Comment

This is a typical practice within the public sector. There is a possible gap between sick pay exhaustion and disability retirement benefits if the employee has less than ten years of Creditable Service and the disability is nonoccupational. However, the service requirement for nonoccupational disability will be eliminated as of July 1, 1976 and this gap will be closed.

B. Vacation Policy

Employees earn vacation days for each month of service. Vacation days accrued for each month vary according to length of service in accordance with the following schedule:

<u>Length of Service</u>	<u>Vacation Days for Each Month</u>
Less than 5 years	1 day
Five years but less than 10 years	1 1/4 days
Ten years but less than 15 years	1 1/2 days
Fifteen years but less than 20 years	1 3/4 days
20 or more years	2 days

Employees may accrue unused vacation time up to 24 days if they have less than 15 years of service and up to 30 days if they have more than 15 years of service.

Comment

This is a very competitive vacation policy. Although it is far more generous than the practice developed from our Special Survey, it is fairly typical of practice in the Public Sector. When compared with vacation practice as reported in our annual noncash survey, it is slightly above average but data reported each year is moving more closely towards this level. No improvement in present policy is warranted at this time.

C. Holidays: Eleven holidays (10 regular holidays plus the day after Thanksgiving).

Comment

This is consistent with the various markets sampled.

D. Automobile Policy

1. State Cars: It is our understanding that assignment of State cars is tightly controlled and limited to cases of absolute necessity. Personal use of State cars is forbidden except for State Troopers who are in uniform and technically on call.

Comment

We believe that this practice is consistent with public policy.

2. Use of Personal Cars on State Business: Employees are reimbursed at the rate of \$0.12 per mile for the use of their own car on State Business.

Comment

The national trend is to \$0.15 per mile reimbursement.

E. Housing (State-Provided)

While a detailed analysis of State-provided housing was beyond the scope of our assignment, it is our understanding that housing is essentially limited to those classifications where on-site residence is job related. This would include Forest Rangers, "house parents" at vocational schools, certain guards at correctional institutions, etc.

Comment

Based upon the policy stated above, there would appear to be something of a trade-off between the economic value of State-provided housing and the "24 hour per day" on-call status. Our sole recommendation would be that a tight control should be kept on State housing in order to ensure that assignment is job related rather than an additional element of compensation outside of normal practice.

--See Exhibits IV and VI following this page--

Exhibit V
Basic Medical
Coverage
Survey Employers

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Eligibility for Membership	All full time employees after 3 mos. of employment	All employees on date of hire	Permanent full time employees within 30 days temporary full time - 6 mos waiting period	All full time employees after 3 mos. of employment	All full time employees after 90 day waiting period	All full time employees after 6 mos service	All employees on hire	All full-time employees	All employees on first day of mo. after hire	All employees on date of hire	All employees on date of hire	All full time permanent employees on date of hire	All full time employees after one month of service	All full time employees on date of hire	All employees after 6 mos. of service	All designated employees
Hospital Benefits	Full semi-private coverage for 121 days per disability	Per schedule: \$50-\$2,000 - 100% covered \$2,000-10,000- 90% covered \$10,000-40,000- 95% covered Max. \$40,000	Full semi-private for 120 days	Full semi-private coverage for 121 days per disability	Full semi-private coverage for 121 days per disability	Full semi-private coverage for 120 days per disability	Full semi-private coverage for an unlimited no. of days	Full semi-private coverage for 121 days per disability	Full semi-private coverage for 121 days per disability	1st \$2,000 covered in full 80% of balance over \$50 deductible - single \$150 deductible family	Full semi-private coverage for 121 days per disability	Full semi-private coverage for 121 days per disability	Full semi-private coverage	Full semi-private coverage for 120 days	Full semi-private coverage	Full semi-private coverage for 120 days
Ancillary Expenses	Covered in full	See schedule above	Covered in full	Covered in full	Covered in full	First \$400 in full 75% of next \$750	\$50 deductible 85% coverage for excess	Covered in full	Coverage for actual changes	Not available	Covered in full	Covered in full	Covered in full	Covered in full	Covered up to \$500	Covered 80% of cost
Surgical Schedule	\$350 fee schedule max.		All normal & customary charges	\$350 fee schedule max.	\$350 fee schedule max.	\$300 fee schedule max.	100% of first \$500 - 85% of balance	\$450 fee schedule max.	\$420 fee schedule max.	Not available	\$250 fee schedule max.	\$350 fee schedule max.	\$350 fee schedule max.	All reasonable and customary charges	\$500 fee schedule max.	80% of all reasonable and customary charges
Employee Contribution	Not available	Not available	Employee must pay for any coverage other than single	Single - \$1.84 per wk Couple - \$5.88 per wk Family - \$6.54 per wk	Non-contributory	Non-contributory	Employee pays for dependent coverage - 2% of normal straight time annual earnings up to \$5,000-max. contribution \$100 per year	Not available	Single - \$3.76 per month Couple - \$16.26 per month Family - \$18.37 per month	Single coverage Company paid Dependent coverage \$615 per month	Not available	Non-contributory	Non-contributory	Single coverage-company paid dependent coverage \$5.00 per month	Non-contributory	Single - \$22.58 per month Family - \$53.04 per month Student- \$4.00 per month
Major Medical																
Deductible	\$100.00	Not available	\$100.00	\$100.00	\$100.00	\$100.00	Not available	\$100.00	\$100.00-single \$300.00-family		\$50.00	\$50.00	\$100.00	\$100.00	\$200.00	\$50.00
Coinsurance	80% of balance	Not available	80% of balance	80% of balance \$10,000 max.	80% of balance	80% of balance	80% of balance Lifetime max. \$250,000	80% of balance	80% of balance	80% of balance \$50,000 max.	80% of first \$3,000 90% of balance	80% of first \$3,000 90% of balance	Not available	80% of balance Lifetime max. \$250,000	75% of balance \$20,000 max.	80% of balance \$50,000 max. per year

Exhibit VI
Holiday & Vacation
Policy
Survey Employers

Company Code	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number of Paid Holidays	8 days	9 days	11 days	Not available	9 days	10 days	Not available	9 days	8 days	7 days	11 ½ days	11 days	10 days	9 days	10 days	11 days
Vacation Policy	1-5 yrs - 3 wks 5-10 yrs - 4 wks	6 mos but less than 1 yr - 1 wk 1-5 yrs - 2 wks 8-15 yrs - 3 wks 15-20 yrs - 4 wks 25 yrs - 5 wks	1 ¼ day for each month of service, Maximum-30 days	6 mos. but less than 1 yr - 2% of gross earning 1-5 yrs - 1 wk 5 yr-over - 2 wks	6 mos. but less than 1 yr - 1 wk 5 years - 3 wks 15 years - 4 wks	Accrual Rate 10/12 of a work week in the established work week per mo. after 15 yrs rate is 1 3/12 days per mo. after 20 yrs 1 8/12 per month	1 yr less than 2-2 weeks 2 yrs less than 5-2 weeks 5 yrs less than 10-2 wks + 2 ½ days 10 yrs less than 15-3 weeks 15 yrs less than 25-4 weeks 20 yrs or over = 5 weeks	Less than 10 yrs - 2 weeks 10-18 yrs - 3 wks 18 or more yrs - 4 weeks	Maximum 3 wks - no waiting period	6 mos. - 1 wk 1 yr - 2 wks 5 yrs - 3 wks 15 yrs - 4 wks 20 yrs - 5 wks 25 yrs - 6 wks 30 yrs - 7 wks	1 yr - 2 weeks 10 yrs or more - 3 weeks 15 yrs - 4 weeks	6 mos - 10 yrs - 2 weeks 11 yrs or more - 3 weeks	6 mos. but less than 1 yr - 1 wk 5 yrs - 2 weeks 10 yrs - 3 weeks 15 yrs - 3 weeks 20 yrs - 4 weeks 25 yrs - 4 weeks	6 mos. but less than 1 yr - 1 wk 1-8 yrs - 2 wks 8-15 yrs - 3 wks 15-25 yrs - 4 wks 25-30 yrs - 5 wks 30 yrs and over - 6 weeks	6 mos. but less than 1 yr - 1 wk 1-4 yrs - 2 wks 5-11 yrs - 3 wks 12-20 yrs - 4 wks 20 and over - 5 weeks	6 mos. but less than 1 yr - 2 wks 5-10 yrs - 3 wks 10 and over - 4 weeks

SALARY ADMINISTRATION - POLICY AND PRINCIPLE

The determination of salaries paid to individuals in any organization is the product of the dynamic and sensitive interplay of internal job relationships; salaries paid in the market place; socially motivated pressures in the form of law and public opinion; the motives of special interests; performance and length of service; the policies and structures developed to provide incentives for advancement and retention of employees; and at times, the individual bias of decision makers.

These dynamic factors have been at work in determining individual salaries of State of Maine employees, and will continue to work in the future. The purpose of this section is to outline the processes which, if diligently employed, will assure reasonable control of these forces and provide the means for a constructive, positive result from revenues expended in employee salaries.

The following processes are recommended for ongoing determination of classified employee salaries, and for the ongoing determination of unclassified employee salaries except as qualified in Section X of this report.

Maintaining Competitive Salary Structures

1. Survey the Maine labor market annually, and acquire current survey data on Northern Tier, New England, and Northeast region on an annual basis. Maine Survey data should be representative of non-exempt and lower level exempt occupations. Other survey data should be representative of exempt occupations. Survey data should include both public and private sector salaries and occupations. Survey procedures should follow those outlined in Section XI of this report.
2. Pay ranges should be adjusted annually to reflect changes in the labor market. Specifically, Step D of the State of Maine salary ranges should be comparable with (or close to) the average salaries actually paid in the appropriate labor market. The consultants believe the appropriate labor market for positions with 76 to 484 points (grades 1-25) is the Maine labor market, and the appropriate labor market for positions with 484 to 1500 points (grades 26-41), consists of the 12 Northeast State Governments (plus the District of Colombia). There is some market overlapping grades 18 through 25, since these grades carry many of the entry and second level professionals who may only be available in sufficient quantities outside of Maine.

3. The basic pay range structure surrounding Step D should maintain its integrity, with seven steps available for merit increase, and with 41 grades for positions and classes not requiring licensed physicians; and with the separate but parallel structure, seven steps, grades 29 through 41, for positions and classes requiring licensed physicians.

Steps above and below D should be calculated as follows:

$A = D \times .8638$	$E = D \times 1.05$
$B = D \times .9070$	$X = D \times 1.1025$
$C = D \times .9523$	$Y = D \times 1.1576$

4. The relationship between grades at Step D should be as close to a straight line (linear) as possible. The formula for calculating linear relationships, described elsewhere in this report is:

$$Y = mx + b$$

Y = salary dollars at Step D
m = the slope of the linear relationship
expressed in dollars and cents per
point
x = the number of evaluation points at
any given level (or middle point value
of a point range)
b = the constant dollars at that level at
which the line intercepts 0 points

Preserving Equity In the Allocation of Classes to Pay Grades

1. Each class specification (or unclassified position description) should be evaluated using the Hay Guide Chart, Profile method of evaluation.
2. Each evaluation should be the consensus of three individuals.
3. Each evaluation must fit logically within the structure of evaluations provided with this report (see supplement).
4. The disposition of appeals or challenges to evaluations (and ultimately the allocation of pay ranges) should rest solely on the proper application of steps 1, 2 and 3 above.

Validating the Classification of Individual Employees

1. Exceptions to class specifications and unclassified descriptions reported by individual employees or agencies require the scheduling and conduct of field audits.
2. Audits should result in one of several actions: reclassification to an existing class (and its evaluated points), retention of the currently assigned class (and its evaluated points), or development of a new class specification (and the evaluation of the content of the new class). Notification of the employee and the agency of the result is required.
3. 15 percent of all established classes should be scheduled for audit each year on a rotating basis.
4. Audit procedures, e.g., sampling, interviewing, questionnaire issuance and reviews, should follow those outlined in Section XI and detailed in the Appendix of the report.
5. Supervisors, Bureau Heads, and when appropriate, Agency Heads should review and attest to the accuracy and essential completeness of the definition and example of work parts of class specification and descriptions covering reporting positions.

Increasing Salaries when Ranges Increase

1. Across the board increases of actual salaries of individual employees should be timed to take place only when the salary structure is changed.
2. The amount of increase should be precisely the same as the increase in the step occupied by each employee.
3. No employees' salary should be increased beyond Step Y of the assigned pay range.

Increasing Salaries when Individuals are Promoted or Reclassified to Higher Pay Grades

1. If the employee's rate of pay in the previous positions was less than Step A established for the class of the new position, the rate of pay shall be advanced to Step A for the class of the new position; or if this represent an increase of less than 5 percent, the rate of pay shall be advanced to Step B for the

class of the new position.

2. If the employee's rate of pay in the previous position falls between Steps A and Y to the class of the new position the rate of pay shall be advanced to the next higher step, or if this represents an increase of less than 5 percent, the rate of pay shall be advanced to the next highest step which equals or exceeds a 5 percent increase in rate of pay.
3. No employee's salary should be increased beyond Step Y of the assigned pay range.

Increasing Salaries when Individual Employee Performance is Meritorious

1. Salary increases within guidelines and merit budgets may be initiated by the immediate Supervisor, subject to the final approval of the Agency Head or his delegate.
2. Employee salaries will be reviewed annually, and if performance is meritorious, salary increases may be authorized effective with the employee's position entrance anniversary.
3. Salary increases for meritorious performance will normally amount to an increase of one step.
4. Immediate Supervisors may recommend and Agency Heads may approve increases of two steps, and/or increases more often than once a year, but not more often than twice a year.
5. Increases for meritorious performance in excess of, or more frequently than, those described in Steps 2, 3 and 4 may not be implemented without approval of the Personnel Director or his delegate, for classified employees, and the Director of the Office of State Employee Relations or his delegate for unclassified employees.
6. No employee's salary should be increased beyond Step Y of the assigned pay range.
7. No salary increase should be less than one step. Each agency will document the meritorious performance justifying each salary increase authorized for employees assigned to that agency, and forward a copy of this documentation together with a notice of the salary increase to the Personnel Department.

8. The Personnel Department will audit all authorized increases for conformance to guidelines and merit budgets.

Limiting Merit Increases

1. Each budget control agency will budget limited merit increase funds annually (less funds than those required to grant each employee with a merit increase). Budget control agencies are those with 30 or more employees.
2. Agencies with less than 30 employees will be budgeted together, in the aggregate, by the the Budget Bureau.
3. Budgets for each budget control agency (and the aggregate budget for the other agencies), will be calculated using the following formula:

$$\text{Budget} = \text{Agency payroll (beginning of year)} \times \left[\frac{\text{Average Step Rate-State}}{\text{Average Step Rate-Agency}} \right] \times .03$$

Note: The .03 factor could vary from year to year from .01 to .04 based on State-wide considerations of expansion or contraction.

4. In the event of a reduction in force in any agency, the budget will be recalculated, pro rata for that budget year.

Other Salary Changes

1. Normally, employee salaries will not change as the result of a lateral transfer, or a reduction in pay range resulting from actions or conditions beyond the employees control.
2. Salary reductions shall not be employed as a disciplinary measure.

Starting Salaries(other than through promotion or other forms of transfer)

1. Step A of a class shall normally be paid upon appointment to the class.
2. Appointing authorities may authorize appointment at steps B or C, with documented justification reported to the Personnel Department.

3. Appointment at Step D or higher requires approval of the Personnel Department for classified employees, and the Office of State Employee Relations for unclassified employees.
4. No employee shall be appointed to a salary lower than Step A of the pay grade assigned.

ORGANIZING FOR COMPENSATION AND CLASSIFICATION

The functions of compensation and classification in state government can be defined as follows:

Compensation - Those activities which affect the levels, structures, policies, procedures, programs, plans, and costs of remunerating employees with cash and noncash rewards.

Classification - Those activities which affect the assignment of class titles to individual employees, and the allocation of individual classes to existing pay grades.

The State of Maine accomplishes these functions currently through such organizations as the Personnel Board, Personnel Department, the Maine State Retirement System, the Agencies, and ultimately with the concurrence of the Governor and the Legislature.

The establishment of the Office of State Employee Relations has added an additional organization unit with concerns relating to both compensation and classification.

Employees as individuals have a stake in the performance of classification and compensation functions. Organizations representing employees have an interest, and will become increasingly influential in dealing with the broad issues, and individual employee problems, involved in compensation and classification.

The consultants, based on interviews, and review of reports prepared by others, have found:

- The process of classification, reclassification, and range change decision making is too cumbersome.
- There is no focal point in the State for planning and researching compensation.
- The Personnel Board is burdened with administrative decisions and is currently unable to devote adequate time and effort to policy or program.
- Medical Insurance programming, policy and service is essentially provided by sources external to State government.
- The possible merging of the Personnel Department with the Office of State Employee Relations is still unresolved.

- The Maine State Retirement System operates efficiently and responsively.
- The professional competence of the Personnel Department is questioned.
- Input from Agency management into compensation policy formation appears to be uneven.
- There is no organization unit assigned accountability for policy and administration of unclassified employee salaries.

Given these findings the consultants recommend the following allocation of accountability for classification and compensation:

1. Personnel Board - Assume a purely advisory role, and relinquish its administrative and decision-making tasks regarding classification and compensation.
2. Personnel Department - Administer the classification function by:
 - Maintaining up-to-date classification records and class specifications.
 - Conduct field audits to verify or develop class specifications and to prepare unclassified position descriptions.
 - Train agency representatives in making field audits and writing class specifications.
 - Review and edit class specifications prepared by agency representatives.
 - Review, endorse or challenge evaluations of the content of class specifications unique to individual agencies, and carry challenges through to final disposition.
 - Independently evaluate the content of multi-agency classes and support evaluations through any subsequent challenges or appeals to final disposition.
 - Allocate classes to pay ranges based on job content points.
 - Provide management committees, and participants in appeal processes with all necessary specifications, and classification information.

3. Office of State Employee Relations - serves as the focal point for compensation planning and research by:

- Establishing a compensation planning and research unit.
- Developing information sources and conducting surveys, studies, cost analyses, and drafting policy proposals for cash and noncash compensation of classified and unclassified employees.
- Maintain records and administer salary policies for unclassified employees, using position descriptions provided by the Personnel Department.
- Representing management in the presentation of classification appeals by union represented employees to the State Employees Appeal Board.

4. Agency Management - Participate in the formation of policy, and in individual classifications by:

- Serving as members of a standing Compensation Policy Committee (rotating membership with the Chairman appointed by the Governor, and with the Directors of the Personnel Department and the Office of State Employee Relations as ex-officio members). The main purpose of the Committee is to review or initiate policy studies, review pertinent research and survey data, and advise the Governor on recommended classification and compensation policies and programs. A secondary purpose of the Committee is to hear and act on classification appeals initiated by Agencies and by employees not represented by a Union.
- Independently evaluating the content of class specifications unique to their respective agencies, and support these evaluations through any subsequent challenges or appeals.
- Providing qualified individuals to conduct field audits and prepare class specifications.

5. An Objective Arbitration Panel - To hear and act on classification appeals presented on behalf of Union represented employees.

6. Maine State Retirement System - To assume accountability for the administration, communication, and service to all State employees for all noncash benefit programs, including medical insurance; and to:

- Supply the Compensation Planning and Research Unit, and the Compensation Committee, with all necessary information, advice and counsel regarding noncash compensation.

7. Governor (Executive Office) - To provide broad policy guidelines for policy development, compensation levels, and program priority, and to:

- Approve specific evaluations of positions held by appointed unclassified officials reporting to department heads.
- Approve specific compensation policies, benefit programs, and salary structures.
- Establish performance standards for reward of top level unclassified employees (other than those whose salaries are regulated by the Legislature).

8. Legislature - To continually monitor effectiveness of compensation policies and programs, and to:

- Approve specific evaluations for positions and classes within the Legislative Staff.

REALLOCATION OF CLASSES BASED ON MEASURED JOB CONTENT

The State of Maine has practiced reallocation of classes as a means for responding to pressures for increased pay, as well as a means for equitably determining pay ranges. In the course of periodic adjustments to pay range schedules, seven times since 1964, the State has witnessed the bottom three pay grades essentially vacated through upward reallocation, and the eventual reduction of the number of grades from 46 to 41. While the number of pay grades were being reduced, the lower grades continued to bear a large and proportionate share of the classifications (almost 68 percent of the total). At this time, five of the upper grades (grades 20-41) are vacant, and less than 2 percent of the classes are found in grades 30-41.

The State's Personnel Department acknowledges, and the Personnel Board confirms, that reallocations have at times been awarded for reasons other than changes in job content.

The 106th Legislature provided legislative control of the large numbers of requests for reallocations (potentially affecting 1100 employees). However, the pressures for reallocation of classes on a broad scale continue.

The State's procedures for classification do not now include the use of a job evaluation tool to consistently measure job content. Prior to this study a large number of classifications had been unaudited for long periods of time.

During the study approximately 90 percent of the more than 950 classes required some revision of the class specification based on the interviews. About one-third of these required a significant revision. Classification questionnaires subsequently returned from classified employees have indicated a need for scheduling approximately 800 additional audits. Furthermore, the State's Personnel Department estimates that reclassification to a different, established class will result from half of these audits.

These facts, together with the data displayed on the following charts and tables, make a strong case for a sweeping reallocation of classes at this time, based on consistent measurement of job content reflected by up-to-date class specifications. The evidence also clearly favors discontinuing future broad scale annual or biannual reallocations of classes as a response to pressures for increased pay.

The chart entitled "Present Grades versus Measured Content", facing this page, shows the relationship for classes covered by this study.

The vertical axis registers the current 41 grades in ascending order from the bottom. The horizontal axis registers evaluated point totals at 100 point intervals, in ascending order from the left. A shaded bar opposite a grade indicates the presence of one or more classifications. The presence of a shaded bar in the space above two point intervals indicates classifications assigned to the grade with evaluated point totals within the range of points bounded by the point intervals. For example:

There is a shaded bar opposite grade 12, and the location of the bar over certain point intervals along the horizontal axis indicates classifications now in grade 12 with evaluated points ranging somewhere between 100 and 500.

Visual examination of this chart reveals a questionable range of evaluated content for a number of the 41 grades. In particular, the evaluated range of points for grades 4, 5, 7, 12, 15, 17 and almost all grades 23 through 27 are out of line with the perceived pattern, and produce a high degree of overlap with other higher and lower grades.

Viewed from a different angle, the chart shows that classes with evaluated content between 100 and 300 points appear in 22 different grades; and classes with 300 to 400 points appear in 16 different grades.

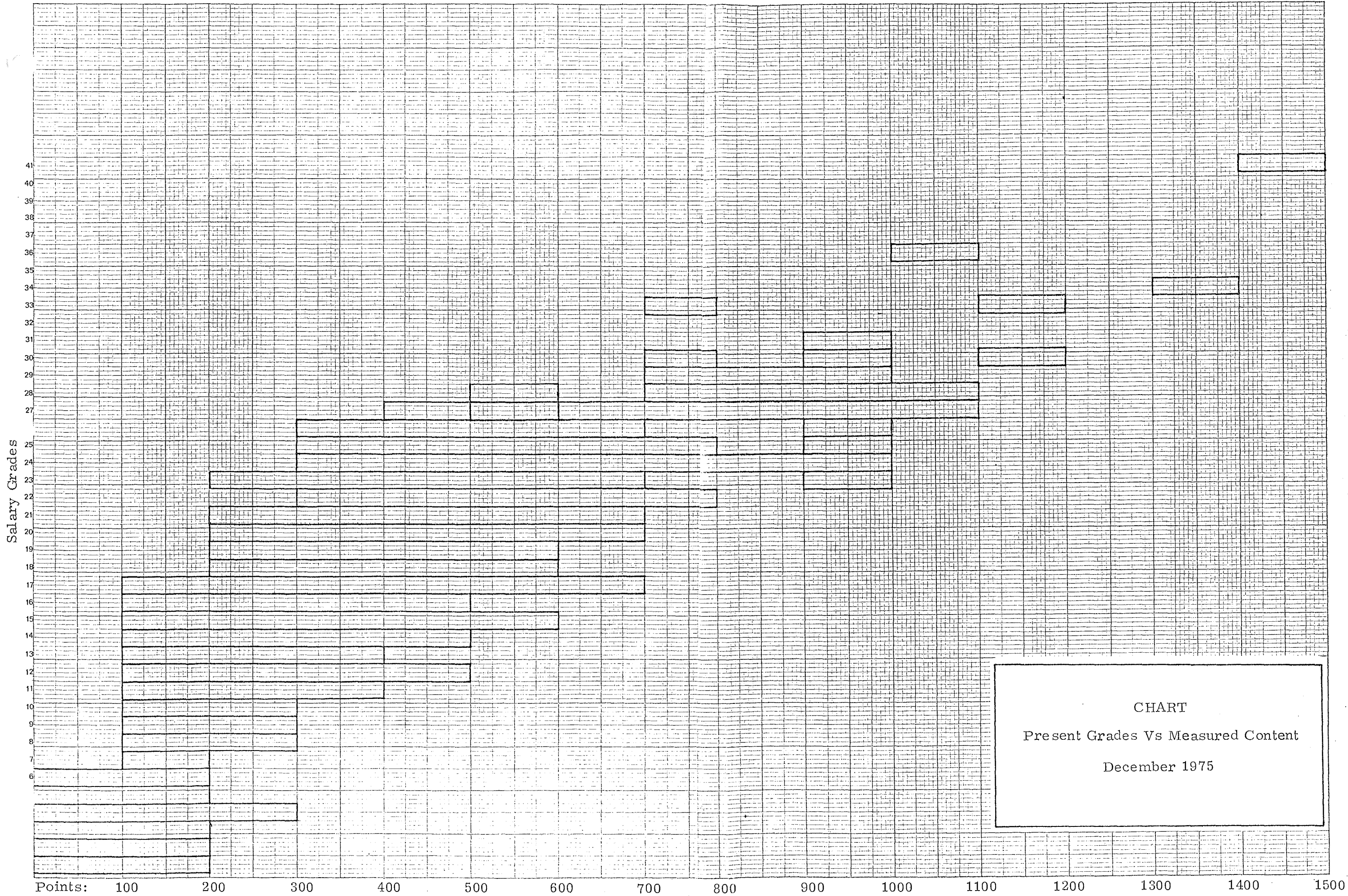


CHART
Present Grades Vs Measured Content
December 1975

	<u>Point Range</u>	
<u>Grade</u>	<u>Low</u>	<u>High</u>
1	76	81
2	82	87
3	88	94
4	95	101
5	102	109
6	110	118
7	119	127
8	128	137
9	138	147
10	148	159
11	160	171
12	172	184
13	185	198
14	199	214
15	215	230
16	231	248
17	249	267
18	268	288
19	289	310
20	311	334
21	335	360
22	361	388
23	389	418
24	419	450
25	451	484
26	485	522
27	523	562
28	563	605
29	606	652
30	653	702
31	703	757
32	758	815
33	816	878
34	879	945
35	946	1018
36	1019	1097
37	1098	1181
38	1182	1272
39	1273	1370
40	1371	1476
41	1477	1590

The table facing this page sets forth the recommended point ranges for use by the State in reallocating classes to pay grades.

The point ranges were produced by applying a factor, representing a constant rate of progression, to the lowest evaluated point total, and repeating this calculation until point boundaries (on the low side) were achieved for each of the 41 grades. Point boundaries on the high side were established by selecting the next number lower than the low point boundary of the next highest grade.

The use of a constant rate of progression results in a consistent, increasing point range for each grade. Classifications evaluated with the Hay Guide Chart process are awarded point totals selected from a matrix of numbers which, step by step, increase with a constant rate of progression. Thus the higher numbers produced through individual evaluations are accommodated by the increasing ranges of points as the grades go up from one to forty one.

The rate of progression used to produce point ranges shown, was calculated from the following formula:

$$r = \left[\frac{y_1}{y_2} \right]^{\frac{1}{n-1}}$$

r = rate of progression
y1 = top point value
y2 = bottom point value
n = number of grades

Use of the point ranges coupled with a point evaluation of classes and positions simplifies the process of classification. A class or position evaluated to have 100 points is allocated to grade 4. A class or position evaluated to have 1500 points is allocated to grade 41.

Point ranges should remain constant over extended periods of time while providing consistent guidance in the allocation of classes to pay grade.

The table entitled "Distribution of Classes by Grade, Present versus Recommended" displays this comparison.

The distributions are shown for grades 1-41, with the number of classes allocated to each range (present as of September 1975 and recommended as of December 1975) and the percent of total classes represented by the number allocated to each range. There are different totals of classes, present and recommended, because as the study proceeded certain classes were dropped, and some classes are still to be defined.

The "Recommended Distribution of Classes" is that resulting from the recommendation for reallocation of Classes reported in this section.

TABLE - DISTRIBUTION OF CLASSES BY GRADE
PRESENT VERSUS RECOMMENDED

<u>Range Number</u>	<u>Number of Classes Per Range</u>	<u>Percent Of Total</u>	<u>Range Number</u>	<u>Number of Classes Per Range</u>	<u>Percent Of Total</u>
1	3	0	1	4	0
2	11	1%	2	1	0
3	14	1%	3	8	1%
4	19	2%	4	5	1%
5	24	2%	5	24	3%
6	22	2%	6	17	2%
7	40	4%	7	35	4%
8	31	3%	8	6	1%
9	31	3%	9	32	3%
10	38	4%	10	34	4%
11	37	4%	11	27	3%
12	54	5%	12	35	4%
13	41	4%	13	23	2%
14	51	5%	14	44	5%
15	76	8%	15	29	3%
16	43	4%	16	37	4%
17	52	5%	17	33	4%
18	47	5%	18	49	5%
19	54	5%	19	39	4%
20	45	5%	20	59	6%
21	43	4%	21	38	4%
22	58	6%	22	43	5%
23	41	4%	23	44	5%
24	31	3%	24	39	4%
25	21	2%	25	47	5%
26	14	1%	26	29	3%
27	11	1%	27	33	4%
28	12	1%	28	23	2%
29	9	1%	29	20	2%
30	3	0	30	16	2%
31	1	0	31	25	3%
32	1	0	32	7	1%
33	4	0	33	3	0
34	1	0	34	5	0
35			35	8	0
36	1	0	36	2	0
37			37	2	0
38			38	1	0
39			39	1	0
40			40	1	0
41	1	0	41	1	0
<u>36</u>	<u>985</u>	<u>100.000%</u>	<u>41</u>	<u>929</u>	<u>100.000%</u>
Total Range	Total Classes		Total Range	Total Classes	

CLASSES AFFECTED-OMNIBUS BILL

The following table compares range changes approved by the Personnel Board (included within the 1975 Omnibus Bill) with ranges resulting from allocations based on job content points.

RANGE CHANGE RECOMMENDATIONS - OMNIBUS BILL

Class Code	Title	Agency	Present Range	Personnel Board Approved Range	Range Allocated by Points
9166	Dir. Div. Mktg.	Agriculture	22	24	27
9184	Dir. Div. Inspection	Agriculture	22	24	30
9167	Dir. Div. Agric. Prom.	Agriculture	22	24	Not Evaluated
9156	Dir. Div. Animal Indust.	Agriculture	22	24	30
9138	Dir. Div. Plant Indust.	Agriculture	22	24	31
9154	Animal Husb. Spec. II	Agriculture	16	18	17
9186	Exec. Dir. Soil&Water Cons.	Agriculture	22	24	Not Evaluated
6419	Soil Scientist	Agriculture	19	22	24
9199	Supv. Feed & Fert. Reg.	Agriculture	17	20	18
7281	Wts. & Measures Supv.	Agriculture	17	20	18
9102	Supv., Dairy Inspect.	Agriculture	19	20	18
0036	Exec. Secty. Harness Racing	Agriculture	14	22	21
0406	Dept. Pers. Off. II	Conservation	20	22	27

Class Code	Title	Agency	Present Range	Personnel Board Approved Range	Range Allocated by Points
6971	Dep. Comm.	DCI	25	30	Not Evaluated
6406	Dept. Pers. Off. II	Education & Cultural Services	20	22	27
3025	Dir. Plan. & Mgt. Info.	Education & Cultural Services	24	25	Not Evaluated
3073	Dir. Finance	Education & Cultural Services	25	26	31
3029	Dir. Fed. Programs	Education & Cultural Services	24	25	28
9044	Superv. Grounds	Finance & Administration	15	18	15
7265	Director Licensing	Finance & Administration	15	20	17
4381	Health Services Consultant	Health & Welfare	15	17	20
4365	Director, Health	Health & Welfare	33	36	37
3067	Disab. Claims Supv.	Health & Welfare	16	19	22
3065	Disab. Claims Adj.	Health & Welfare	15	17	20
4391	Health Service Supv. I	Health & Welfare	18	19	23

Class Code	Title	Agency	Present Range	Personnel Board Approved Range	Range Allocated by Points
3066	Disab. Claims Exam.	Health & Welfare	14	16	19
4066	Asst. Director, DOD	Health & Welfare	19	20	24
0349	Supervisor Audits	Health & Welfare	20	21	22
0353	Hearing Examiners	Health & Welfare	16	18	21
4063	Staff Development Coord.	Health & Welfare	19	20	23
7257	Supv. Empl. Std's	Manpower Affairs	20	22	Not Evaluated
0733	Dir. Manpower Affairs Administrative Services	Manpower Affairs	25	27	34
0734	Asst. Dir. Manpower Aff. Administrative Services	Manpower Affairs	22	24	31
0714	Dir. Manpower Research	Manpower Affairs	24	27	32
0715	Asst. Director Manpower Research	Manpower Affairs	20	24	27
0711	Empl. Serv. Mgr. I	Manpower Affairs	18	19	25
0406	Dept. Pers. Off. II	Manpower Affairs	20	22	27
0750	Unemployment Comp. Mgr. I	Manpower Affairs	18	19	25

Class Code	Title	Agency	Present Range	Personnel Board Approved Range	Range Allocated by Points
8462	Prison Rel. Store Mgr.	MH&C	10	12	14
4239	Pharmacy Clerk	MH&C	4	7	15
5501	Beautician	MH&C	5	7	9
0406	Dept. Pers. Off. II	MH&C	20	22	27
0405	Dept. Pers. Off. I	MH&C	17	19	26
0950	Radiological Maint. Off.	Military	13	15	14
8622	C. D. Instrument Repair	Military	8	10	10
0834	Supv. Vets. Service	Military	19	23	20
6440	Cemetary Supervisor	Military	17	18	18
0833	Veterans Claims Service	Military	16	19	18
0372	P. U. Investigator I	Public Utilities	13	15	10
0370	P. U. Investigator II	Public Utilities	15	17	15
8600	Police Comm. Operator	Public Safety	6	10	9

Class Code	Title	Agency	Present Range	Personnel Board Approved Range	Range Allocated by Points
0202	Mech. Stores Clerk II	Transportation	8	9	9
0201	Mech. Stores Clerk I	Transportation	6	7	7
8562	Sign Shop Foreman	Transportation	11	12	14
8322	Machinist Foreman	Transportation	12	13	16
8321	Machinist	Transportation	9	11	11
0406	Dept. Pers. Officer	Transportation	20	24	27
6328	Hiway Equipt. Eng.	Transportation	21	27	28
7202	Chief Inspect. Aeronautics	Transportation	20	22	22
8175	Hiway Maint. Supv.	Transportation	19	21	21
8152	Bridge Supv.	Transportation	17	19	20
8131	Equipt. Supv.	Transportation	16	18	20
8173	Hiway Dist. Supv.	Transportation	16	18	19
8132	Asst. Director Hiway Equip.	Transportation	17	21	23

JOB FAMILIES

The following Tables, one through five, illustrate the effect of allocation by job content points on pay ranges assigned to families of jobs. The overall effect is for increasing the number of grades between the lowest and highest members (classes) of families. Collapsing of classes (reduction in the number of classes within a family) is indicated in three instances. Other job families may be analyzed in the same fashion.

Table 1 : Analysis of Civil Engineer Job Family

Code	Class Title	Content Points	Present Grade	Proposed Grade	Comments
6347	Civil Engr. V	904	29	34	The higher level Civil Engineers moved up more grades than lower level Civil Engineers (grade movement ranges from +5 for Civil Engineer V to +2 for Asst. Engineer).
6346	Civil Engr.IV	755	27	31	
6344	Civil Engr.III	636	25	29	
6342	Civil Engr. II	511	22	26	
6341	Civil Engr. I	372	19	22	
6349	Asst. Engr.	289	17	19	
6338	Engrg. Tech. V	496	20	26	Highest level Engineering Technician moved up 6 grades. Lowest level moved down 1 grade. Effect to spread the Engineering Technician series, reflecting differences in required ability.
6337	Engrg. Tech. IV	372	18	22	
6336	Engrg. Tech. III	261	16	17	
6335	Engrg. Tech. II	228	14	15	
6334	Engrg. Tech. I	165	12	11	
6332	Engrg. Aide II	138	8	9	

Table 2 : Analysis of Nursing Job Family

Code	Class Title	Content Points	Present Grade	Proposed Grade	Comments
4021	Nursing Asst. I	102	6	5	
4022	Nursing Asst. II	208	9	14	-Almost all Nurse classes move up 5 or more grades.
4031	Nurse I	300	12	19	-Nursing Asst. I is seen as entry level, even lower than a licensed Practical Nurse (170P).
4032	Nurse II	316	13	20	
4033	Nurse III	372	15	22	
4034	Nurse IV	451	17	25	
4035	Nurse V	511	21	26	
4051	Public Health Nurse I	344	13	21	
4055	Public Health Nurse II	362	15	22	-Public Health Nursing Supervisor seen as 1 class, equivalent to Nurse IV.
4052	Publ. Hlth. Nursing Supr. I	451	17	25	-Public Health Nurse I&II could be collapsed into 1 class, equivalent to a Nurse III.
4057	Publ. Hlth Nursing Supr. II	451	19	25	

Table 3 : Analysis of Data Processing Job Family

Code	Class Title	Content Points	Present Grade	Proposed Grade	Comments
0140	Data Entry Oper. I	118	1	6	-Most classes went up between 2 and 8 grades from current levels. -Senior Computer Programmer was probably placed in grade 26 to allow sufficient salary required by the market, rather than to reflect proper job content relationship.
0141	Data Entry Oper. II	118	3	6	
0142	Data Entry Spec.	141	6	9	
0143	Data Entry Supr.	242	8	16	
0150	Data Entry Syst. Mgr.	294	11	19	
0144	Sr. Computer Prog.	342	26	21	
0145	Analyst Prog. I	374	18	22	
0146	Analyst Prog. II	445	22	24	
0310	Syst. Software Spec. II	511	24	26	
0373	Syst. Prog. Mgr.	588	25	28	

Table 4 : Analysis of Clerk-Typist-Steno Job Family

Code	Class Title	Content Points	Present Grade	Proposed Grade	Comments
0001	Clerk I	88	1	3	- All clerk titles moved up from current grade levels.
0002	Clerk II	112	4	6	
0003	Clerk III	173	7	12	- Clerk III and IV titles can be combined into 1 class, based on job content.
0004	Clerk IV	178	11	12	
0021	Clerk Steno I	118	2	6	- All three class series are seen as having the same content at the III level, although differences exist in required abilities.
0022	Clerk Steno II	148	5	10	
0023	Clerk Steno III	173	8	12	
0011	Clerk Typist I	102	1	5	
0012	Clerk Typist II	128	4	8	
0013	Clerk Typist III	173	7	12	

Table 5: Analysis of Human Services Job Family

Code	Class Title	Content Points	Present Grade	Proposed Grade	Comments
5070	Human Serv. Aide I	117	2	6	- Classes went up anywhere from 1 to 7 grades over current grade levels.
5071	Human Serv. Aide II	125	4	7	
5072	Human Serv. Aide III	147	8	9	
5073	Human Serv. Tech I	213	10	14	- HSW titles should be retained and placed in the 3 different grades as shown.
5074	Human Serv. Tech II	238	12	16	
5075	Human Serv. Worker I	289	12	19	- Because of the broader scope of HSM II than HSM I the grade difference should be maintained (21 vs 20), even though only 10 points separate the 2 class evaluations.
5076	Human Serv. Worker II	332	14	20	
5077	Human Serv. Worker III	342	14	21	
5078	Human Serv. Mgr I	382	19	22	
5079	Human Serv. Mgr II	393	21	23	
5080	Human Serv. Mgr III	496	23	26	
5081	Human Serv. Mgr IV	611	25	29	

COLLAPSABLE CLASSES

The following Table lists classes, in addition to those highlighted in the preceding job family illustration, which may be collapsed (combined) because of similar content point values.

The process of collapsing classes may also be pursued as a consequence of redesigned organizations and classes, and as the result of similarities in the specification of required knowledge, skills and ability for entrance to a class. By the same token, classes may be expanded (exploded) as the result of redesigned organizations and classes, and as the result of creating career paths as a means of developing less qualified candidates for advanced positions.

TABLE - COLLAPSABLE CLASSES

Class Code	Title		Present Range	Content Points	Range Allocated by Points
5273	Alc. Rehab Counselor I		13	332	20
5284	Alc. Rehab Counselor II		11	323	20
0251	Buyer	I	11	204	14
0252	Buyer	II	15	208	14
6405	Chemist Asst.	I	4	138	9
6406	Chemist Asst.	II	8	138	9
1012	Custodial Worker	II	6	99	4
1010	Custodial Worker	III	8	100	4

Class Code	Title	Present Range	Content Points	Range Allocated by Points
0153	Data Control Clerk I	4	102	5
0154	Data Control Clerk II	7	104	5
0725	Employment Counselor I	13	283	18
0723	Employment Counselor II	15	283	18
5001	Field Investigator I	12	247	16
5009	Field Investigator II	14	247	16
0926	Fingerprint Class I	3	107	5
0977	Fingerprint Class II	5	107	5

Class Code	Title	Present Range	Content Points	Range Allocated by Points
7261	Liquor Inspector I	13	178	12
7262	Liquor Inspector II	16	178	12
0425	Nosologist I	7	121	7
0426	Nosologist II	10	121	7
8242	Plumber II	11	208	14
7271	Plumbing Inspector	10	203	14
4041	Psy. Nurse Inst. I	15	432	24
4042	Psy. Nurse Inst. II	17	432	24

ANALYSIS OF ACTUAL BASE SALARIES

This section directs attention to the relationship between pay (actual salaries stated as the actual annual rate of pay received by incumbents of positions and classes) and the measured worth of classes and unclassified assignments (stated in total points as awarded through the Hay Guide Chart Profile Method of content evaluation). In addition, the implications of the present distribution of employees salaries to steps within grade are reviewed.

Charts I through 11 graphically displays actual salary practices in a form known as a scatter diagram. Scatter Diagrams 1 through 10 were produced by computer, and Scatter Diagram 11 was produced manually. While each scatter diagram is drawn to a different scale, the vertical axis of each lists annual salary dollars in ascending order from the bottom, and the horizontal axis lists point totals in ascending order from the left.

Each data point on each scatter diagram represents at least one classification (on unclassified position, on Scatter Diagram 11). Where more than a single classification (or unclassified position) occupies the same space the data point is shown as an X. Each data point is plotted as the interception of the evaluated point total and the actual annual salary rate of the incumbent of the classification (or unclassified position). If a classification (or unclassified position) has more than one incumbent, the salary rate used is the average for all incumbents. Salary data for classified and unclassified employees is current as of November 1975.

A line, known as a salary practice line, appears on each scatter diagram to represent the best fit and/or average of all data points. The salary practice line is used to highlight variations in pay practices, including those within and between agencies. The salary practice line is also used to compare State of Maine pay practices with those of other employers. The procedures followed in producing the salary practice line are described in Section XI.

A salary practice line that portrays a consistent relationship between salaries paid and job content (shown as points) is a straight, uninterrupted line. A salary practice line that bends or is shown in separated segments is reflecting inconsistent salary, job content trends. Such inconsistencies may result from traditional bias which favors certain occupations, high or low turnover, or marketplace scarcity of qualified resources. Many state governments are accustomed to some degree of inconsistency as a way of life, particularly as the result of the compressing salary levels established for elected and appointed positions.

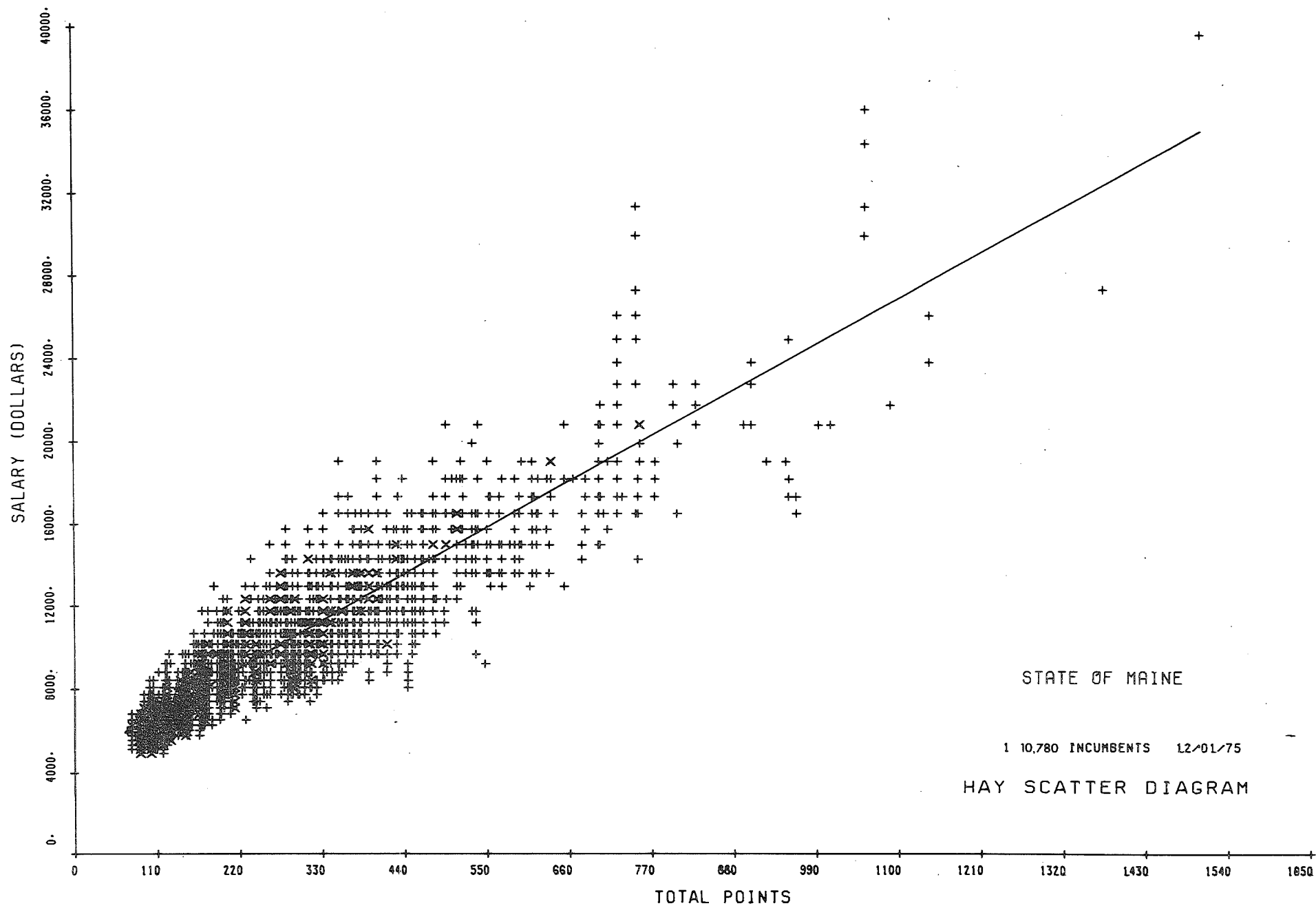


CHART I

Facing this page is the Scatter Diagram showing data points and the salary practice line representing all of the classifications covered by this study, ranging from the Director of the Bureau of Mental Health and the Deputy Commissioner of the Department of Transportation to the Institutional Clothing Clerk and Dishwasher in State Institutions.

The salary practice line is straight from 76 points to 660 points. At 660 points the line bends slightly towards the horizontal axis to 1500 points. The formulae for calculation of each segment are:

$$\begin{aligned} 76 \text{ points} - 660 \text{ points: salary} &= \$21.18P + \$4305 \\ 660 \text{ points} - 1500 \text{ points: salary} &= \$19.53P + \$5398 \end{aligned}$$

In describing these two salary practice formulae for the State, the consultants conclude that the State is paying more salary dollars (\$21.18 per point) for increased content for positions below 660 points, and comparatively fewer salary dollars for increased content for positions over 660 points (\$19.53 per point).

Data points are relatively close to the salary practice line from 76 to 170 points, reflecting a relatively close relationship between pay and measured job content for occupations such as Custodial Workers, Clerks and Clerk Typists, Highway Maintenance Men, Data Entry Operators, Food Service Workers, Psychiatric Aides, Machinists, and Environmental Aides. Approximately two-thirds of all classified employees occupy other similar classifications at these levels.

From 170 to 550 points a large number of data points are shown to be at considerable variances from the salary practice line, indicating the probability of misclassification in these instances.

More significant variances are clearly evident among classifications over 660 points. Many of the data points clearly showing high relative salary practice are in the Physician, Psychiatrist, and Psychologist classes. However, also among the relatively highly paid, are classes with Right of Way Appraisers and Utility Engineers' series.

Among the class currently receiving salaries that are low relative to

others in the State are Associate Commissioner Bureau of Vocational Education (1090P), Deputy Commissioner Marine Research (864P), Director of Division of Marine Research (954P), Patient-Inmate Representative (548P), Institutional Resident Representative (445P) and Pharmacy Clerk (228P).

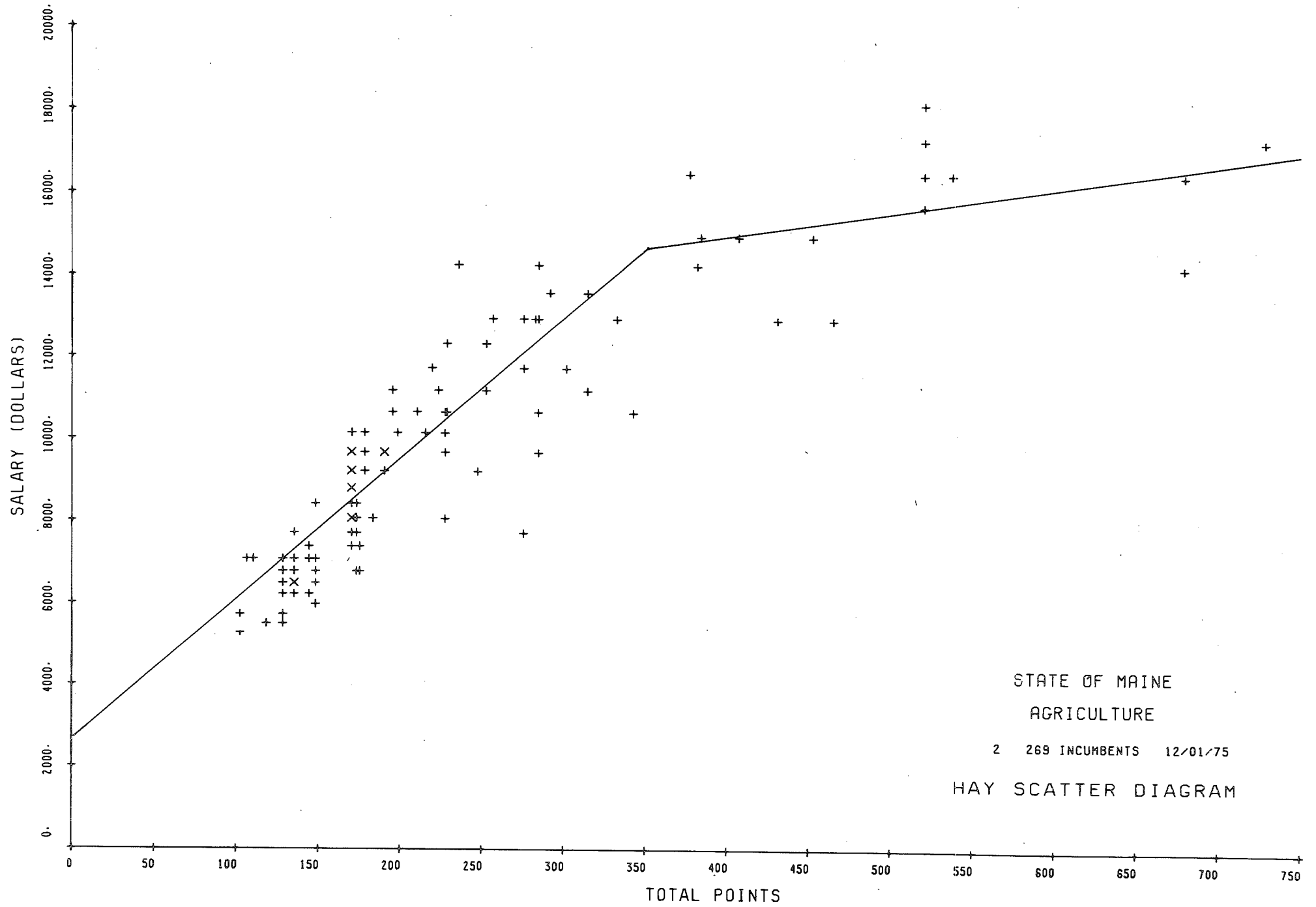


CHART 2

This chart (facing) shows the salary practice line and data points for classified employees in the Department of Agriculture.

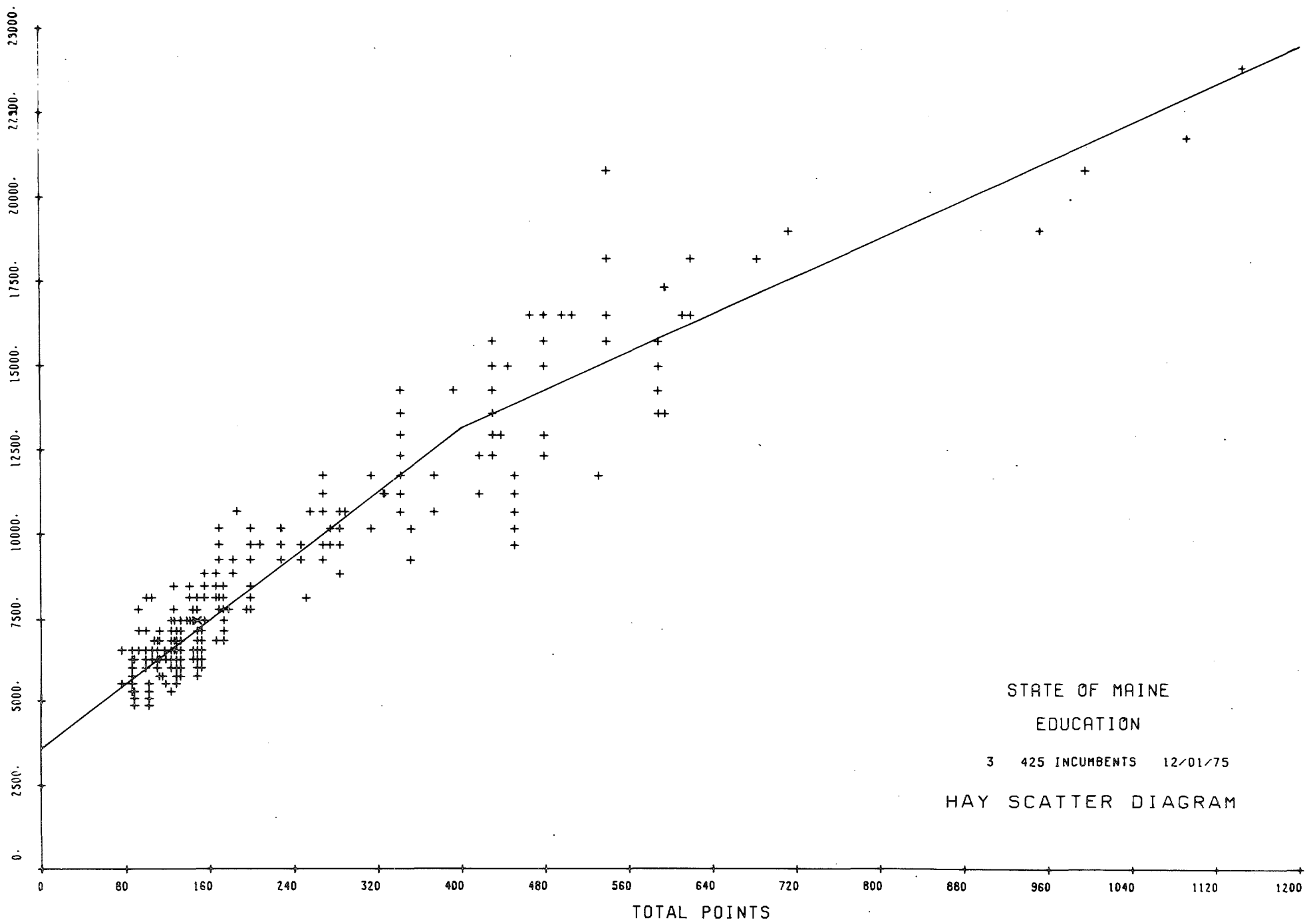
With few exceptions, data points fall in a reasonable (plus or minus 20 percent) proximity to the salary practice line. Outstanding exceptions include Director of Milk Program (235P) and Chief of Data Processing System (516P) as relatively higher paid; District Humane Agent (275P) and Consultant Small Business Enterprises (VI) (353P) as classes paid low relative to others in Agriculture.

The salary practice line bends at 350 points, reflecting less dollars paid for increased point value for positions over 350 points. The formulae are:

102 points to 350 points: $\text{Salary} = \$34.66P + \2666

350 points to 725 points: $\text{Salary} = \$5.51P + \$13,004$

SALARY (DOLLARS)



STATE OF MAINE
EDUCATION

3 425 INCUMBENTS 12/01/75

HAY SCATTER DIAGRAM

CHART 3

Shown (facing this page) are data points and a salary practice line for classified employees in the Department of Education.

The data points are generally found in reasonable proximity to the salary practice line with the most noticeable exceptions occurring above 400 points. These include Superintendent-School for the Deaf (539P), Director-Division of Teachers Education (539P) as relatively highly paid classes.

The salary practice bends, at 400 points, towards the horizontal axis. The formulae for these segments are:

76 points to 400 points: $\text{salary} = \$24.20P + \3620
400 points to 1142 points: $\text{salary} = \$14.06P + \7688

Thus, classifications over 400 points are paid less dollars for increased points than classifications under 400 points.

SALARY (DOLLARS)

25000.
22500.
20000.
17500.
15000.
12500.
10000.
7500.
5000.
2500.
0.

0

70

140

210

280

350

420

490

560

630

700

770

840

910

980

1050

TOTAL POINTS

STATE OF MAINE
MANPOWER AFFAIRS

4 614 INCUMBENTS 12/01/75

HAY SCATTER DIAGRAM

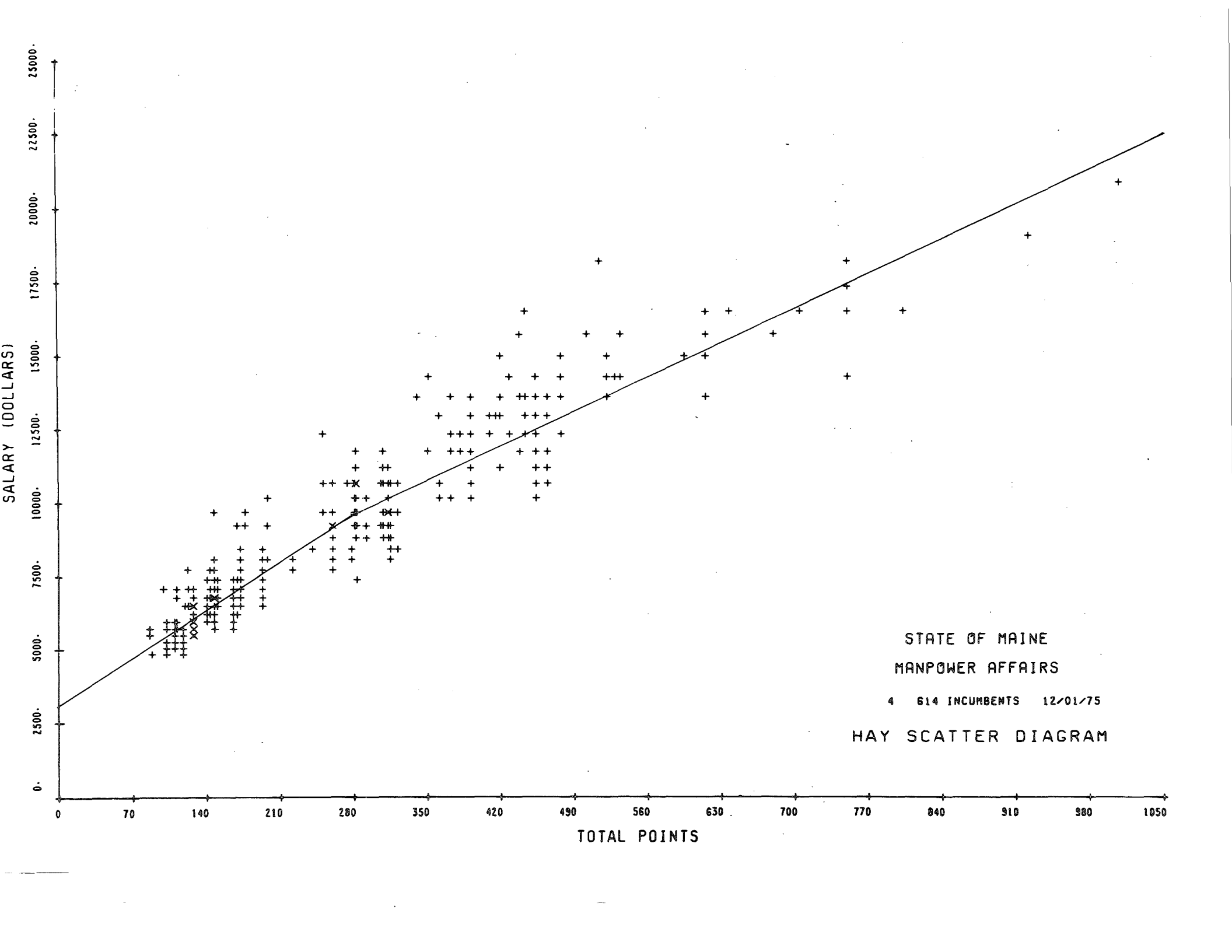


CHART 4

Shown (facing) are data points and the salary practice line representing classified employees in the Department of Manpower Affairs.

A number of data points are noticeably at variance with the average salary practice between 140 and 500 points. There, variances most apparent include Chief of Data Processing Systems (516P) as highly paid and Human Service Worker I (289P) as a low salaried class.

The salary practice line reflects less dollars paid for an increased point value over 280 points. Formulae for the two segments of salary practice line shown are:

70 points to 280 points: $\text{salary} = \$23.46P + \3134
280 points to 1050 points: $\text{salary} = \$16.51P + \5267

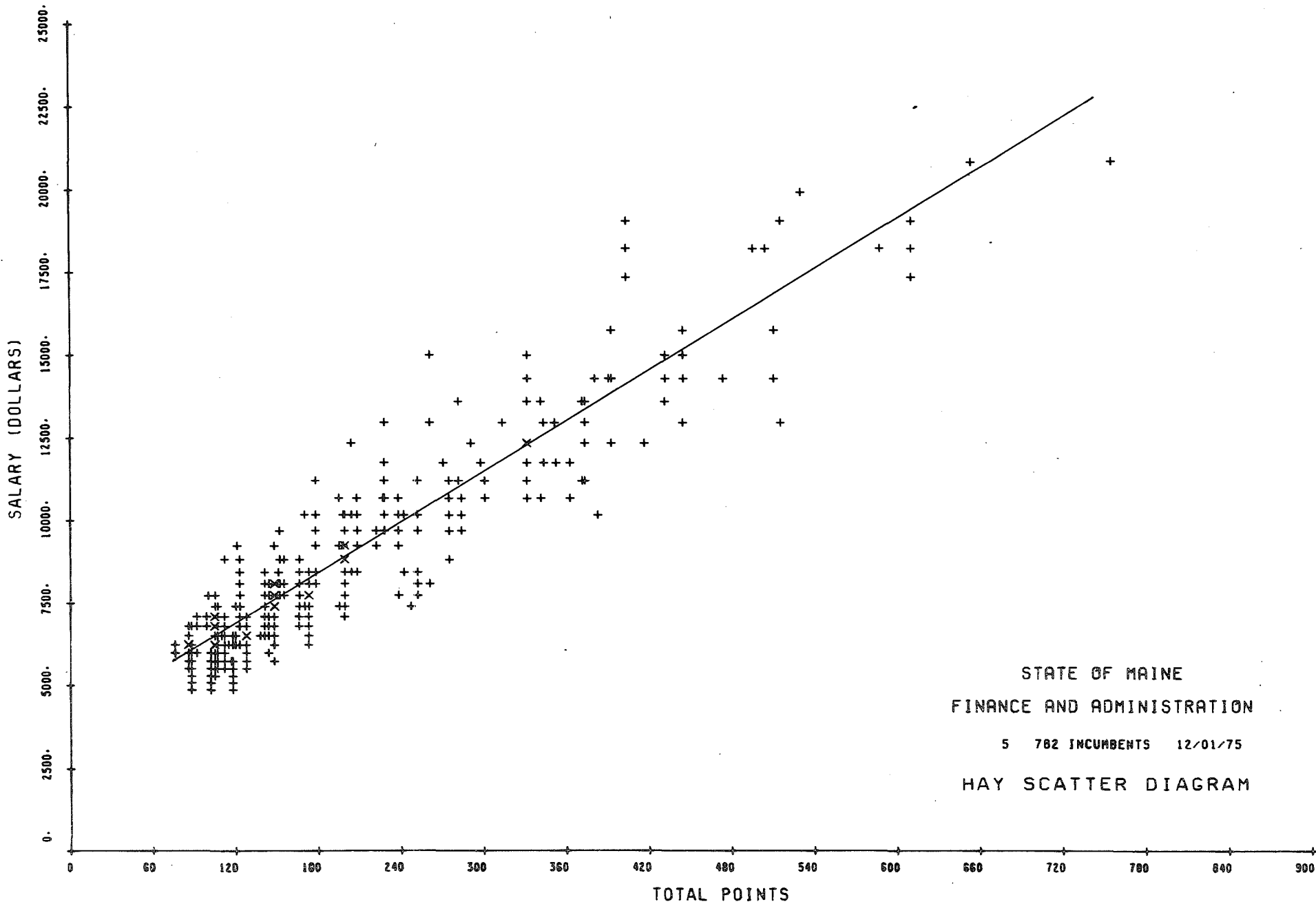


CHART 5

Facing this page is the scatter diagram displaying the data points and salary practice line representing the classified employees of the Department of Finance and Administration.

Those data points noticeably at variance with the average salary practice include Director Liquor Licensing (261P) as an example of a highly paid class, and Director of Retail Stores (516P) as a class paid low relative to others.

The salary practice line is straight from 60 to 900 points, and can be represented by this formulae:

$$60 \text{ points to } 900 \text{ points: salary} = \$24.97P + \$3764$$

SALARY (DOLLARS)

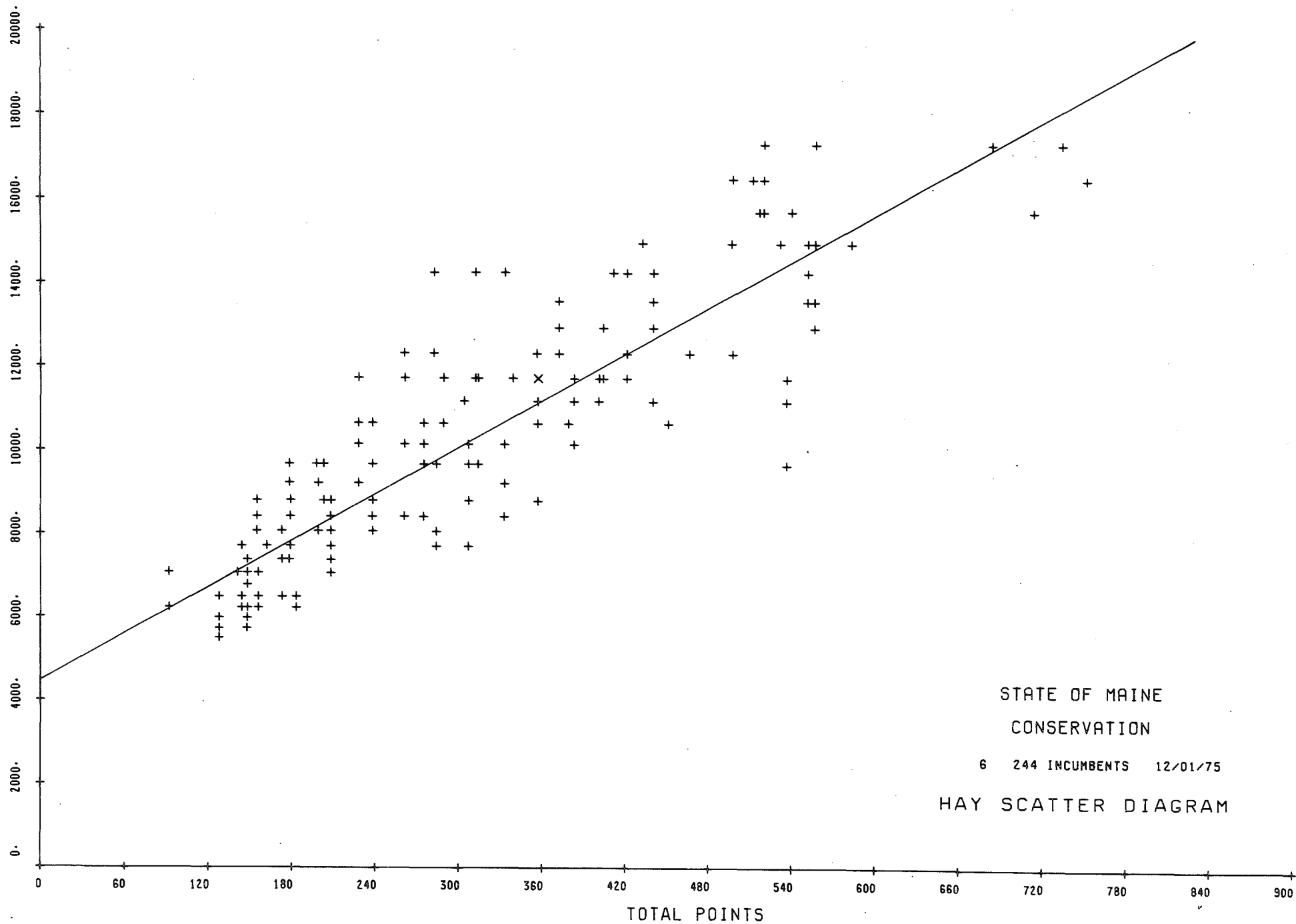


CHART 6

This scatter diagram (facing) shows data points and the salary practice line representing classified employees in the Department of Conservation.

There are a number of data points noticeably at variance from the average salary practice above 220 points. They include such classifications as Ranger Pilot II (312P) and Veterinarian II (519P) as highly paid; District Supervisor Parks (539P) and Park Manager II (284P) as relatively low in salary.

The salary practice line is straight from 60 to 900 points, and can be represented by this formulae:

$$60 \text{ points to } 900 \text{ points: salary} = \$18.60P + \$4606$$

SALARY (DOLLARS)

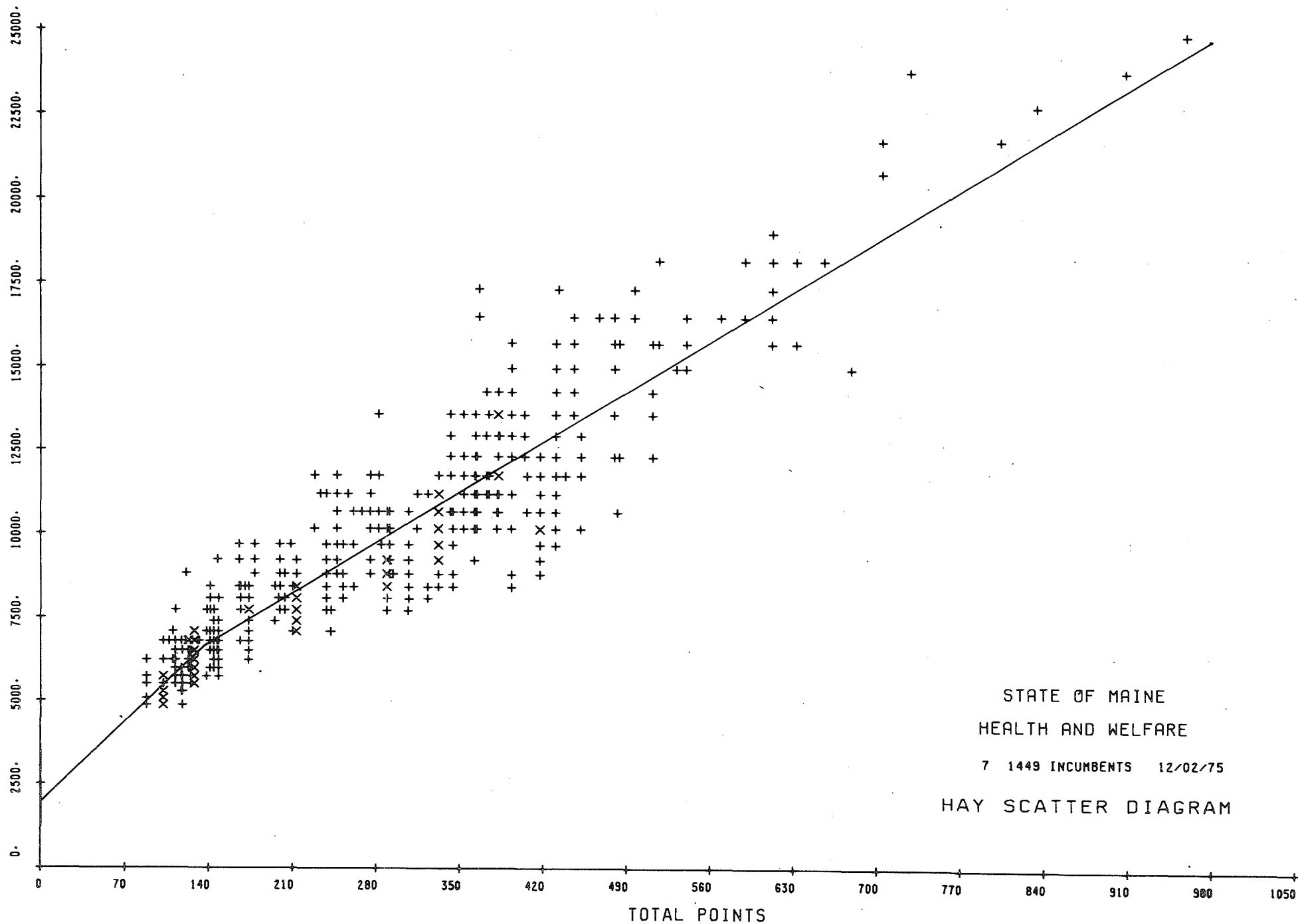


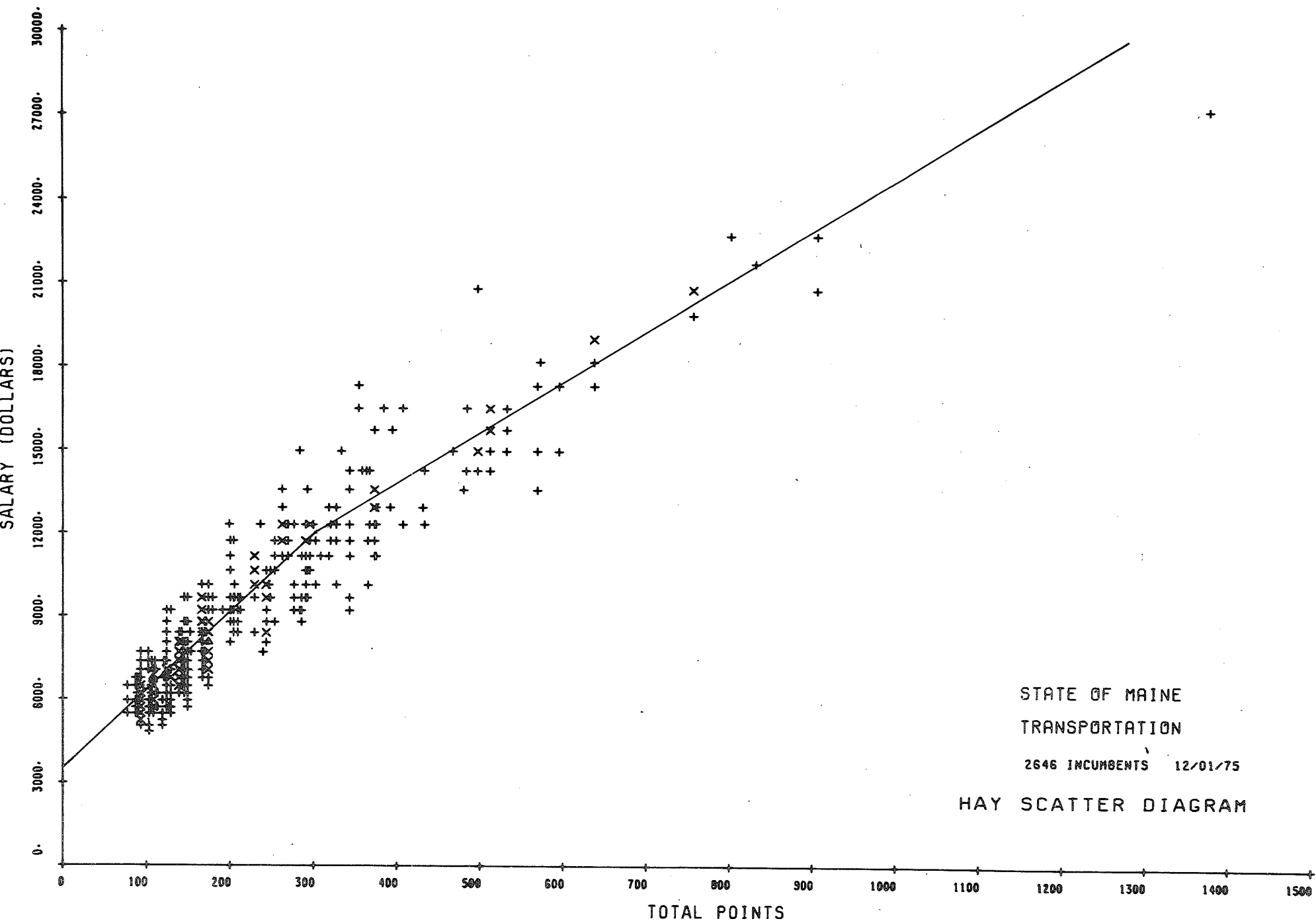
CHART 7

This scatter diagram shows the data points and salary practice line representing the classified employees of the Department of Health and Welfare.

Data points are visably at variance with the average salary practice of classifications over 250 points. Included are such classifications as Director of Social Welfare (725P) and Medical Care Program Coordinator (366P) as highly paid. Assistant Director Resource Development (677P) and Visually Handicapped Child Counselor I (393P) are relatively underpaid.

The salary practice line bends at 140 points. Less dollars of salary is paid for increased points over 140 points, compared to increased points under 140 points. The formulae for these line segments are:

88 points to 140 points: $\text{salary} = \$33.75P + \1960
140 points to 954 points: $\text{salary} = \$22.11P + \3283



STATE OF MAINE

TRANSPORTATION

2646 INCUMBENTS 12/01/75

HAY SCATTER DIAGRAM

CHART 8

The scattergram facing this page displays the data points and salary practice line representing the classified employees of the Department of Transportation.

There are noticeable differences between a few data points and the average salary practice over 200 points. These data points include such relatively higher paid classifications as, Supervisor, Right of Way Appraisers (496P), Right of Way Appraiser III (353P), and Right of Way Appraiser II (282P).

The salary practice line bends towards the horizontal axis at 300 points. Salaries of classifications of more than 300 points in content value tend to receive less salary for increased points than classes with fewer than 300 points. The formulae for the two line segments are:

76 points to 300 points: salary= $\$28.72P + \3524
300 points to 1372 points: salary= $\$18.42P + \6449

SALARY (DOLLARS)

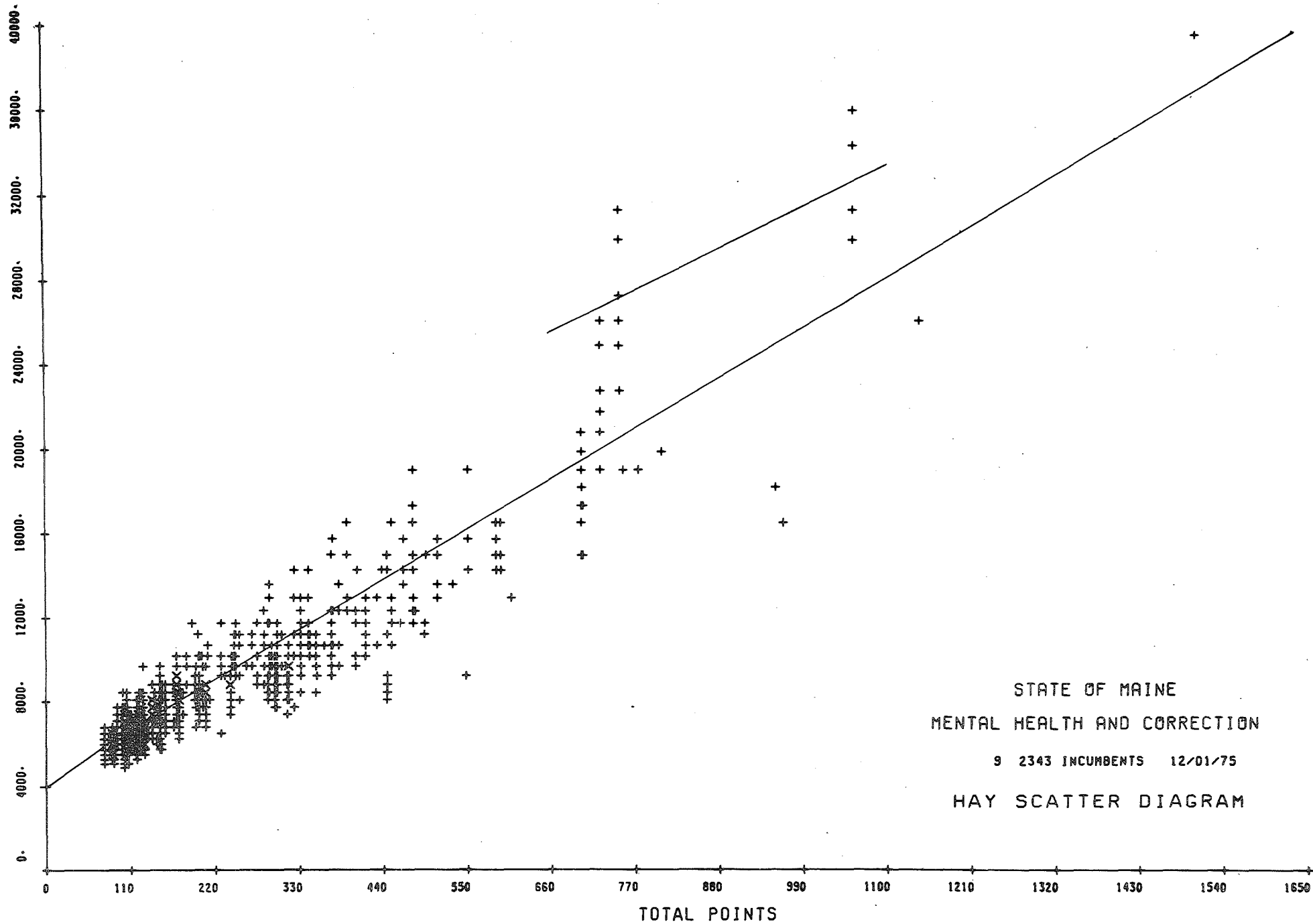


CHART 9

Shown facing, is the scattergram with data points and salary practice lines representing the classified employees of the Department of Mental Health and Correction.

There are a number of data points which vary significantly from the average salary practice of the overall configuration. These include such relatively low paying classifications as Assistant Director Bureau of Corrections (964P), Assistant Director Bureau of Mental Retardation (954P) and Institutional Resident Representative (445P).

The consultants conclude that the salary practice above 660 points is both separate and approximately parallel with the salary practice projected from below the 660 point level (two lines have been drawn between 660 points and 1150 points for purposes of illustration). In effect two separate salary practices exist within the Department, one for classes requiring liscenced physicians and one for all other classes. The formulae for all salary practice lines within the Department are:

76 points to 110 points: salary= $\$24.95P + \3954
110 points to 1500 points: salary= $\$22.01P + \4044
660 points to 1500 points: salary= $\$18.18P + \13002

SALARY (DOLLARS)

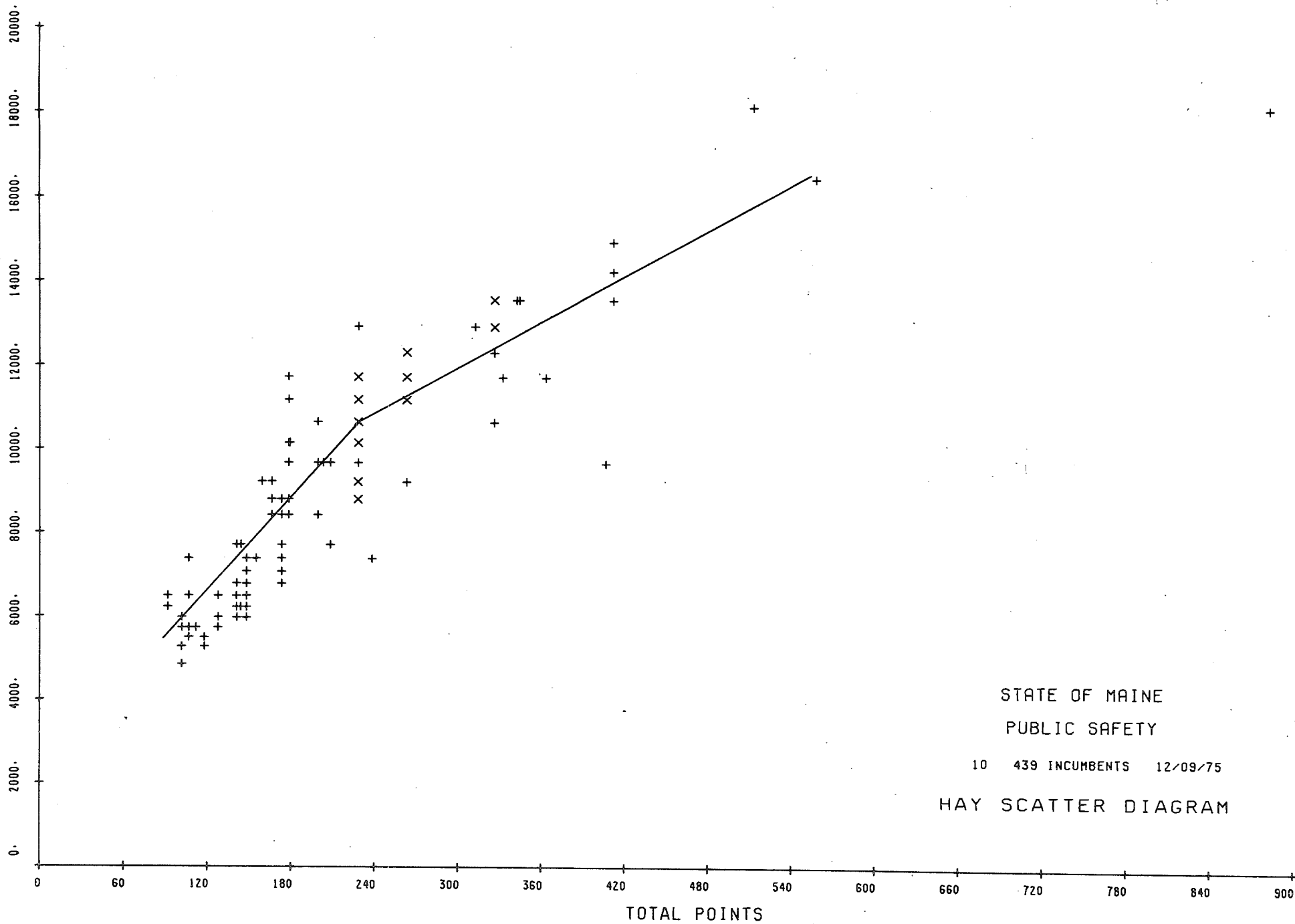


CHART 10

Facing this page is the scatter diagram showing data points and salary practice line representing the classified employees of the Department of Public Safety.

The salary practice line bends at 240 points. Salaries increase at a lower rate above 240 points, in relation to increases in points of job content value. The formulae representing the two segments of the salary practice line are:

$$\begin{aligned} 92 \text{ points to } 228 \text{ points: salary} &= \$38.33P + \$2200 \\ 228 \text{ points to } 550 \text{ points: salary} &= \$18.89P + \$6400 \end{aligned}$$

Data points at noticeable variance with the average include Photo Lab Technician at 238 points, Supervisor, Radio Communications at 406 points, and Liquor Inspector II at 178 points.

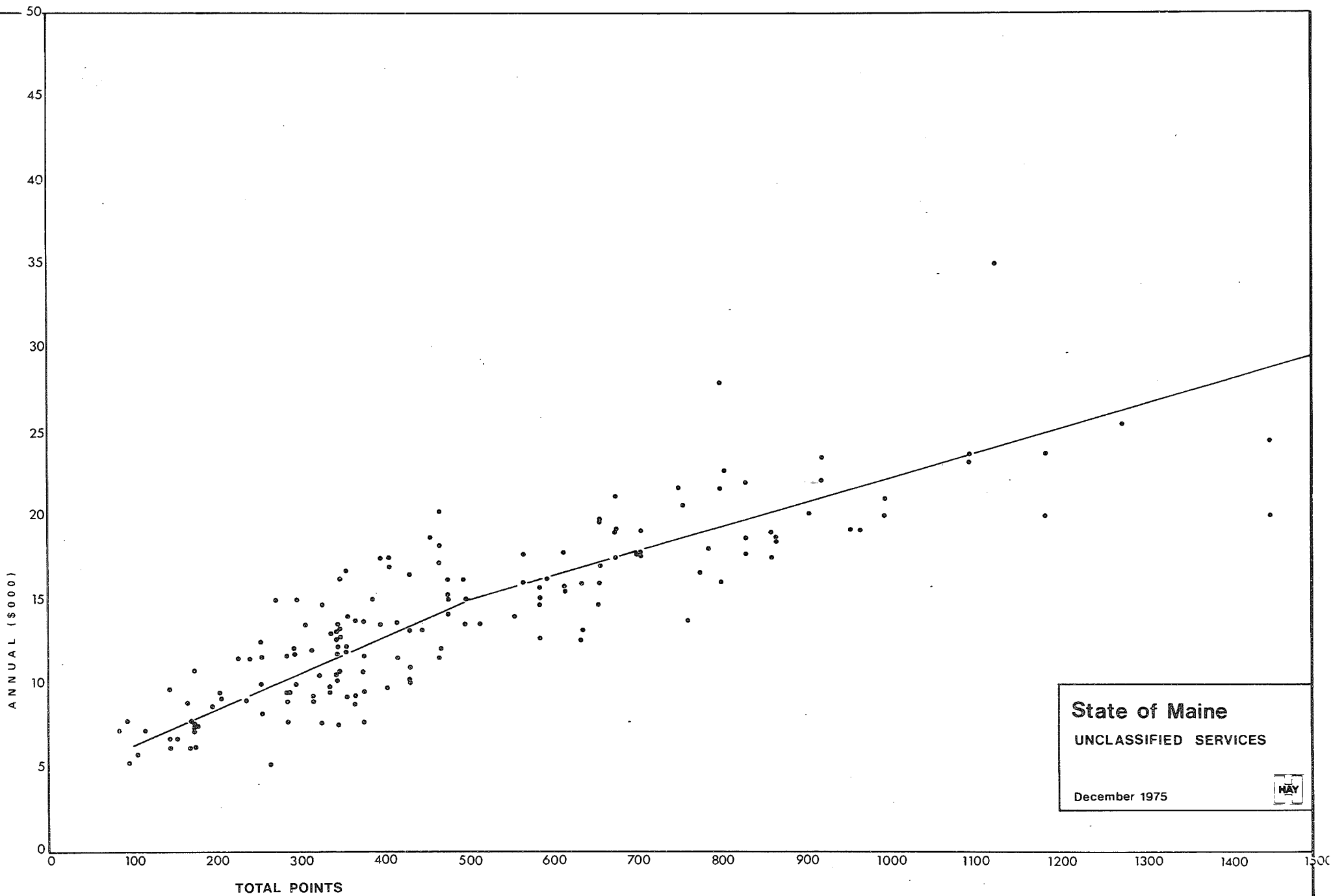


CHART 11

Facing is the scattergram showing the data points and salary practice line representing the unclassified employees (up to but not including the level of Department Head) covered by this study.

There are two salary practices. The first extends from 100 content points to 500 content points. Expressed in dollars it equals \$21.67 per evaluated point plus a base content of \$4165. The second salary practice from 500 content points on is different. It is flatter and has a higher base content, \$14.29P + \$7855 base.

The flattening of salary practice for higher content positions is typical of most government and many nonprofit organizations. In government the top position pay set by statute tends to compress those below in the hierarchy to a certain level. Below that level, the market has a greater impact and we often find pay very comparable with nongovernment organizations.

Up to 500 content points, 22 incumbents are paid in excess of 15 percent above the average and 18 are paid more than 15 percent below the average. Some examples of those considerably below would include Alcoholism Counselor, Associate Planner, and Evaluator. These above would include Field Monitor CETA Assistant Executive Director Board of Nurses.

Above 500 content points these are six positions which would appear below and six which would fall plus or minus 15 percent from the average. Examples of those below are the Director of Planning (750) and the Executive Coordinator (1450). These which would be above include several medical positions. These positions traditionally have a different salary practice due to market conditions.

Overall there is relatively narrow dispersement around the line of central tendency. This indicates that there has been some applied relationship between position content and pay. The need to evaluate positions should help to identify and correct inequities. Further as new positions are created or responsibilities changed for existing positions, the evaluation process, effectively applied, will place the position pay in appropriate relationship.

EXHIBIT I

This table shows the distribution of classified employees at each step of the present Schedule of Pay Ranges (4/74), as a percent of total for each of the 41 grades (with small differences due to rounding off).

Steps A, B, C, D and E represent the 1st, 2nd, 3rd, 4th and 5th merit service steps. Steps X and Y are longevity steps. The column headed "over Y" captures all payments at rates higher than Step Y for each grade.

Grades 1-6

Salaries in these grades are spread over the five merit steps, with less than a third of the salaries found at the longevity steps, X and Y. Step A, the entrance step, is significant only in grades 1 and 5, with 21 percent and 11 percent of the salaries in these grades respectively.

Grades 7-15

Salaries shift over to the highest merit service step and the two longevity steps. In most cases these three steps carry the burden of at least 50 percent of the salaries paid in these grades.

Grades 16-25

Salaries are even more tightly pressing in grade ceilings. The top three steps (E, X and Y) are occupied by 60 percent to 75 percent of the employees in most of these grades.

Grades 26-41

Salaries at lower than Step E in any of these grades is a rarity (other than in grade 28). In five grades, all salaries are carried at Steps X, Y or over Y. In three grades, salaries over Y are a significant percent of the total.

Conclusions

The significance of the merit service steps, as a controlling factor in salary determination is lost. Results indicate little difference between merit service and longevity steps, other than gravitation towards higher level steps (merit service and longevity), is more pronounced in the higher grades.

Five of the top seven classifications (those currently in grades 31-41) are occupied by Licensed Physicians, thus confirming earlier findings regarding a separate salary practice (see scattergram 9).

EXHIBIT I

Salary Distribution (% of Grade Total) By Grade Step

GRADE	A	B	C	D	E	X	Y	OVER Y
1	21	38	16	9	11	2	3	
2	5	16	15	12	22	18	12	
3	7	20	15	12	24	13	9	
4	7	17	12	10	23	17	14	
5	11	16	13	8	29	15	7	
6	3	16	15	12	25	15	13	
7	4	10	8	8	24	27	19	
8	3	7	8	8	25	23	26	
9	3	5	7	6	22	26	31	
10	8	20	9	7	19	18	18	1
11	6	11	8	7	16	21	32	
12	3	14	15	11	16	19	21	1
13	5	13	16	12	22	16	16	
14	5	6	9	12	21	29	18	
15	5	14	9	13	24	18	17	
16	1	4	5	6	19	34	32	
17	2	13	11	7	22	24	20	
18	4	6	6	9	11	30	34	
19	3	12	11	10	18	22	23	
20	4	5	5	8	8	24	45	
21	2	14	11	9	17	25	21	
22	1	6	5	12	15	22	38	1
23	--	6	17	7	17	27	33	
24	2	7	5	15	15	22	34	
25	2	2	5	5	7	31	48	
26	3	--	14	11	36	25	--	
27	--	3	--	--	5	8	84	
28	--	--	--	31	15	31	23	
29	--	--	--	--	23	9	54	15
30	--	--	--	--	--		100	
31	--	--	--	--	--		100	
32	--	--	--	--	100	--	--	
33	--	--	7	--	36	14	14	21
34	--	--	--	--	--	100	--	
35	--	--	--	--	--	--	--	
36	--	--	--	--	--	28	14	56
37	--	--	--	--	--	--	--	
38	--	--	--	--	--	--	--	
41	--	--	--	--	--	100	--	

The table on the facing page show the average salary (taken from the salary practice line) at common point levels of job content, for classified employees in total and in eaching of the nine departments, and for unclassified employees. For purposes of comparison, the average salary practice for classified employees in total serves as the base against which other salary practices are measured (percent of differences).

Classified Salaries versus Unclassified Salaries

Salaries, relative to points of job content, maintain almost identical averages from 100 points to 400 points. These point levels accomodate at least 90 percent of State employees' assignments. Beyond 400 points, average unclassified employee salaries fall below average classified employee salaries by 3 percent at 600 points, with the differential growing to 18 percent at the 1500 point level.

Departments with Lower than Average Salaries

Departments with average salaries for classified employees clearly lower than the overall average for classified employees include Manpower Affairs (-5 percent to -18 percent), Conservation (0 to -6 percent) and Health and Welfare (-2 percent to -16 percent). Reasons for lower than average salaries may include high levels of turnover, or a rapid increase in staff.

Departments with Higher than Average Salaries

Departments with average salaries for classified employees generally higher than the overall average for classified employees include Finance and Administration (+2 percent to + 8 percent) and Public Safety (+9 percent to + 15 percent). Reasons for higher than average salaries may include low levels of turnover and stable staffing levels.

Meaning of Variation in Average Salary Practice

Those common point levels reflecting the greatest salary difference from the overall average, indicate the point levels at which misclassification may be most pronounced. The 300 point levels with differences of -7 percent to +23 percent from the overall classified average salary practice, signals the common point level of greatest concern. Classifications at this level include Corrections Officer III, Highway District Supervisor, Mental Health Worker IV, Computer Programmer III, Nurse I, Guard Lieutenant, Electrician Foreman, Retail Store Supervisor and Forrest Ranger III.

TABLE - ANALYSIS OF ORGANIZATION VARIATIONS IN SALARY PRACTICE
(%) PERCENT DIFFERENT FROM ALL CLASSIFIED

Client Points	100	200	300	400	600	800	1000	1200	1500
All Classified	\$6423	\$8541	\$10,659	\$12,777	\$17,013	\$21,022	\$24,928	\$28,834	\$34,693
All Unclassified	\$6332 (=)	\$8499 (=)	\$10,666 (=)	\$12,833 (=)	\$16,429 (-3%)	\$19,287 (-8%)	\$22,145 (-11%)	\$25,003 (-13%)	\$29,290 (-16%)
Agriculture	\$6132 (-5%)	\$9598 (+12%)	\$13,064 (+23%)	\$15,208 (+19%)	\$16,310 (-4%)				
Education	\$6040 (-6%)	\$8460 (-1%)	\$10,880 (+2%)	\$13,300 (+4%)	\$16,124 (-5%)	\$18,936 (-10%)	\$21,748 (-13%)		
Transportation	\$6396 (0)	\$9268 (+8%)	\$12,140 (+14%)	\$13,817 (+8%)	\$17,501 (+3%)	\$21,185 (+1%)	\$24,869 (=)	\$28,553 (-1%)	
Manpower Affairs	\$5281 (-18%)	\$8188 (-4%)	\$10,118 (-5%)	\$11,819 (-7%)	\$15,221 (-10%)	\$18,623 (-11%)	\$22,025 (-12%)		
Finance and Administration	\$6235 (-3%)	\$8774 (+3%)	\$11,313 (+6%)	\$13,852 (+8%)	\$18,419 (+8%)				
Conservation	\$6377 (-1%)	\$8095 (-5%)	\$10,213 (-4%)	\$12,131 (-5%)	\$15,967 (-6%)				
Mental Health and Corrections	\$6454 (=)	\$8446 (-1%)	\$10,647 (=)	\$12,848 (+1%)	\$17,250 (+1%)	\$21,652 (+3%)	\$26,054 (+4%)	\$30,456 (+6%)	\$37,059 (+7%)
Health and Welfare	\$5335 (-17%)	\$7705 (-10%)	\$ 9,916 (-7%)	\$12,127 (-5%)	\$16,549 (-2%)	\$20,971 (=)			
Public Safety	\$6033 (-6%)	\$9866 (+15%)	\$12,067 (+13%)	\$13,956 (+9%)					

EXTERNAL COMPARISON

METHODOLOGY

In order to compare the salary practices of the State of Maine to other Hay clients, the job evaluations were compared to other company installations. The process, called correlation, converts all client installations into a universal control point system, called Hay points. Hay points thus becomes the common yardstick of job content across all kinds of industries and organizations. The relationship between Maine evaluation points (P) and Hay control points (H) can be expressed as:

$$P = 2.40H$$

$$H = .417P$$

Thus to find the client point equivalent of 100 Hay points, one substitutes the known value H(100) in the equation and develops the formula $2.40 \times 100 = 240$, or 100 Hay points = 240P points.

EXTERNAL MARKETS

Through the Hay control points, Maine now has access to all the national salary data collected by Hay Associates annually including the industrial sector, the financial sector and the government sector. New England regional data for existing Hay clients is also available, particularly in the area of management jobs. In order to focus more precisely on blue collar and clerical jobs in a more local market, i.e., Maine employers, the consultants undertook in-person visits to 18 employers. The methodology was as follows:

From the benchmark jobs selected from the State of Maine, a smaller benchmark of 20-40 jobs were selected for the survey. An appropriate sample of companies was contacted to elicit their cooperation in the survey. This sample represented a cross section of the types of industries represented in Maine, the sizes of companies and geographical distribution.

An on-site visit to each employer was made, at which time the consultants discussed each of the benchmarks' jobs for which there was a comparable position and evaluated the client job as if it were within the framework of Maine state government jobs. Each participant's data was then plotted as a scattergram, and a central

tendency line was developed. The 18 practice lines were then consolidated into a composite chart which protects the confidentiality of each participant and develops valid statistical measures for comparing the Maine salary practice.

MAINE EMPLOYERS AND 3 NEW ENGLAND STATES

MUNICIPALITIES

Augusta

Bangor

Portland

MANUFACTURING

Brooks Woolen Company Inc.

Burnham & Morrill Company

CMP

STATE GOVERNMENT

Massachusetts

New Hampshire

Vermont

General Electric

G. H. Bass

Globe Albany

Great Northern

HOSPITALS

Augusta General

Central Maine General

International Paper Company

Keyes Fibre

FINANCE

Northeast Bank

1975 INDUSTRIAL PARTICIPANTS

BONUS COMPANIES

Alan Wood Steel
Alcan Aluminum
ALCOA
Alcon Laboratories
Allied Paper
Allis-Chalmers
AMCA International
Amerada Hess
American Broadcasting
American Hospital Supply
American Steel Foundries
AMF
Anaconda
Anchor Hocking
Anderson-Clayton
Arcata National
Armco Steel
Armstrong Cork
Ashland Oil
Atlantic Aviation
Atlantic Steel
Baker Perkins
Ballou (B.A.)
Barry Wright
Belden
Booth Newspaper
Borg-Warner
Braden Steel
Brooks-Scanlon
Brown & Sharpe
Burger Chef
Burger King
Camcar Screw
Canteen
Canton Textile Mills
Carrier
Ceco
Celanese
Central Soya
Cerfo
CFS Continental
Champlin Petroleum
Chase Brass & Copper
Chesebrough-Pond's
Chloride Connrex
Ciba-Geigy
Clark Equipment
Clow
Coca-Cola Bottling Company United
Cole National
Collins Radio
Consolidated Freightways
Consolidated Packaging
Container Corporation
Continental-Emsco
Continental Materials
Cooper Industries
Crouse-Hinds
Cutler-Hammer
Cyanamid International
Datron
Dead River
Debron

Dennison Manufacturing
Dexter
Dick (A.B.)
Dixie Yarns
Dow Chemical
Dow Corning
Dravo
DuPont
Duriron
Eaton Paper
Eckrich (Peter)
Economics Laboratories
ELTRA
ESB
Ex-Cell-O
Exxon Company U.S.A.
Firestone Tire & Rubber
Fleming
Flintkote
Foote Mineral
Fox & Jacobs
Franklin Mint
Freeport Minerals
Frito-Lay
General Electric
General Foods
General Mills
General Signal
GF. Business Equipment
Gifford Hill
Glidden-Durkee
Golden Cycle
Goldkist
Graham
Graybar Electric
Great Northern Nekoosa
Green Giant
Griffin Pipe
GT&E Laboratories
Hallmark Cards
Heinz (H.J.)
Honeywell
Hormel
Hussman Refrigerator
IC Industries
Illinois Central Gulf Railroad
Illinois Tool Works
Ingersoll-Rand
Inmont
Inspiration Consolidated Copper
International Harvester
International Multifoods
International Packings
Interpoint
I-T-E (D&C Group)
Jeffrey Galion
Johnson (S.C.)
Jones and Laughlin Steel
Joy Manufacturing
Kable Printing
Kellogg (M.W.)
Kendall
Kennametal

Kennecott Copper MMD
Kennecott Copper
Kent-Moore
Kepner-Tregoe
Kewanee Oil
Kimberly-Clark
Kingsport Press
Lamb-Weston
Landmark Communications
Leggett & Platt
Libbey-Owens-Ford
Lipe-Rollway
Lithium Corporation
Loral Electronic Systems
Lord
Marion Power Shovel
Maui Land & Pineapple
Maytag
McCall Printing
McKee (Robert E.)
McQuay-Perfex
Mead
Memorex
Merck
Microdot
Midas International
Mine Safety Appliances
Modine
Montgomery Ward
Moog
Morrison
MPB
Mueller
Narco Scientific Industries
Nashua
National Blank Book
National Can
National Gypsum
NCR
Norandex
Nordberg
North Star Steel
Northern Natural Gas
Northwest Industries
Norton
Offshore Drilling
Olin
Optical Coating Labs
Orbit Valve
Otis Elevator
Owens-Corning Fiberglass
Owens-Illinois
Pacific Maritime Association
Pako
Parke-Davis
Peavey
Penn Dairies
Pennwalt
Pepsico
Perkin Elmer
Pet
Philips Industries
Piggly Wiggly Southern

Pillsbury
Pitney Bowes
Polk (R.L.)
PPG Industries
Price Brothers
Pullman Incorporated
Puritan-Bennett
Quaker Oats
Racine Steel Casting
Rexnord
R.J. Reynolds Industries
Rockwell International
Rocky Mountain Energy
Rogers
Ryder System
Salem
Schlitz (Jos.) Brewing
Scott Paper
SCM
SCM Business Equipment Group
SCM Consumer Products Group
Sea-Land
Sears Roebuck
Sheaffer (W.A.) Pen
Shuron Continental
Sloane (R & G)
Southern Railway
Sperry and Hutchinson
Sperry Rand
Staley (A.E.) Manufacturing
Standard Oil (Indiana)
Standard Press Steel
Standard Register
Stanley Furniture
Studebaker-Worthington
Super Valu
Swindell-Dressler
Talon
Technicon
Texas Instruments
Texas-U.S. Chemical
Tonka
Torin
Trailmobile
Trans Union
UARCO
Union Carbide
Union Pacific Corporation
Union Pacific Railroad
UNIROYAL
U.S. Gypsum
U.S. Steel
Upjohn
Upland Industries
Valmont Industries
Victor Comptometer
Wescom
Western Co. of No. Am.
Western Publishing
Woolworth (F.W.)
Wrigley (Wm.) Jr.
Yardley
Zenith

NONBONUS COMPANIES

Alabama Power
Alexander & Baldwin
Allen-Bradley
American Standard
Amperex
Andersons, The
ARO
ASME
Bell Telephone Labs
Bell Telephone of Pa.
Berkel
BP Alaska
Bridon-American
Broadcast Music
Brooklyn Union Gas
C & P Telephone
California & Hawaiian Sugar
Caterpillar
Chemical Abstracts Service
Chic., Milw., St. Paul & Pac. R.R.
Columbia Gas System
Columbia Nitrogen
Cominco American
Commercial Shearing
Copper Range
Dan River
Detroit Edison
Dietrich Industries
Disston
Duke Power
East Ohio Gas
Factory Mutual Engineering
Federal Express
Florida Power & Light
Florida Steel
Fruit Growers Ex./W. Fruit Express
General Public Utilities
Georgia Power
Gino's
Grand Trunk Western RR
Gulf Power
Gulf States Utilities
Hanes
ICI United States
Indiana Bell Telephone
Intercraft Industries
Kellogg
Keokuk Gas
Kerr-McGee

Knapp King-Size
Lipton (Thomas J.)
Los Alamos Scientific Laboratories
Mack Trucks
Macke
Magnetic Controls
Manning's
Markel (L.F.)
McGraw-Hill
Miles Laboratories
Minneapolis Electric Steel Casting
Mississippi Power
Mitre
Modern Plastics
Moore Business Forms
Nalco Chemical
National Spinning
Noranda Mines
Norfolk & Western Railway
North American Philips
Northern States Power
Northwestern Bell Telephone
Omaha Public Power District
Otis Engineering
Piedmont Natural Gas
Pizza Hut
Placer Amex
Potomac Electric Power
Powers Regulator
Recognition Equipment
Resource Sciences
Rollins
Sandia
Schuler's (Win)
South Carolina Electric & Gas
South Carolina Public Service Auth.
Southeastern Railroads Assoc. Bur.
Southern Natural Gas
Southern Services
Stowell
Tappan Residential Air Cond. Div.
Texas Gas Transmission
Texasgulf
Trailer Train
Victor Apparatus
Western Electric
Weston (Roy F.)
Wool Bureau (IWS)
Xerox

This chart consolidates 1975 data from 350 industrial companies.

252 Bonus companies
98 Nonbonus companies
350 Total

Names appear on reverse.

State of Maine

ACTUAL BASE SALARY -----

December 1975

1975 U.S.A. Chart A
HAY COMPENSATION COMPARISON

ACTUAL BASE SALARY
Bonus and Nonbonus Companies

(DATA AS OF MAY FIRST)

© HAY ASSOCIATES 1975

Client Points P =

Highest	\$16.6	\$25.2	\$45.1	\$68.2	\$114.3	\$148.4
Quartile Q3	12.5	18.6	30.1	41.1	64.4	95.9
Median	11.3	16.9	27.8	38.0	58.6	84.9
Quartile Q1	10.4	15.7	25.8	35.5	53.2	76.7
Lowest	8.2	11.9	17.8	26.9	42.5	60.0
Average ----	11.6	17.2	28.4	38.9	60.2	86.9

Q3 and Q1 enclose middle 50% of Company median lines.

CHART A

Chart A includes data collected from 350 industrial/manufacturing firms for the 1975 annual Hay Compensation Comparison of the national market for supervisory and management personnel.

In comparing the Maine government salary practice to the national industrial market, one sees that the Maine practices slightly below the Q1 line at all levels. This means that more than 75 percent of the companies are paying higher than the Maine state government.

It is often true that private industry pays higher than the public sector. This will be examined more fully in following charts.

1975 FINANCIAL PARTICIPANTS

BANKS

K1

Arizona Bank, The (Phoenix)
Bank of California (San Francisco)
Bank of the Commonwealth (Detroit)
Bank of the Southwest (Houston)
Chase Manhattan Bank (NYC)
Chemical Bank (NYC)
Citizens & Southern National Bank (Atlanta)
City Federal Savings & Loan (Elizabeth, N.J.)
Connecticut Bank & Trust (Hartford)
County Trust (White Plains, N.Y.)
Crocker National Corporation (San Francisco)
Dominion Bankshares (Roanoke, Va.)
Equibank N.A. (Pittsburgh)
Erie County Savings Bank (Buffalo)
F & M Savings Bank (Minneapolis)
Federal Reserve Bank (Philadelphia)
Federal Reserve Bank (San Francisco)
First Chicago Corporation (Ill.)
First Federal Savings & Loan of Miami (Fla.)
First International Bancshares (Dallas)
First National Bank of Arizona (Phoenix)
First National Bank of Atlanta (Ga.)
First National Bank of Maryland (Baltimore)
First National Bank of Minneapolis (Minn.)
First National Bank of Pennsylvania (Erie)
First National Bank of St. Paul (Minn.)
First National Boston Corporation (Mass.)
First National City Bank (NYC)
First Pennsylvania Bank & Trust (Philadelphia)
First Trust Company of St. Paul (Minn.)
First Union National Bank (Charlotte, N.C.)
Flagship Banks (Miami Beach)
Industrial National Bank (Providence)
M & T Bank (Buffalo)
Manufacturers Hanover Trust (NYC)
Marine Corporation (Milwaukee)
Mellon National Corporation (Pittsburgh)
National Bank of Detroit (Mich.)
National Commercial Bank & Trust (Albany, N.Y.)
National Shawmut Bank (Boston)
New England Merchants National Bank (Boston)
Northwestern National Bank (Minneapolis)
People's Savings Bank (Bridgeport, Conn.)
Rainier National Bank (Seattle)
Republic National Bank (Dallas)
Riggs National Bank (Wash., D.C.)
Seattle First National Bank (Wash.)
Security Pacific National Bank (Los Angeles)
Society for Savings (Hartford, Conn.)
State Street Bank & Trust (Boston)
United Virginia Bankshares (Richmond)
Valley National Bank (Phoenix)
Virginia National Bank (Norfolk)
Washington Mutual Savings Bank (Seattle)

K2

American National Bank & Trust (Chattanooga)
Bayview Federal Savings & Loan (San Francisco)
Central Trust (Rochester, N.Y.)
Citizens & Southern National Bank (Columbia, S.C.)
Commonwealth Bank & Trust (Wellsboro, Pa.)
Dollar Savings Bank (Pittsburgh)
Empire National Bank (Newburgh, N.Y.)
First American National Bank (Duluth, Minn.)
First American National Bank (Wausau, Wis.)
Financial Federal Savings & Loan (Miami)
First Bank System (Minneapolis)
Composite of 32 banks under \$21 MM assets
Composite of 25 banks \$21-\$40 MM assets
Composite of 23 banks \$40-\$81 MM assets
First Financial Corp. of New Hampshire (Manchester)
First Jersey National Bank (Jersey City)
First National Bank of Aberdeen (S.D.)
First National Bank of the Black Hills (Rapid City, S.D.)
First National Bank & Trust of Bismarck (N.D.)
First National Bank of Clayton (Missouri)
First National Bank of Great Falls (Mont.)
First National Bank of Lawrence County (Pa.)
First National Exchange Bank of Va. (Roanoke)
Gate City Savings & Loan (Fargo, N.D.)
Iowa-Des Moines National Bank (Iowa)
McDowell National Bank (Sharon, Pa.)
Mechanics Savings Bank (Hartford, Conn.)
Merchants Savings Bank (Manchester, N.H.)
Midland National Bank (Billings, Mont.)
Midland National Bank (Minneapolis)
Mutual Federal Savings & Loan (Norfolk, Va.)
National Bank of Commerce (Pine Bluff, Ark.)
National Bank of South Dakota (Sioux Falls)
National Lumberman's Bank & Trust (Muskegon, Mich.)
New Orleans Bankshares (La.)
North Shore Bank (Shorewood, Wis.)
Northern City National Bank (Duluth, Minn.)
Northwest Bancorporation (Minneapolis)
Composite of 21 banks under \$22 MM assets
Composite of 22 banks \$22-\$42 MM assets
Composite of 28 banks \$42-\$99 MM assets
Northwestern National Bank (Sioux Falls, S.D.)
Northwestern National Bank (St. Paul)
Ohio Citizens Trust (Toledo)
Old Stone Bank (Providence)
Omaha National Bank (Nebr.)
Onondaga Savings Bank (Syracuse, N.Y.)
Pontiac State Bank (Mich.)
San Diego Trust & Savings Bank (Ca.)
Savings Bank of Baltimore (Md.)
Union Trust (Wash., D.C.)
United Bank of Arizona (Tucson)
United States National Bank (Omaha)
Vanguard Savings Bank (Holyoke, Mass.)
Wilmette Bank (Ill.)

N1

Allendale Mutual Insurance (Johnston, R.I.)
BMA (Kansas City, Mo.)
Bankers Life (Des Moines)
Bankers Life & Casualty (Chicago)
Commercial Union Assurance (Boston)
Equitable of Iowa (Des Moines)
Guardian Life Insurance of America (NYC)
Hartford Insurance Group (Conn.)
Insurance Company of North America (Philadelphia)
Liberty National Life Insurance (Birmingham)
Lutheran Brotherhood (Minneapolis)
Massachusetts Mutual Life Insurance (Springfield)
Minnesota Mutual Life Insurance (St. Paul)
Mutual Benefit Life Insurance (Newark)
National Life Insurance (Montpelier, Vt.)
National Life & Accident Insurance (Nashville, Tenn.)
New England Mutual Life Insurance (Boston)
Northwestern Mutual Life Insurance (Milwaukee)
Northwestern National Life Insurance (Minneapolis)
Provident Life and Accident Insurance (Chattanooga)
Provident Mutual Life Insurance (Philadelphia)
St. Paul Fire and Marine (Minn.)
Sentry Insurance (Stevens Point, Wis.)
Southwestern Life Insurance (Dallas)
United Insurance (Chicago)

N2

Acacia Mutual Life Insurance (Wash., D.C.)
American Mutual Life Insurance (Des Moines)
American Reserve (Chicago)
Bankers Life Nebraska (Lincoln)
Capital Holding
Commonwealth Life Insurance (Louisville)
Georgia International Life Insurance (Atlanta)
Home Security Life Insurance (Durham, N.C.)
National Standard Life Insurance (Orlando)
National Trust Life Insurance (Memphis)
Palmetto State Life Insurance (Columbia, S.C.)
Peoples' Life Insurance (Wash., D.C.)
Central Life Assurance (Des Moines)
Charter National Life Insurance (St. Louis)
Farm Family Life Insurance (Albany, N.Y.)
Great Southern Life Insurance (Houston)
Harco Holdings (Milwaukee)
Hartford Steamboiler Inspection and Insurance (Conn.)
Integon (Winston-Salem, N.C.)
Lutheran Mutual Life Insurance (Waverly, Iowa)
Midland Mutual Life Insurance (Columbus)
Monumental Life Insurance (Baltimore)
Mutual Trust Life Insurance (Chicago)
Ohio National Life Insurance (Cincinnati)
Pan American Life Insurance of New Orleans (La.)
Philadelphia Manufacturers Mutual Insurance (Pa.)
Preferred Risk Mutual Insurance (Des Moines, Iowa)
Provident Life Insurance (Bismarck, N.D.)
Ranger/Pan American Insurance (Houston)
Synercon (Nashville, Tenn.)
Western Life Insurance (St. Paul)
Western States Life Insurance (Fargo, N.D.)

FINANCIAL

F

Allis-Chalmers Credit (Milwaukee)
American Investment (St. Louis)
Public and Domestic Finance (St. Louis)
Borg Warner Acceptance (Chicago)
Colwell (Los Angeles)
Dial Financial (Des Moines)
First Bank System (Minneapolis)
First Computer (Minneapolis)
FBS Financial (Minneapolis)
First International Services (Dallas)
First Union Corporation (Charlotte, N.C.)
General Electric Credit (NYC)
Georgia International Finance (Atlanta)
Investors Diversified Services (Minneapolis)
Midwest Stock Exchange (Chicago)
Northwest Bancorporation (Minneapolis)
Northwest Computer Services (Minneapolis)
Philadelphia Investment (Pa.)
St. Paul Companies (Minnesota)
Postal Finance (Sioux City, Iowa)
St. Paul Title (Troy, Mich.)

This chart consolidates 1975 data from all financial participants.

	Group 1	Group 2
Financial	12	9
Banks	54	53
Insurance Companies	25	32

Names appear on reverse.

State of Maine

ACTUAL BASE SALARY - - - - -

December 1975

1975 U.S.A. Chart F
HAY COMPENSATION COMPARISON

ALL FINANCIAL COMPANIES
Actual Base Salary

(DATA AS OF MAY FIRST)

© HAY ASSOCIATES 1975

Client Points P =	240	480	720	960	1440		
Highest	\$13.8	\$25.7	\$36.8	\$52.1	\$84.2	\$147.0	
Quartile Q3	10.1	15.7	26.9	37.8	60.2	90.8	
Median	9.1	14.2	24.8	35.2	55.2	81.4	
Quartile Q1	8.4	13.4	23.1	32.5	51.1	74.0	
Lowest	6.8	10.7	18.8	24.9	40.3	51.8	
Average - - -	9.4	14.5	25.4	35.7	56.4	84.4	

Q3 and Q1 enclose middle 50% of Company median lines.

CHART F

Chart F includes salary data from 185 banks, insurance companies, and diversified financial companies representing a national cross-section. Maine state government practice is quite competitive in the lower management areas, from 240 Maine points (P) to 720 points (P), where it approximates the average of the chart. From 720P to 1500P, the practice drops off slightly, and falls in the second quarter (i. e., between the median and Q1 lines).

PARTICIPATING STATES

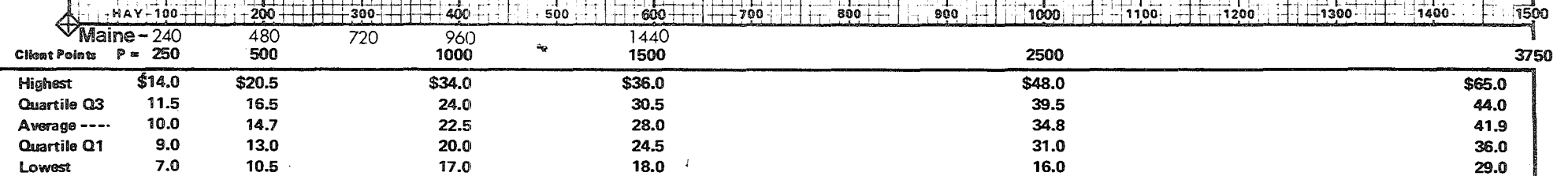
Alabama	Idaho	Missouri	Pennsylvania
Alaska	Illinois	Montana	Rhode Island
Arizona	Indiana	Nevada	South Carolina
Arkansas	Iowa	New Hampshire	South Dakota
California	Kansas	New Jersey	Tennessee
Colorado	Kentucky	New Mexico	Texas
Connecticut	Louisiana	New York	Utah
Delaware	Maryland	North Carolina	Vermont
Dist. of Columbia	Massachusetts	North Dakota	Virginia
Florida	Michigan	Ohio	Washington
Georgia	Minnesota	Oklahoma	West Virginia
Hawaii	Mississippi	Oregon	Wisconsin

State of Maine

ACTUAL BASE SALARY - - - - -

December 1975

ANNUAL DOLLARS (\$000)



1976 CHART G
Hay State Government Salary Survey
Actual Base Salaries
ALL PARTICIPANTS
(Data Reported 9/75)

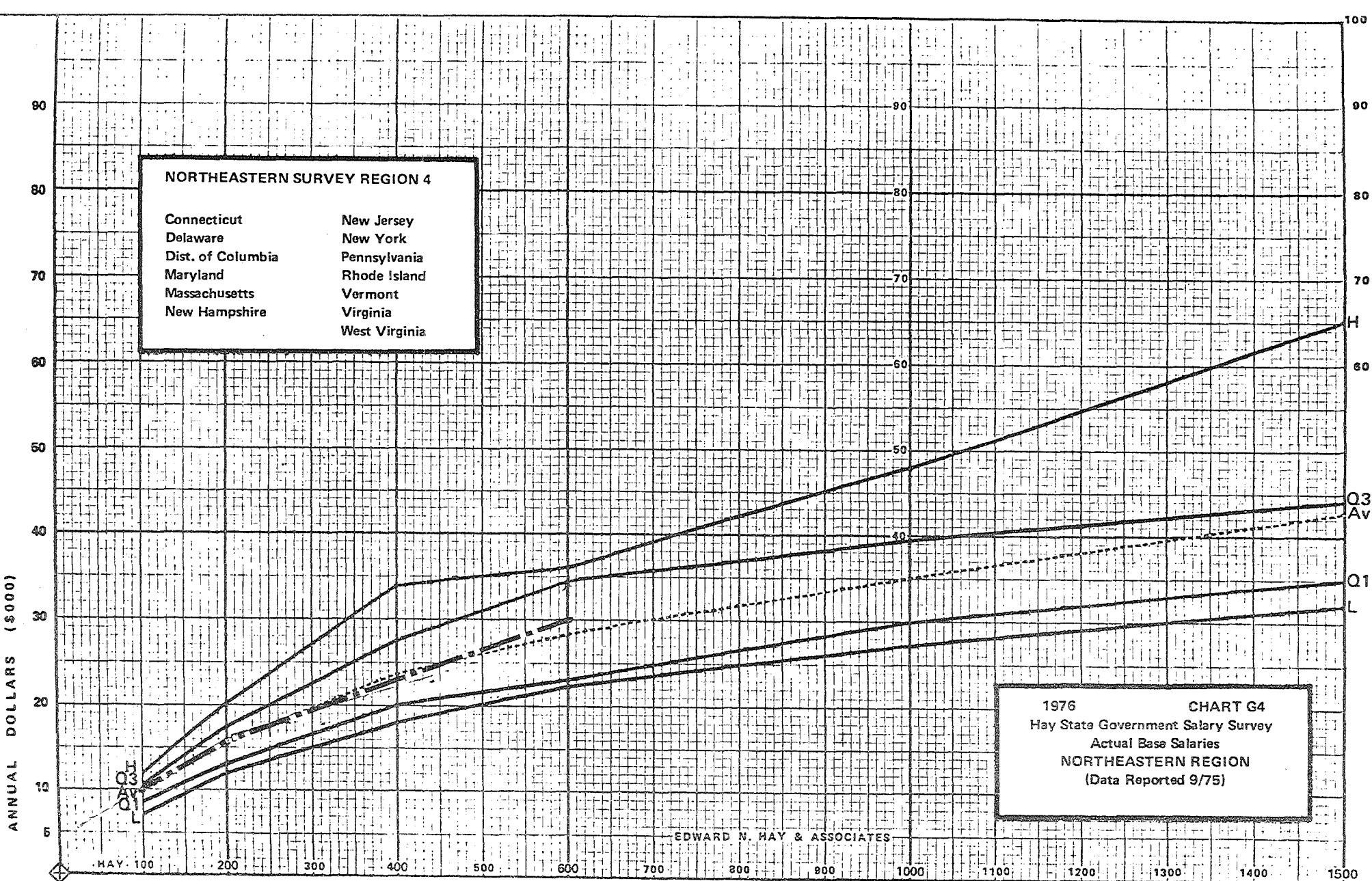
EDWARD N. HAY & ASSOCIATES

Q3 and Q1 enclose middle 50% of Company median lines.

CHART G

Chart G consolidates salary data from 48 state governments. The Maine state government is generally competitive, approximating the average from 240P to 660P. Thereafter, Maine is among the higher salary practice lines, crossing the 75th percentile (Q3) at 960 points, and continuing into the top quarter from 960 to 1500.

This high salary practice is because the salary practice of other states "flattens", at management level in a more pronounced manner than Maine, which flattens only slightly. Most states increase pay-per-job-content-point faster for supervisory levels than for management levels, resulting in some inequity internally, whereas Maine retains a much higher degree of internal equity.



Client Points	P = 240	400	960	1440		
Highest	\$12.0	\$20.5	\$34.0	\$36.0	\$48.0	\$65.0
Quartile Q3	10.5	17.5	27.5	34.5	39.5	44.0
Average	9.6	15.3	23.7	28.4	35.0	42.9
Quartile Q1	8.5	13.0	20.0	23.0	30.0	35.0
Lowest	7.0	12.0	18.0	22.5	27.0	32.0

Q3 and Q1 enclose middle 50% of Company median lines.

CHART G⁴

This chart displays the State of Maine actual base salary practice in comparison with salary practice data from 12 Northeastern state governments, plus the District of Columbia.

The Maine salary practice is quite close to the average of the salary practices, except showing above average at the top most level (which, with Maine, is influenced significantly by Physicians salaries).

Barry Wright
Brown & Sharpe
Dead River
Dennison
Eaton Paper
Factory Mutual Engineering
GT & E Laboratories
Kendall
Knapp King-Size

Microdot
Mitre
Nashua
National Blank Book
Norton
Perkin Elmer
Pitney Bowes
Rogers
Talon

State of Maine

ACTUAL BASE SALARY - - - - -

December 1975

GROUP
\$1150 A

Chart SA1

SELECTED DATA FROM
HAY COMPENSATION COMPARISON

ACTUAL BASE SALARY

SELECTED COMPANIES

(DATA AS OF MAY FIRST)

ANNUAL DOLLARS (\$000)

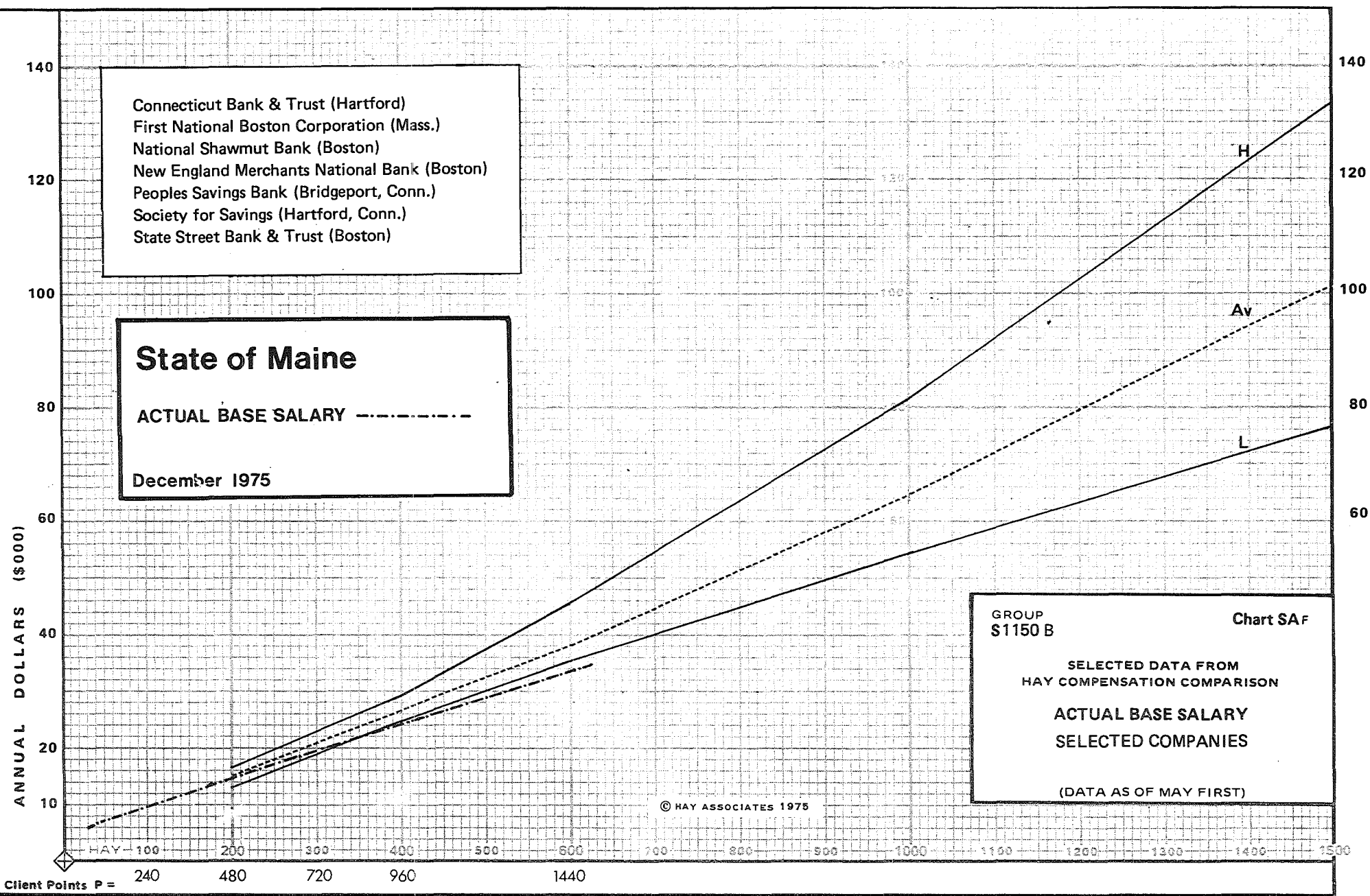
Client Points P = 240 480 720 960 1440

Highest	\$13.2	\$20.1	\$31.8	\$41.5	\$65.7	\$96.0
Lowest	8.8	14.2	24.1	32.9	47.5	60.5
Average - - - -	10.8	16.4	27.2	37.4	56.8	82.9

Q3 and Q1 enclose middle 50% of Company median lines.

NEW ENGLAND MARKETS: CHART SA (I)

Chart SA (I) consolidates data from 18 New England industrial companies that have installed the Hay system of job evaluation for management jobs. The Maine government salary practice for positions of similar job content is comparatively low, generally 12 percent below the average.

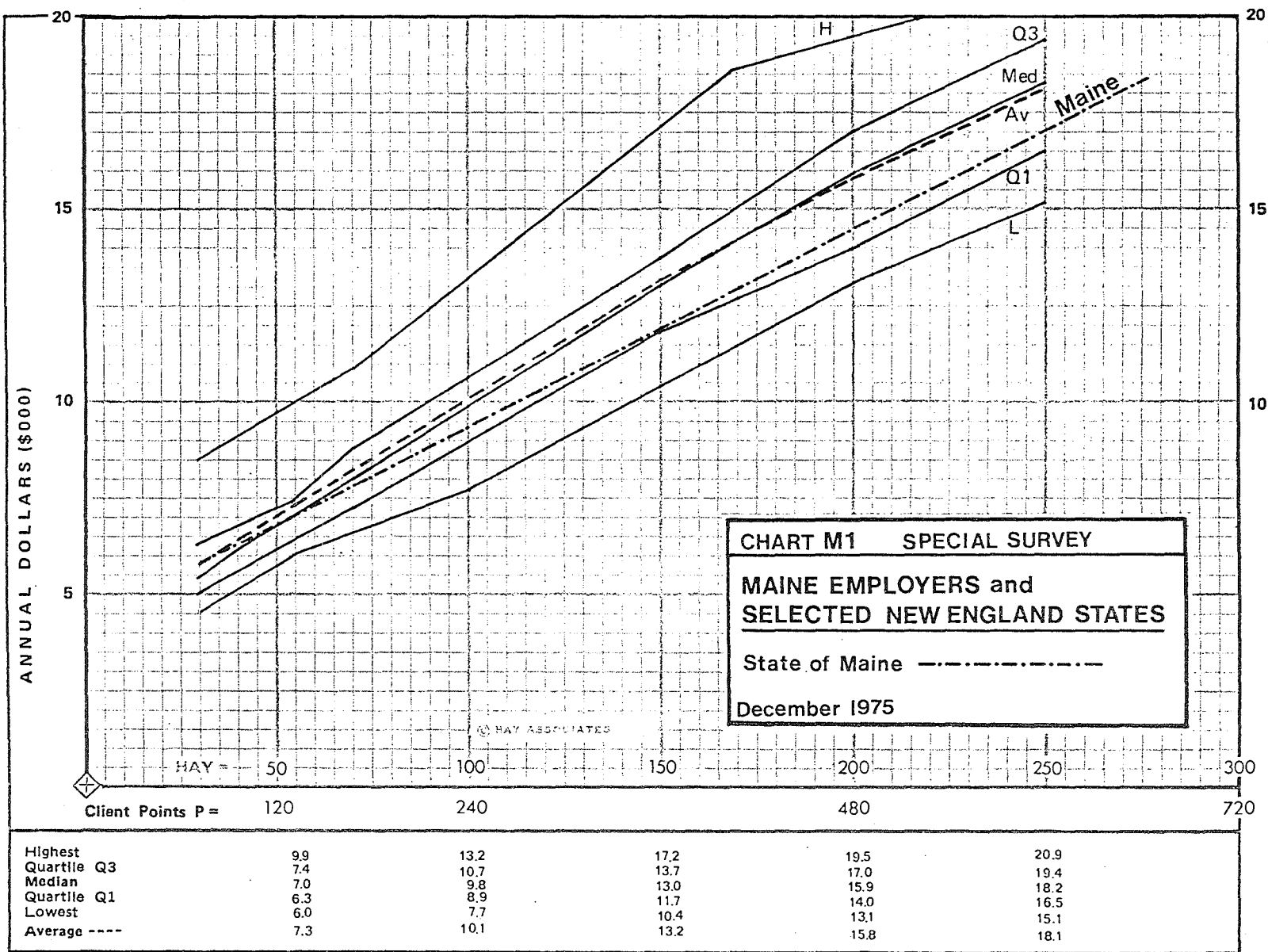


Highest	\$16.3	\$29.0	\$45.9	\$81.9	\$133.9
Lowest	12.9	24.4	35.3	54.3	76.3
Average -----	15.0	26.3	38.0	64.3	101.4

Q3 and Q1 enclose middle 50% of Company median lines.

NEW ENGLAND MARKETS: CHART SA (F)

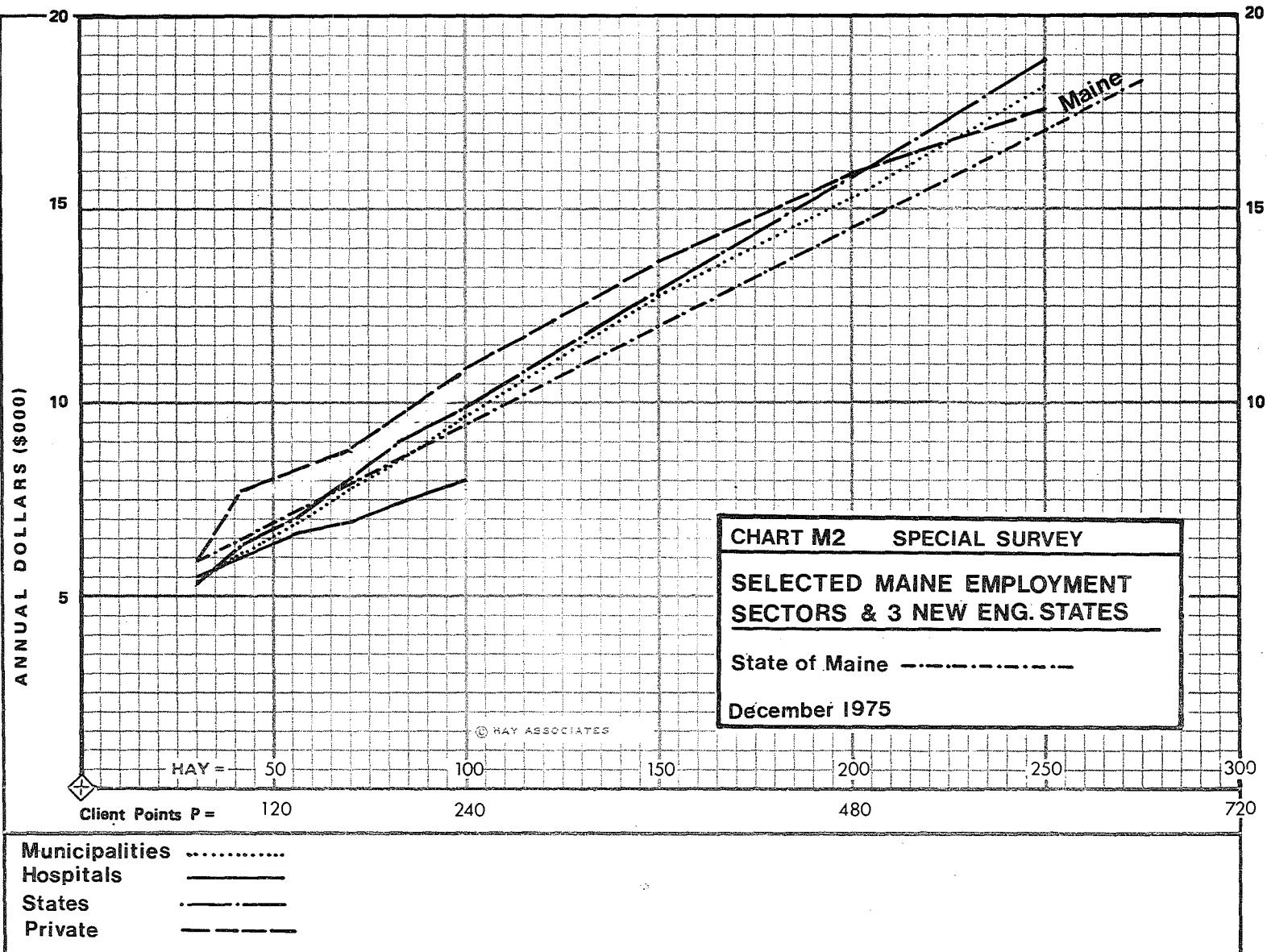
Chart SA(F) consolidates data from several New England banks that have the Hay system of job evaluation for management jobs. The Maine position is competitive for lower management jobs, to 480 points, but drops off rapidly to below the low practice. However, the state is only 8 percent behind the average (compared to 12 percent behind the industrial average).



NEW ENGLAND MARKETS: CHART M1

Chart M1 consolidates data from 18 employers in the Maine region, 15 within the state, and three neighboring state governments. This data covers clerical, blue collar and management personnel, collected in person by the consultants. Actual salary data as of October 1 was provided by all private sector participants. The three state governments could not generate actual current averages, so the median step of the salary range was used (or an estimated average if available). The state government practice is generally low, falling between the Q1 and the average. At the entry level, 76P, the state is about average, but crosses into the lower half of the chart by 150P.

There is considerable disparity in salary practices among Maine employers. Those that are divisions of large sophisticated national companies tend to be higher paying. The smaller, more localized industries are less high. Pay is differentiated by industry, also, as shown on the following chart.



NEW ENGLAND MARKETS: CHART M2

Chart M2 displays the average practice of different employment sectors. The Maine state government practice is comparable to the other public sector employers up to about 240 points. Above 240P, in the management level, Maine's pay is lower than the states or municipalities. The private sector (manufacturing and finance) is higher at almost all levels, than Maine. Hospitals show lower pay practices.

United States government data is available to the consultants for two groups of employees: one is the local labor market in Portland, as gathered by the Bureau of Labor Statistics (and converted to Hay points), the other is data from a preliminary study under way for the Department of Defense regarding military salaries.

Both these data generally corroborate the M1 chart. Portland falls at about the median or slightly below. The "Regular Military Compensation" (including allowances for shelter, food, etc.) falls above average, which is to be expected since that is a nationwide scale.

TABLE MI

MEDICAL SALARY SURVEY

(Range Midpoints)

	Entry Level with Residency Completed		Residency plus Experience	
	<u>Entry</u>	<u>Mean</u>	<u>Entry</u>	<u>Mean</u>
Company #1	\$17.8	\$19.5	\$20.6	\$22.6
Company #2	19.7	22.4	24.0	27.1
Company #3	15.0	<u>18.6</u>	18.4	<u>23.5</u>
Average		\$23.5		\$24.4

	Physician III	Percent Higher Than Survey Average	Physician IV	Percent Higher Than Survey Average
Maine Actual Average	\$27.2	16%	\$32.5	33%
Maine Current Step D	23.9	3%	27.4	14%
Maine Recommended Step D	24.8	6%	29.3	20%

Participants include 3 New England States

TABLE M1

The table opposite (Table M1) shows data for medical doctors collected from three New England States. Data includes physicians, psychiatric specialists and public health doctors. The Maine data shown refers to the Physician III and IV positions. Survey data is the midpoint of the salary ranges, since actual salaries were not available.

These New England states (and other states) seem to maintain a high practice for their medical jobs, roughly \$2,000 to \$6,000 higher, than for administrative jobs. Maine is also paying higher salaries in medical jobs. Hay has recommended a special salary range, \$5,000 higher than for administrative jobs.

The table opposite shows Maine paying medical personnel slightly higher salaries than the other states' medical jobs. This is consistent because Maine is paying its administrative salaries slightly more than their administrative positions.

Maine actual salaries are quite high in the current range; 14 percent to 19 percent above the current Step D. The proposed range (salary schedule Ia) will place the actual salary average roughly 10 percent above through Step D.

TABLE - COMPOSITE MARKET COMPARISONS

Client Points	70	100	130	170	200	240	360	480	600	960	1440	2400
Classified Salaries		6.4	7.06	7.9		9.4	11.9	14.5	17.0	24.1	29.3	
Municipalities		6.1 (-5%)	6.8 (-4%)	7.8 (-1%)		9.6 (+2%)	12.7 (+6%)	15.3 (+5%)	18.2 (+7%)			
Hospitals		6.0 (-6%)	6.6 (-7%)	6.9 (-13%)		8.0 (-15%)						
New England States Selected		6.4 (0)	7.0 (-1%)	8.0 (+1%)		9.8 (+4%)	12.8 (+8%)	15.8 (+9%)	18.9 (+11%)			
Private Industry		7.2 (+13%)	7.8 (+10%)	8.8 (+11%)		10.9 (+16%)	13.6 (+14%)	15.9 (+10%)	17.6 (+3%)			
Total		6.8 (+6%)	7.4 (+4%)	8.3 (+5%)		10.1 (+7%)	13.3 (+12%)	15.8 (+9%)	18.1 (+6%)			
Private Industry New England Region						10.8 (+15%)		16.4 (+13%)		27.2 (+13%)	37.4 (+28%)	
National (Industry)						11.6 (+23%)		17.2 (+18%)		28.4 (+17%)	38.9 (+33%)	
Northeastern Survey Region (12 States + D.C.)						9.6 (+2%)	13.0 (+9%)	15.3 (+5%)	18.0 (+5%)	23.7 (-2%)	28.4 (-3%)	

UNCLASSIFIED POSITIONS

In the memorandum to the State Government Committee concerned with unclassifying State government positions, the conflict is clearly stated as follows:

- The need to hire, reward and terminate public employees under a "logical and predictable" process which offers protection from political influences.
- The concept that since public employment should be responsive to the will of the public, it should not be insulated from politics, but rather should be responsive to it.

These two conflicting views should find a common goal: to organize, staff, and reinforce achievement in the best way possible to actively and visibly maintain effective service for the public. This goal is common to all employees and is achievable only in a climate in which:

- Goals are clear and strategies for achievement thoughtfully constructed and integrated throughout the organization.
- The organization structure is developed in response to these strategies and evaluated from time to time to make sure it makes sense.
- All positions, particularly the top three levels, need clear statements of end results expected and these accountabilities must directly relate to the objectives of the agency.
- People in the positions need to understand the difference between their activities and end results for which they are accountable, and should expect to be evaluated on their contribution to the organizational unit's required goals.

We know from our client studies that there is a correlation between the clarity of an organization's goals (objectively and as perceived by management members) and the effectiveness of that organization.

We also know that:

- The Chief Executive Officer sets the climate of the organization.
- Those appointed directly by the CEO usually feel a sense of participation in setting directions and will understand the goals and measures the organization is committed to.
- The perception of direction and a sense of freedom to act often drops perceptibly in the level below the core group. This is particularly true when management is by memorandum or fiat rather than through development of clear accountabilities and open evaluation of results.

In all of these observations the consultants stress the importance of effective management as critical to being responsive to public needs. This is true of any organization! Those profit-making organizations who are unresponsive will be challenged and surpassed by those more responsive in product, price, values, etc.

It is the effectiveness of management which the consultants see as the broader issue. To be unclassified should not be equated with:

- No useful purpose in the position per se.
- No qualifications other than friendship or support.
- A tenure based on the whim of a party, CEO or special interest group.

No organization can be effectively structured under the above conditions to be responsive to the total electorate. No climate so arbitrary and capricious will attract and use good people to best advantage of the State of Maine.

Conversely, no organization can be responsive to its public if performance is neither planned nor evaluated and a job is perceived as a right regardless of contribution.

Recommendations

1. Use the position evaluation method as a criteria for determining unclassified and classified positions. This concept builds on the

Legislature committee's criteria of budget, personnel, policy making, policy implementation and relation to the public.

All of these are inherent in and amplified by use of the Guide Charts. Since all positions were evaluated in this common language, use of this process would:

- Be related to position content.
 - Be usable as positions change or are added.
 - Serve as a constructive unifying monitor of decision making.
 - Eliminate dependence on title, pay or vague descriptive phrases.
2. Consider the following content requirement guidelines to determine whether a position should continue to be unclassified.
- A total of 800 points and "F" freedom to act.
 - These positions all require seasoned know how in some specialized field, all have some line or conceptual breadth of management and require adaptive thinking. The "F" freedom to act requirement assures that these positions which qualify for unclassified will be delegated, freedom to act subject only to "broad policy and general management guidance".
 - As unclassified positions are currently evaluated, the existing positions, through the Chief Medical Examiner, would remain unclassified. Below these positions would be classified. Many of the presently classified positions in that evaluation range from 800 content points and up, with "F" freedom to act would become unclassified.
3. These persons in the Governor's office could be exempt from the recommended process described in 1 and 2. The Governor could use the process as an initial step, or he could make all incumbents in the Executive office unclassified.

The consultants have read carefully the initial report by the State Government Committee on Unclassifying Positions, a memorandum regarding the unclassified pay plan, and discussed the issue with people in the State Government. While this issue was not part of the original charter and the consultants have not had time for detailed study, some observations are offered:

- Most unclassified positions are an inherent part of the State Government structure. They are part of a structure designed to implement the ongoing business of the State.
- While some unclassified positions will be created and filled by a Governor for specific purposes related to his or her interests, or particular needs of the State, the majority would be found in successive administrations.
- Even though the positions may continue, the Governor to be responsive should be free to have an important impact as would any CEO on the direct goals and scope of these positions. This does not mean arbitrary replacement of people. This does mean a healthy balance of power.
- If position end results are thoughtfully constructed for these key positions and performance is related to these accountabilities, position requirements for selection or replacement are obvious to all.
- If the State adopts our extension of the committee's recommendations for unclassified positions criteria, we believe the unclassified positions (regardless of title) will be at the level which any CEO should have some flexibility in selection and replacement.

Recommendations

1. All unclassified positions as recommended in the preceding section should be described and accountabilities defined and interrelated at the Commissioner level.
2. Compensation for all unclassified positions should be based on the same salary policy and salary structure as that recommended for the classified positions. All unclassified employees should be paid within assigned salary ranges.

3. All unclassified positions should have a salary range for performance similar to the classified positions.
4. Percentage adjustments within the salary ranges should be:
 - Related to the midpoint or competent part of the range.
 - The level of performance.
 - Time lapse since last increase.
5. A performance budget be established and administered for all unclassified positions and be allocated to the agencies based on the dollars of their unclassified payroll. Budget procedures should be the same as those described in Section V of this report.

STUDY PROCEDURES

The task of reviewing and updating class specifications, having revised specifications reviewed, evaluating the content of each specification, analyzing the salary-class content relationships, making market comparisons possible, and compiling data for the development of valid class requirements for knowledge, skill and ability, and entrance requirements, involved carefully detailed and integrated procedures.

These procedures, as they apply to the findings and recommendations contained in this report, are as follows.

Isolating 3 Kinds of Classes

At the recommendation of the consultants, the State agreed to include in the compensation analysis those classifications designated as full-time, permanent and full-time, limited period. Excluded were all other designations (seasonal and part-time) and all unoccupied classes of any kind. The compensation analysis, out of practical necessity and to reduce the number of potential variables, was aimed at actual salaries (those actually paid) and real jobs (represented by people currently confirming work performed).

The first, and most critical, task was to identify a benchmark sample of about one hundred and fifty classes, which would serve as the model for the evaluation of the remaining classes. The benchmark included management, professional, clerical, and trade occupations, as well as most agencies in the State. An additional criterion for benchmark selection was that the class be likely to have correlates in other state governments and/or in industry, so that subsequent comparative analyses could be made. Benchmark classes selected were also proportioned to match the current distribution of classes by pay grade.

Secondly, a list of all nonbenchmark multi-agency classes was identified. These are classes which the State's computer printouts reported incumbents located in more than one agency. Some classes, such as the Clerk Typist series, had incumbents in virtually every agency. Others, such as certain Civil Engineer classes, might only be found in two agencies. About two hundred and fifty classes were included on this list.

The third list was of one-agency classes, where incumbents are only found within one agency, such as Transportation or Human Services. There were approximately six hundred such classes, ranging from Prison Stores Clerk to Deputy Commissioner levels.

Interview Sampling

It would clearly be impossible to interview all incumbents in all classes for the purpose of reviewing their existing class specification statement and updating it. Through use of statistical sampling procedures, it is possible to identify a sample of incumbents in each class for interviewing and still yield highly valid results. While a carefully planned procedure was followed, in the final analysis the precise number actually interviewed was not a critical consideration, as all incumbents in all classes were ultimately asked to review and react to current or updated versions of the specifications.

The following decision rules were used in determining how many and which incumbents were to be interviewed in any particular class title:

a. Number of Incumbents

- For single incumbent classes, that incumbent was interviewed in all cases.
- For classes containing two to six incumbents, every attempt was made to interview all incumbents, usually in a single group interview. Only where great geographical distance separated incumbents and where the job was judged to be performed in a similar manner regardless of location, were exceptions to this rule.
- For classes containing more than six incumbents, a sample of incumbents was interviewed, according to the criteria below.

b. Agencies in Which the Class is Found

- Incumbents from each agency were selected for interview, in order to get a complete picture of how the job is performed in various agency contexts.

c. Location of Incumbents

- Because the majority of incumbents in State jobs are located in the Portland-Augusta-Bangor area, it was relatively easy for State analysts to travel to their locations to interview incumbents. Getting to more remote

locations, such as Aroostook County, is more difficult. Analysts did travel to these locations for interviews where incumbents were judged to be performing their jobs differently from the way they are performed by incumbents elsewhere, or where the class title only exists in these remote locations.

d. Diversity of Job Content

- In some cases, there are great differences in the specific activities incumbents perform, even though they hold the same title. As mentioned, the agency location of an incumbent is one determinant of job duties, but there may be wide divergence even within the same agency. The incumbents to be interviewed were selected from jobs of the same class title having the widest possible differences in focus and scope.

Thus, with these criteria in mind, the exact number of incumbents and the locations from which interviewees must be selected, were identified for each classification. The work of identifying this sample was done by State employees, trained by a Hay consultant with expertise in statistical sampling techniques. A total of one thousand, five hundred and seventy-nine (1579) interviews were scheduled for the approximately nine hundred and eighty-one (981) classes.

Analyst Training

State officials assigned twenty-one State employees for the seven-week duration of the specification update phase of the project. These employees included representatives of the Personnel Department, as well as seven other agencies in the State.

Two Hay consultants trained the analysts for two days, covering the essential steps in interviewing, reviewing and updating position specification statements. To the greatest degree possible, training content built upon the existing format for State of Maine class specifications, adding only those elements necessary to adapt the Hay Guide Chart-Profile Method of evaluation to Maine jobs. The two major additions to the existing format were: (1) Class Statistics, including budgetary impact (direct and indirect) and number of people supervised (broken down as managerial, professional, clerical, and trade); and (2) Major Challenges, the most difficult aspect of the incumbent's job.

The training program covered the various elements of the specification format, with practice sessions in each, including the Definition Paragraph; Examples of Work Performed; Special Requirements (absolutely essential licenses, certificates, etc.); and Class Statistics. In addition, training covered interview techniques and format, and the detailed procedures to be used in preparing the updated versions of specification statements. Each full-time analyst was scheduled to produce nine completed specification updates per week, involving anywhere from nine to fifteen interviews (some of the interviews were done in groups of two to six position incumbents). Even with this demanding schedule, seven weeks were required to complete the entire process.

In brief, the procedure required reviewing the existing specification statements with all those incumbents to be interviewed, modifying elements as required, and adding those additional pieces of data needed under the revised format. Analysts were instructed to include an activity under "Examples of Work Performed" if at least 20 percent of those interviewed performed that activity. It was clearly explained to the analysts that the Definition, Examples of Work Performed and Class Statistics were the sections of primary interest at this stage of the project, and needed for evaluation purposes. The remaining sections of the specification statement were to be updated as much as possible, but that much more extensive review of the content of these sections would be required later on to assure valid, nondiscriminatory statements of knowledge, skills and abilities, and minimum desirable qualifications. Major input to that more extensive analysis was also provided by these incumbents reviewing the updated version of their class specifications.

Updating Class Specifications

The analysts were split into two teams, each under a Leader. The Team Leaders were from agencies other than the Personnel Department, and experienced Technicians from the Classification Section served as Assistant Team Leaders. The Leaders were accountable for scheduling the work of employees assigned to their teams, monitoring the quality of the updated specification statements, assuring timely production of acceptable specifications, and helping to solve the inevitable and numerous operating problems that arose in the seven-week-long process. The Project Coordinator worked with the Team Leaders on recurring problems of procedure and logistics. The analysts were supported in their efforts by a clerical staff temporarily assigned to the project. This support staff carried out such functions as scheduling interviews (the selection of specific incumbents within the locations specified through the sampling process was left to

Personnel Officers in the various agency locations), typing the revised specification statements, mailing out questionnaires to all incumbents in the State in each class, receiving and filing returned questionnaires, ordering supplies, and seeing to the printing and duplicating needs of the group.

The procedure called for analysts to submit rewritten versions of each class specification for typing. The Definition Paragraph and Examples of Work Performed were typed on questionnaire forms (designed by the consultants). These are in the Appendix. These forms were duplicated and mailed to all incumbents of multiple-incumbent classes at their work locations, together with complete instructions as to how they were to review and react to the revised specification statement. (See instruction memorandum in the Appendix.)

Ratings of criticality and frequency (described in Part 5 of this Section) were sought from incumbents of single incumbent classes by the analysts. These ratings, and revised Definition and Examples of Work statements for single-incumbent classes were subsequently and independently reviewed and assessed by the individual to whom the incumbent reports. These ratings are held separately for later consideration in the final determination of knowledge, skill and ability, and entrance requirements.

The one hundred and fifty benchmark jobs were the first to be scheduled for review and updating, for they had to be evaluated first. To the greatest extent possible, analysts were assigned to update specifications in areas other than the ones to which they are normally assigned. This was to assure objectivity.

Review of Updated Specifications by Incumbent

There were several reasons for including this step in the process.

First, it puts in motion a systematic means to assure the creation of complete and accurate specification statements for every classified position in State government. Examples of Work Performed statements were added, removed or modified by incumbents, even from the initial revised version of the statement, based on the original interviews.

Secondly, it provided valuable information for use in subsequently determining the knowledge, skills and abilities, minimum desirable qualifications and special requirements sections of the final version of the Specification statement. The questionnaire form received by incumbents asked them to check Yes or No to the statement:

"I can find at least 80 percent of those things that I do frequently and are critical to my job in these statements." (It may be that 80 percent of the critical and frequent things you do are contained in only one or two of the statements. In this case also, you would check the "Yes" box.)

In this manner, the State has an up-to-date reading of those incumbents who feel they are currently misclassified, i. e., those who checked the "No" box when responding to the above statement. (The procedures we recommended for dealing with these potential "exceptions" to the revised specification are outlined in Part "a" of this Section.)

If, when reviewing the questionnaire, the incumbent felt that the specification statement did not accurately and completely describe the things that he or she did, and therefore checked the "No" box, the incumbent was asked to add statements of those additional activities in the space designated at the end of the questionnaire.

In addition to indicating their agreement or disagreement with the overall specification as revised, incumbents were instructed to indicate how frequently, on a scale from one to five, they perform each of the statements contained in the Examples of Work Performed section. Then, they were asked to specify up to five of the activities which they feel are most critical to competent job performance. These frequency and criticality ratings are essential for preparing valid minimum entry requirements and knowledge, skills and abilities required for competent job performance.

Evaluation of Benchmark Specifications

An Evaluation Committee of seven individuals was appointed. Committee members were selected because of their knowledge about State government and knowledge of State positions. The Committee was trained in the use of the Hay Guide Chart-Profile Method of job evaluation by the two Hay project leaders.

The Hay Guide Chart-Profile Method is a procedure for measuring the relative size of each position and expressing this in terms of job content points. The measuring instruments are called Guide Charts, and are used to measure the three major components of all jobs: Know-How, Problem Solving and Accountability. These factors are defined as follows:

Know-How: This is the sum of all the knowledge and skills which are required for competent performance. Know-How is subdivided into three parts:

- Specialized, technical or practical knowledge; the basic knowledge needed.
- Managerial requirements; the skills needed in planning, organizing, executing, controlling, and appraising the work of others.
- Human relations skills; the human skills needed for motivating, influencing, coaching, and developing others.

Problem Solving: This is the amount of original, self-starting thinking required for analyzing, evaluating, creating, reasoning, arriving at, and making decisions. The problems involved may range from those day-to-day decisions which can be based on memory to those which require creative thought, such as long-range strategies, adapting to changed conditions, and so forth. The thinking involved ranges from the strictly routine to the very abstract. The two dimensions of Problem Solving are:

- Thinking environment;
- Thinking challenge.

Accountability: This is the answerability for an action and for the consequences of that action. Accountability has three parts:

- Freedom to Act; the amount of control and guidance exerted. These can be:
 - Personal, how closely the job holder is supervised.
 - Procedural, how restricted the job holder's actions may be due to policies and procedures.

It can be ascertained by answering the question, "How much freedom does the holder have to act independently?"

- Impact on end results; the degree of effect, or impact, on end results.
- Dollar magnitude; the annual dollar value of the end results on which the job has an impact. It adds the important perspective of "size" to the other criteria.

The total evaluation of a job is arrived at by adding the points assigned to Know-How, Problem Solving and Accountability.

In addition, an independent check was made on the logic of the evaluation judgments by determination of the "profile," which consists of the percentage value of each of the three variables to the total value of the job. The job profile is a concise method of describing the overall nature of a job.

The evaluation process is intended to measure the requirements for satisfactory or competent job performance, irrespective of the way any particular incumbent is actually performing in the position at present. That is, although an incumbent may currently be falling short of the position's requirements or exceeding them--only actual requirements themselves are of interest in evaluating job content. Further, the particular credentials, degrees, and experience of the individual employee are not at issue in the evaluation process. Individuals may be overqualified or underqualified in relations to the requirements of a particular position.

The State Benchmark Evaluation Committee met almost constantly over a three-week period, always led by one or two Hay consultants, experienced in evaluating positions in state government.

The procedure used to evaluate each of the 150 benchmark classes follows. Each specification was read carefully, discussed to assure complete understanding of the position elements, and evaluated independently by each Committee member, using the specially adapted State of Maine Guide Charts. In some instances, the Committee felt the specification statement was incomplete or inaccurate. A knowledgeable person from an agency in which the job was located was contacted to provide a more complete picture of the job.

After each Committee member independently evaluated a specification their initial judgements were recorded for discussion. Differences in the way members saw any of the eight evaluation supplements were discussed in order to reach a consensus. Then the profile concept (described above) was applied to test the internal consistency of each evaluation.

The Committee evaluated an average of about 12 classes per day, until all 150 benchmark classes were evaluated. Then, the entire list was reviewed, job against job, to assure that proper point differentials existed and that the Guide Charts were used consistently throughout the process. This is called a "sore thumb" session. The final benchmark evaluation list was then put in descending order of

total points and reproduced for use by evaluators of the remaining classified positions.

Evaluation of Single-Agency Specifications

One or two knowledgeable and experienced senior managers or professionals from each agency which has classes that are unique to that agency were invited to attend a day-long session run by Hay consultants. The purpose of the session was to provide training in the Guide Chart-Profile process. These people were assigned to work with a consultant to evaluate all single-agency classes in their agency. In the training session, the consultants covered the theory behind the process, and with group participation, actually evaluated some State specifications from the benchmark.

Consultants met with agency evaluators over a three-week period, at the end of which time all present single-agency classes in the State were evaluated. During this process, constant reference was made to the benchmark evaluations, some of which were multi-agency classes, to assure consistency in the way the guide charts were being applied. In addition, the four Hay consultants involved in the single-agency evaluations met together and with the Hay team project leaders in the evenings, in order to integrate and "fine tune" the evaluations of various classes.

Evaluation of Multi-Agency Classes

The classes that are found in more than one agency, and were not part of the benchmark, were evaluated by the Hay project team. During these evaluations, constant reference was made both to benchmark and single-agency evaluations, again, to assure consistency. In many instances, multi-agency classes had close correlates among classes already evaluated. Organization charts provided by each agency also helped the Hay team in this phase. In some instances, appropriate people in the agencies were contacted for clarification.

At the end of this phase, all known, and occupied, classes in the State had been evaluated, and job content points assigned.

Review of Returned Specification Questionnaires

As soon as the analysts had completed their work, the teams were disbanded. The two team leaders assisted by Personnel Technicians then began analyzing the completed questionnaires returned by incumbents of multiple incumbent classes (questionnaires for single-incumbent jobs were completed by the incumbent at the time of the interview).

The initial purpose of this review was to determine the accuracy of the revised specification statements and to identify possible cases of misclassification for further study. Hay designed a procedure to be used for screening out those incumbents who felt the revised specification did not accurately portray at least 80 percent of the things they do frequently and are critical to their jobs, and who had a legitimate basis for making this judgement. "Legitimate," means incumbents who listed actual duties they are called upon to do frequently and are critical to their jobs which differed significantly in kind from those listed in the specification.

The detailed procedure used in making these judgements appears in the Appendix. Those incumbents identified as taking legitimate exception to the specification statement, as written, were scheduled for future study by the Classification Unit of the Personnel Department. The future action recommendations, based on guidelines provided by Hay, could be one of three types:

1. Desk Audit - Potential cases of misclassification, where the content of the class to which the incumbent is assigned can be readily verified through telephone inquiry.
2. Field Audit - Potential cases of misclassification, where the content of the class to which the incumbent is assigned requires a work place interview and/or a new specification.
3. Reclassifications - where the content reported by the incumbent is clearly the same as or close to the content of an existing class in terms of accuracy, frequency and criticality.

As of December 1, 1975, questionnaires issued and returned have been tabulated as follows for multiple incumbent classes:

<u>Total Issued</u>	<u>Total Responding yes</u>	<u>Total Responding no</u>	<u>Total Still Unaccounted for</u>
12,022	7,014	766	2,242

Correlation

In order to make external comparisons between the State of Maine pay practices and those in other states and private industry it is necessary to determine how Maine job evaluations relate to evaluations of similar jobs elsewhere. This process is called "correlation," and is performed centrally in Hay's Philadelphia headquarters for all United States located organizations. Correlation is essentially a quality control used by Hay to assure that valid comparisons are made to other organizations, so that valid conclusions can be made regarding the external competitiveness of an organization's compensation practices.

A Hay project leader met with the correlator, who is also a senior Hay consultant, to review the State of Maine evaluations. A sample of benchmark specifications (over 250 points) was selected for comparison with evaluations for similar jobs in other states. From this process, the numerical relationship between State of Maine job content points and standard Hay points was determined. This correlation factor is important for relating Maine exempt salary practice lines to various Hay Compensation Comparison survey data from the public and private sector, all of which are expressed in standard Hay points.

Analysis of Internal Equity

For the first time in the study, we looked at the actual salaries paid to incumbents in all classes. Computers were used to plot scattergrams where job content points defined the horizontal axis and annual salary dollars defined the vertical. Separate scattergrams were plotted for various agencies and for the total classified service.

Next, the computer calculated least-square lines, or lines of central tendency representing the scatterplot.

The formulae (simplified) used were:

$$\text{To find the slope, } m = \frac{n\sum(xy) - \sum x \sum y}{n\sum x^2 - (\sum x)^2}$$

$$\text{and, to find the intercept, } b = \frac{\sum x^2 \sum y - \sum x \sum xy}{\sum n x^2 - (\sum x)^2}$$

resulting in the equation for the regression line of,

$$y \text{ (salary \$)} = m \text{ (slope) times points plus } b \text{ (intercept)}$$

The consultants determined appropriate segments, or otherwise altered calculated lines to fit one pattern of pay practice when calculated lines were judged to be unrepresentative. These lines represent the actual salary practice in the State of Maine. Those points on the scatterplot whose distance from this line of central tendency is excessive may be judged to be inequitably compensated in relation to other positions.

Noncash Compensation Study Procedures

Our analysis of noncash compensation for the State of Maine focused on two critical issues:

1. Internal equity
2. External Competitiveness

Our assessment of these two issues was completed in several phases as follows:

- Data collection phase: In this phase, all written materials describing noncash programs covering State of Maine employees were collected. This included one day of interviews conducted by a Hay consultant to insure quality control. Concurrently, data on noncash compensation for a special survey group (see base compensation procedures for a listing of specific employers) was collected by questionnaire and interviews .
- Data analysis phase: Programs covering Maine employees were compared with the special survey group and the Hay Non-cash data base which includes approximately 500 employees. This analysis included a review of both present values and prospective values as applied to varying employee populations. The value of individual plans and policies were quantified using standard Hay methodology and assumptions in order to determine equity and competitiveness.
- Documentation: The results of our special survey and a summary of our analysis and recommendations are contained in our report. This includes an outline of programs covering Maine employees as these programs currently exist.

UNCLASSIFIED STUDY PROCEDURE

As in the classified study, our objectives were to develop internal equity of position relationship, determine the competitive position of these positions in relation to positions of comparable content and provide specific recommendations for an effective structure or structures. Positions studied, ranged from Directors reporting to Commissioners through many jobs which have classified counterparts. Approximately 200 different coded positions were studied.

Data Gathering

Questionnaires were sent to each person in the 200 positions. Some were asked to review an attached classified position specification which adequately described their position. If the incumbent agreed, he or she would mark the specification and return it. If not, they would complete the questionnaire sent to other people in unclassified positions. Almost all of the incumbents returned either the specification or a completed questionnaire.

Evaluation

As the completed questionnaires were returned, a senior Hay consultant evaluated the positions using the Hay Guide Chart Profile Method. In addition to the evaluation process, we used three people from Budget and Measurements to provide resource data and information on the various organizations. Because the original classified benchmark job evaluations covered the full scope of the unclassified study, they served as an invaluable guide to evaluations.

In these instances where we did not understand the questionnaire response or we questioned the content as stated, the incumbent was contacted for further explanation.

Upon completion of the evaluations, the jobs were placed in content order, and all evaluations were reviewed to assure both a reasonable relation to each other and to similar classified positions. Through the process we collapsed some redundant code numbers and added some to better describe the job content.

HAY ASSOCIATES

Dear:

As you know, consultants engaged by the State of Maine are performing a study of the content of unclassified positions below agency head. Part of that process involves your input to determine the accurate content for each position.

Please read and complete the attached questionnaire. It should be sent to Gloria Thomas, Budget Office, within the next five days. Your cooperation is needed and appreciated.

HAY ASSOCIATES

Dear:

As you probably know, consultants engaged by the State of Maine are performing a study of the content of all unclassified positions below agency head. Part of this process involves your input to assure that we have the accurate content for each position.

Please read the attached questionnaire and instructions. If an existing description is up-to-date and covers all of the questions asked, please attach it to the questionnaire and send it within five days to
at . If, for any reason, a description is not appropriate or adequate, or does not exist, please complete the questionnaire and send it to the above project leader within the next five days.

We need complete and timely information. If you have any reservations about an existing description of your position, please take a few minutes and complete the questionnaire.

Your cooperation is needed and appreciated.

Sincerely,

PERSONNEL STUDY
ROOM 422, STATE OFFICE BUILDING
AUGUSTA, MAINE 04333

November 5, 1975

To:

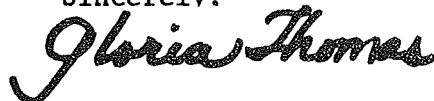
As you probably know, consultants engaged by the State of Maine are performing a study of the content of all unclassified positions below agency head. Part of this process involves your input to assure that we have the accurate content for each position.

Please read the attached questionnaire and instructions. If an existing description is up-to-date and covers all of the questions asked, please attach it to the questionnaire and send it within five days to me at the above address. If, for any reason, a description is not appropriate or adequate, or does not exist, please complete the questionnaire and send it to me within the same time limit. In all cases, please complete Section 1 of the questionnaire.

We need complete and timely information. If you have any reservations about an existing description of your position, please take a few minutes and complete the questionnaire.

Your cooperation is needed and appreciated. If you have any questions, please do not hesitate to call me at 289-2881 or 289-2506.

Sincerely,

A handwritten signature in cursive script that reads "Gloria Thomas".

Gloria Thomas
Project Coordinator

GT:mh
Enclosures

STATE OF MAINE

Position Questionnaire

Name: _____ Position Title: _____
Date: _____ Agency: _____
Department: _____
Section: _____
Location: _____

1. Major function: The overall purpose of my job is to....
2. Specific duties: (Describe the duties you personally perform, beginning with the most important.) Example: reconcile invoices with purchase orders. Frequency (i.e., daily, weekly or occasionally): daily (three hours).
3. Assignment, review and approval of work: (Describe who assigns your work, how instructions are provided, who reviews and approves work in progress or when completed.) Example: invoices are received from the vendors, supervisor spot checks all bills over \$100 and must approve payment of bills over \$300. If we have questions particularly on new vendors or material purchased, she will check back with the agency who ordered the material.
4. Decision-making authority: Describe your responsibilities for making decisions. Example: I determine the best way to collect marine samples as required.
5. Report preparation: What records or reports do you prepare?
6. Equipment operation: List equipment you use and the percentage of time you spend operating the equipment. Do you also maintain the equipment. Example: typewriter, approximately 60 percent of the time;
copier, approximately 50 percent of the time;
dictating receiving equipment, approximately 10 percent of the time;
back hoe, approximately 40 percent of the time;
electric saw, approximately 10 percent of the time.

Page Two

7. Contact with others: What contact do you have as part of your job with people other than your supervisor or co-workers (and why). Example: I talk with vendors by phone every day to ask about invoice numbers, amount of material ordered versus received, etc.
8. Most difficult part of the job: (Describe the most complex part of your work.)

Position Inventory Record - Instruction Sheet

GENERAL

The Position Inventory Record is designed to provide information on the content of the State of Maine's unclassified positions.

You should complete the Position Inventory Record sheet (four pages) attached. Ask your manager or supervisor for any information (e.g., budget figures) you do not have at hand.

The following instructions are provided in the same order as the Position Inventory Record.

I. Identification Information

Information in this section is requested for exact identification and location of each position. We need this in order to assure full completion of the project.

II. Organizational Information

This section of the Position Inventory Record is designed to give the reader an understanding of the organization within which you function. Above the box marked "your position" insert your manager or supervisor's title. Above that box insert the title of the next level of management.

On either side of the organizational box representing your position are two blank organizational boxes. If your manager or supervisor has other positions reporting to him, their titles should be noted in the boxes provided - either singularly or in appropriate groups. Single positions are those which have a unique title. They should be accorded separate organizational boxes. Group positions are those that have a common title. They may be inserted into single organizational box.

If you have a technical or clerical position reporting to you, insert the title in the dotted box(es) below your position and briefly explain the duties of any subordinate (s) in the space provided.

III. Basic Function

In this section we ask that you summarize the essence of your position in a brief sentence or two. The statement should show the major result expected from your position.

IV. Pertinent Dimensions

Please include in this section numbers, statistics, and dimensions that will allow the reader an appreciation of the scope and size of your position. Typically, numbers, dimensions and statistics might be departmental size or budgets in thousands of dollars, staff (separated by management and nonmanagement), numbers of people served, annual cost of services or items purchased, etc. Where appropriate, round the numbers to a "ball park figure" so that they need not be revised every year.

Page Two

You should not have to search for these numbers, rather they should be the more important numbers used in connection with your job.

V. Functional Guidance

Your manager or supervisor provides you with guidance. Other positions may provide you with functional guidance or you may provide other positions, not reporting to you, with functional guidance.

Please provide the title of any position that gives you functional guidance and a brief description of the nature of that guidance. Please list the titles or groups of titles (e.g., Tax Examiner II) of positions to whom you would provide functional guidance and a brief statement of the nature of guidance provided to those positions.

VI. Characteristic Projects or Major Activity Areas

In this section you are asked to look at your job either on a project or a major job activity basis and provide a description of three projects or activities that will give the reader a further appreciation of the nature of your job. Note that we ask for characteristic functions or projects not unusual projects or activities.

VII. Reports and Documents Generated

In this section we do not require a list of the forms you fill out or of every single document or report you may generate. What we do wish you to include is a brief general description of the output flowing from your position to others, and the use of this output -- if this has not been adequately covered in prior sections of the Position Inventory Record.

VIII. Characteristic Issues or Problems

Again, if not adequately covered in foregoing portions of the Position Inventory Record, please describe typical or characteristic issues considered and problem resolutions made or recommended by your position. You should consider your most difficult financial, technological, material or human resource decisions.

IX. Individual Job Characteristics

We recognize that jobs bearing the same or similar titles may be vastly different in the style, nature and scope of their impact on any organization. In this section we wish you to include those elements of your job (if any) that would allow the reader to understand differences in your position relative to others of the same or similar title within or outside of your agency or the State of Maine.

X. Interactions

In the spaces provided, insert the individual position title or group position titles with whom you have most frequent, important interactions. State briefly the purpose and frequency of these interactions. Examples chosen should be typical as opposed to random or "once a year." This should not duplicate information provided under Functional Guidance -- Section V.

Page Three

XI. Other

Any job element you feel has not been given sufficient weight should be briefly discussed here.

Thank you for your cooperation.

STATE OF MAINE

Unclassified Position Questionnaire - Exempt positions

1. Identification Information

DATE _____

POSITION TITLE _____

YOUR NAME _____

AGENCY _____

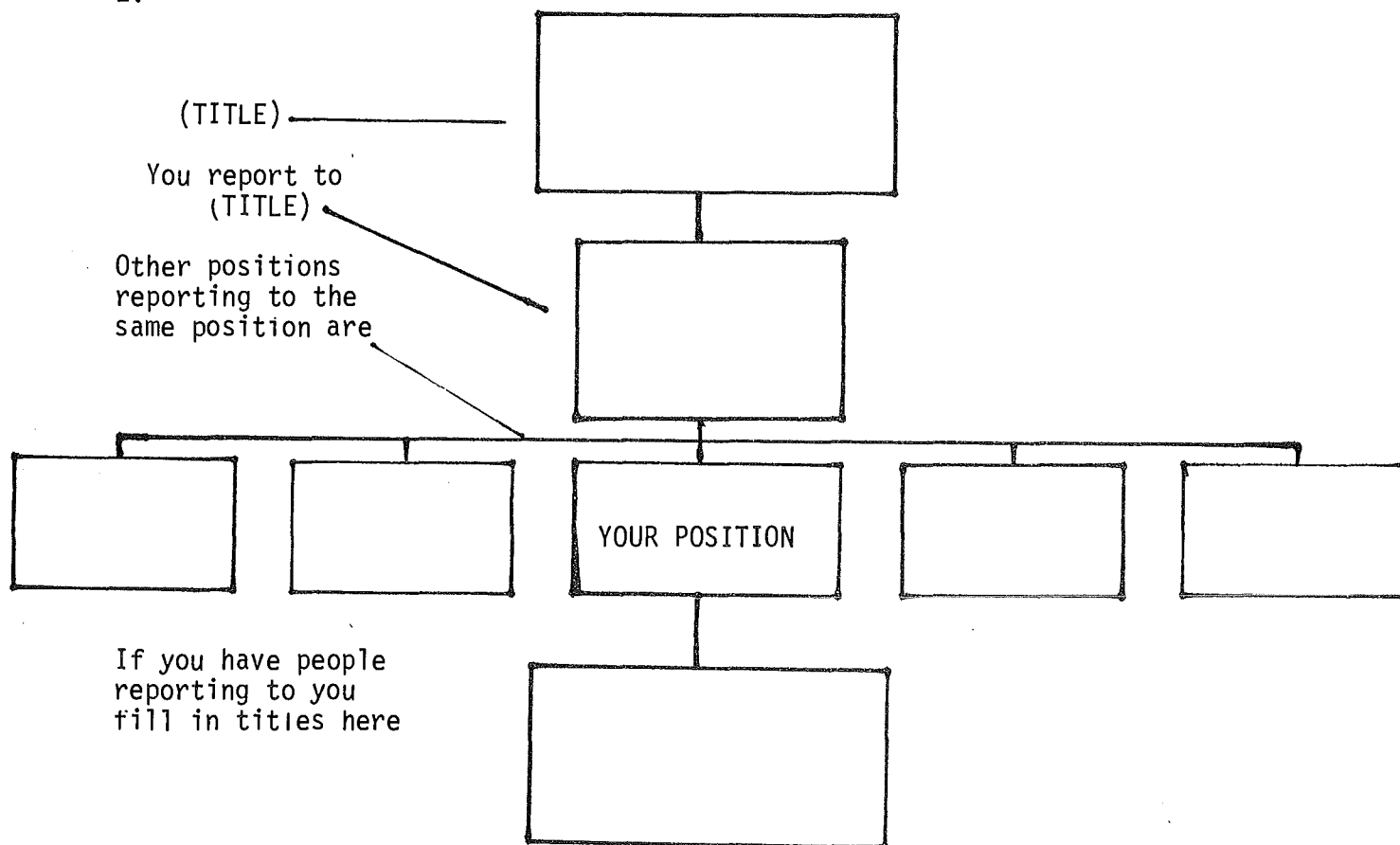
YOUR SIGNATURE _____

DEPARTMENT _____

SECTION (as appropriate) _____

LOCATION _____

2.



Briefly describe their functions _____

3. This position's basic function, summarized, is to _____

4. Pertinent dimensions, statistics and other relevant numbers identifying the relative size and scope of this position are: _____

5. (If any) List positions other than the person to whom you report that provide you with functional guidance and briefly discuss the nature and purpose of that guidance.

(If any) List the positions other than people who work for you to whom you provide guidance and briefly discuss the nature and purpose of that guidance

Page Three

6. List and describe three characteristic projects or describe the three major activity areas in your job - whichever is more appropriate.

a.

b.

c.

7. If not discussed above, describe the output of your position, including major reports and documents.

8. If not specifically covered above, give an example of a characteristic issue or problem that you may be required to resolve (personally or through recommendation)

9. If other jobs of the same or similar title exist in this department or agency or other organizations that you know, describe the things that make your job different from those generic titles (e.g., systems analyst, etc.)

10. Explain the four or five characteristic internal or external interactions (except with the to whom you report or those people working for you) required in this job.

WITH	NATURE AND SCOPE	FREQUENCY
1.		
2.		
3.		
4.		

11. Other: Briefly explain any aspect of your position not covered by the above and that you feel necessary to full position understanding.

STATE OF MAINE

ANALYST TRAINING SEPTEMBER 17-18, 1975

AGENDA

DAY 1	8:00 - 8:30 a.m.	Introduction
	8:30 - 9:00 a.m.	Overview of Project
	9:00 - 9:30 a.m.	Review Scope of Analyst's Accountability
	9:30 - 10:00 a.m.	Review Guide Chart Elements
	10:00 - 10:15 a.m.	BREAK
	10:15 - 11:00 a.m.	Review Specification Format and Questionnaire
	11:00 - 12:00 p.m.	Review Interview Guide and Procedure
	12:00 - 1:00 p.m.	LUNCH
	1:00 - 2:00 p.m.	Practice Individual Interviews
	2:00 - 2:30 p.m.	Complete Individual Interviews and Write Specifications
	2:30 - 3:00 p.m.	Questions and Answers
	3:00 - 3:15 p.m.	BREAK
	3:15 - 4:15 p.m.	Group Interview
	4:15 - 5:00 p.m.	All Participants Write Job Specifications
		(Finish as Homework)

AGENDA

DAY 2	8:00 - 8:15 a.m.	Questions and Answers
	8:15 - 9:00 a.m.	Prepare Specification Questionnaire
	9:00 - 12:00 p.m.	Review Process for Producing Completed Specifications
		<ul style="list-style-type: none">- Typing- Review by Supervisors- Procedure for Exceptions- Filing- Role of Team Leader- Hay's Monitoring Role
	12:00 - 1:00 p.m.	LUNCH

PROCEDURES FOR ANALYSTS

1. Receive classification assignments from Gloria Thomas.
2. Schedule interviews according to the needs for each classification assigned. These could involve:
 - One person (single incumbent class);
 - Six or less people (multiple incumbent class);
 - More than one interview with up to six incumbents in each (large and/or complex classes).
3. Before the interview(s):
 - Obtain a copy of the existing specification for that class.
 - Review the specification statement to determine missing or incomplete elements. The Interview Guide will be helpful in this review. Class statistics will be missing from all descriptions. Make a note of those items missing or incomplete so you can be sure to obtain needed information at the interview.
 - Make enough copies of each specification statement for all incumbents you will interview in that classification.
4. Interview process.
 - a. For single incumbent classes.
 1. Have the incumbent read through the entire specification.
 2. Before discussing the content, obtain missing information noted during your pre-interview review.
 3. Review each section, sentence by sentence, and ask the incumbent to either approve, change or add to the written statements.
 4. After coming to agreement regarding the description, have the incumbent complete the rating scheme for all statements under the heading of "Examples of Work Performed" according to the criticality and frequency directions.
 5. Ask the incumbent if there is anything else he would like to add.
 6. After the incumbent leaves, edit the description to comply with the incumbent's changes and the additional information required by the Interview Guide.

7. Submit the revised specification for typing in complete form.
 8. Put a copy of the Frequency and Criticality ratings in the special file provided for this purpose.
- b. For classes with six or less incumbents, where all are present at the interview:
1. Hand a copy of the existing specification statement to each incumbent and have them read through the entire description.
 2. Obtain missing information. There may well be a range of responses to class statistics. Try for a consensus. If consensus cannot be reached, then try to state the answer more generally (generically). If this still fails to produce a consensus, you may have to indicate a series of "or" statements or a range of possibilities.
 3. Review each section with the group, sentence by sentence. Again, try to reach consensus, going to more general (generic) statements if necessary. If all but one incumbent approves a statement or agrees to a change, incorporate it. The key to this review is the frequency of the task and/or how important a statement is to the job being performed.
 4. Ask group to indicate the frequency for each task under "Examples of Work Performed." Record these and find the average group frequency response (of course, a consensus is even better). Also, determine by consensus the one to five more critical job tasks.
 5. After the incumbent leaves, edit the description to comply with the incumbent's changes and the additional information required by the Interview Guide.
 6. Submit the revised specification for typing in complete form.
 7. Put a copy of the Frequency and Criticality ratings in the special file provided for this purpose.
- c. For classes with more than six incumbents, where not all incumbents will be interviewed:
1. Hand a copy of the existing specification statement to each incumbent and have them read through the entire description.
 2. Obtain missing information. There may well be a range of responses to class statistics. Try for a consensus. If consensus cannot be reached, then try to state the answer more generally (generically). If this still fails to produce a consensus, you may have to indicate a series of "or" statements or a range of possibilities.

3. Review each section with the group, sentence by sentence. If consensus is not possible, simply record the number of people who support the change or addition. Do this also for any additional interviews conducted with incumbents in the class.
 4. After the interview, edit the specification to add missing information and to incorporate changes. A primary need, at this stage, is to get the Summary of Position and Examples of Work Performed sections modified. Try to write general (generic) statements that all interviewees can approve. If consensus is not possible, but one-third or more of all those interviewed believe a work task is both critical and frequently performed, include it in the specification.
 5. Submit for typing (on questionnaire form only).
5. Incumbent review process (only for multiple-incumbent classes where not all incumbents were interviewed).
- a. Have revised description typed on Job Activity Questionnaire form. This form should be typed even if not substantive changes were made to an existing specification. Note that the Job Activity Questionnaire only lists Summary of Position and Examples of Work Performed sections.
 - b. Have the following items sent to all incumbents in the classification:
 1. A copy of the Job Activity Questionnaire.
 2. A cover letter and instructions for review the specification (including frequency and criticality for work tasks).
 3. A return envelope.
 - c. Have a staff member record and file questionnaires as they come in. In this way, you can know what follow-up action to take (memo or phone call).
 - d. If a questionnaire is approved by all incumbents:
 1. Have the complete specification typed (including all six sections).
 2. Return to Gloria Thomas for filing.
 3. Retain approved questionnaires in appropriate file.
 - e. If not all incumbents approve the questionnaire:
 1. Read through the exceptions.

- If one-third or more of all incumbents seem to be adding the same kind of task as both frequent and critical, add it to the specification.
 - If exceptions are really minor in your judgment (such as work usage, minor tasks, etc.), simply consider it approved.
 - If certain incumbents take what you judge to be legitimate exception to the position specification, make a note of these and file them separately for later follow-up.
2. Revise the specification, if necessary.
 3. Have the complete specification typed (including all six sections). Gloria Thomas will file these. You should retain all questionnaires in an appropriate file.

JOB ACTIVITY QUESTIONNAIRE

YOUR NAME (PRINT): _____ AGENCY: _____

I can find at least 80 percent of those things that I do frequently and are critical to my job in these statements. Yes ☐ No ☐

CLASS TITLE: _____ JOB CODE: _____

SUMMARY OF POSITION:

Frequency
Rating:

- 5. Very often
- 4. Frequently
- 3. Sometimes
- 2. Rarely
- 1. Never

Examples of Work Performed

(Any one position may not include all of the duties listed, nor do the listed examples include all tasks which may be found in positions of this class.)

1. _____

2. _____

3. _____

4. _____

5. _____

_____	6. _____
_____	_____
_____	7. _____
_____	_____
_____	8. _____
_____	_____
_____	9. _____
_____	_____
_____	10. _____
_____	_____
_____	11. _____
_____	_____
_____	12. _____
_____	_____
_____	13. _____
_____	_____
_____	14. _____
_____	_____
_____	STOP

Frequency
Rating:

- 5. Very often
- 4. Frequently
- 3. Sometimes
- 2. Rarely
- 1. Never

_____	<p>Only write additional statements if you <u>cannot</u> find at least 80 percent of the things you do frequently and are critical to your job on the above list. After each statement, indicate the percentage of your total time (100%) you typically devote to that task.</p>	<u>% of Time</u>

_____	a. _____	_____
_____	_____	_____
_____	b. _____	_____
_____	_____	_____
_____	c. _____	_____
_____	_____	_____

SPECIFICATION FORMAT

CLASS TITLE: _____ JOB CODE: _____

Summary of Position:

- Organizational level and basic end result.
- Summary of position emphasis (one to two sentences).
- Supervision received and exercised (constraints and freedom to act).
- Summary of technical skills required on the job.
- Relationships with others.
- Most difficult aspect of your job.

Examples of Work Performed:

- Major duties (six to fourteen).

Required Knowledge, Skills and Abilities:

- Education
- Specialized techniques.

Desirable Experience and Training:

Necessary Special Requirements:

- Degrees, certificates, licenses.

Class Statistics:

- Annual dollar budgets
- People supervised

STATE OF MAINE CLASSIFICATION PROJECT

INTERVIEW CONTENT GUIDE

SPECIFICATION SECTION	PROBES
Summary of Position	<ul style="list-style-type: none"> • Why does the job exist? (end result) • Organization level <ul style="list-style-type: none"> - clerical, management, professional trade - entry level, experienced, senior • Position emphasis <ul style="list-style-type: none"> - people or things - doing or thinking - primary or contributory impact - alone or with others • Supervision received <ul style="list-style-type: none"> - how closely supervised - form in which assignments received - who to go for help • Authority exercised <ul style="list-style-type: none"> - any subordinates? - constraints on decision making • Summary of technical knowledge of skills required to perform on the job. • Relationships with others, internal and external. • Most difficult aspects of job.
Examples of Work Performed	<ul style="list-style-type: none"> • 6-14 critical duties performed in this job • Start each statement with a verb, e.g., provides, interviews, analyzes, advises • Last statement should be "performs related work as required"
Class Statistics	<ul style="list-style-type: none"> • Number of people supervised <ul style="list-style-type: none"> - how many of these are clerical, managerial, professional (arrange) • Approximate annual budget responsibility (includes payroll and expense dollars) • Many positions will be "indeterminate" • Include other relevant statistics, such as average case load, number of interviews per day or week

SPECIFICATION SECTION**PROBES**

Required Knowledge, Skills and Abilities

- Required to satisfactorily perform job
- Includes school-type knowledge, knowledge of state laws, procedures
- Skills include use of specialized equipment
- Abilities include proficiency in such skills as shorthand, typing

Necessary Special Requirements (if needed)

- Special education degrees such as M.D., Ph.D., D.V.M.
- Required licenses or certification such as licensed engineer, CPA, registered nurse
- Drivers or chauffeurs license

Desirable Experience and Training

- To replace an incumbent, what kind of background would be required; education plus experience
- Remember, some knowledge is acquired once a person is on-the-job

<u>NAME</u>	<u>TITLE</u>	<u>DEPARTMENT</u>
Ralph C. Will	Business Service Manager	Inland Fish and Game
John P. Flaherty	Dept. Personnel Officer II	Manpower Affairs
Elwood A. Padham	Assoc. Commissioner Vocational Education	Education
Omar P. Norton	Assoc. Commissioner Bureau of Instruction	Education
Owen Pallard	Director Bureau of Rehabilitation	Human Services
Thomas Longfellow	Assistant Director of Rehabilitation	Human Services
Henry Warren	Bureau Chief of Land Quality Control	Environmental
L.H. Stanley	Chairman	Public Utilities
Guy M. Lentini	Chief Data Processing and Systems	Motor Vehicle
John H. Wentworth	Business Manager II	Motor Vehicle
Ray Dutil	Business Service Manager	Defense & Vet. Services
Richard Sawyer	Director Administration Services	Conservation
Barbara McGee	Accountant I	Conservation
Doris Hayes	Deputy	Secretary of State
Roland Nichols	Organization & Methods Examiner II	Transportation
Ralph Stevens	Civil Engineer V	Transportation
Joyce Vickery	Clerk IV	Civil Emergency
Leslie Hilton	Bank Examiner IV	Business Reg. (Banking)
Harold E. Trahey	First Deputy Insurance	Business Reg. (Insurance)
Paul J. Eastman	Director Plant Industry	Agriculture
George Gromley	Director Bureau Water Quality Control	Environmental
Fedrick C. Pitman	Director Bureau Air Quality Control	Environmental
Lindy Gilson	Business Manager I	Business Regulation
Capt. Charles Peckman	Personnel Officer	Public Safety
Frank Mack, Jr.	Personnel Officer II	Mental Health & Corrections
Clyde Leib	Temporary Director Administration Services	Mental Health & Corrections

<u>Name</u>	<u>Title</u>	<u>Department</u>
Charles H. Okey	Director Public Health Laboratory	Human Services
Samuel S. Silsby	State Archivist	Archives (States)
Otto W. Siebert	State Budget Officer	Bureau of Budget
Allen Pease	Director	State Planning Office
Lanning Mosher	Director	Office of State Employee Relations
Donald Cates	Chief Personnel Technician	Personnel Department
John Conrad	Budget Examiner I	Budget Office
Scott Ramsay	Management Analyst I	Budget Office
Jack Nicholas	Management Analyst I	Bureau of Budget

JOB ANALYSTS

Henry Trail (Conservation)	Departmental Personnel Officer II, Conservation
Dalton Kirk (Conservation)	Assistant Superintendent, Operation & Maintenance - Conservation
Alan R. York (Education)	Departmental Personnel Officer II - Education & Cultural Services
Dick Fitzmaurice (S.D.O.)	Accountant II - State Development Office
Dick Ericson (Budget)	Budget Examiner II - Bureau of the Budget
John Blasenak (Human Services)	Personnel Technician II - Human Services
George Henry (HumanServices)	Departmental Personnel Officer II - Human Services
Ron Leonard (Manpower)	Manpower Aide IV
George Johnson (Manpower)	Manpower Research Analyst I
John Flaherty (Manpower)	Departmental Personnel Officer II
James Dionne (Manpower)	Management Analyst I
Jules Goudreau (MH & C)	Contract
Howard Cunningham (PUC)	Secretary
David Cote (Personnel)	Personnel Specialist
Mike LeBlanc (Personnel)	Personnel Technician I
Joe Suga (Personnel)	Personnel Technician I
Dan Michaud (Personnel)	Personnel Technician I

JOB ANALYSTS (cont'd)

Richard Paradis (Personnel)	Personnel Specialist
Robert Packard (Personnel)	Personnel Technician I
Don Cates (Personnel)	Chief Personnel Technician
M. Joan Hallowell (Budget)	Personnel Technician II
George Levesque (Human Services)	Business Manager II
Holly Bernstein (Human Services)	Contract
Russ Hickman (D.O.T.)	Personnel Technician I

CLERICAL SUPPORT STAFF

Miss Alicia E. Hanley

Miss Diane J. Rancourt

Mrs. Frances Luddy

Mrs. Mary Y. Hawes

Mrs. Toni Ladd

Miss Roberta Mosher

Mrs. Eda Weeks

Miss Joyce Abbott

Mrs. Mary Blaisdell

Miss Suzette Bailey

George Pullen

Union Representatives attending briefing session on Hay Study - Oct. 29, 1975

Maine State Employees Association - Mr. John Oliver
Director, Field Representatives

Mr. David G. Carnevale
Executive Director

American Federation of
State, County & Municipal Employees - Ms. Jane Weed
Research Analyst

Mr. Charles Sherburne
Executive Director

Maine State Troopers
Association

- Mr. Peter Harring
President

Mr. William B. Troubh, Esq.
Richardson, Hildreth, Tyler & Troubh

Maine Teachers Association

- Dr. John Marvin
Executive Secretary

Mr. Robert F. Bourgault
Director of Field Services

Invited but did not attend:

Maine Retail Clerks

- Warren H. Pyle, Esq.
Angoff, Goldman, Manning, Pyle & Wanger (Mass.)

MEMORANDUM

TO: Incumbents of Attached Classifications
FROM: Job Analyst
RE: Review of Position Specification

Attached is a copy of a revised position specification for your classification. The existing specification has been already carefully reviewed with a representative group of people who, like you, are currently in this classification.

In reviewing this specification, we would like you to focus on the section entitled, "Examples of Work Performed." Through the process we used to prepare this revised specification, we are reasonably sure that you can find on this list of statements at least 80 percent of the things you do frequently and that are critical to your job. You may find that 80% of the frequent and critical things you do are covered by only one or two of all the statements.

- . If this is true, please check the "Yes" box at the top of the classification statement. Do not add any additional statements. Then complete the rating scheme for the statements under the section titled, "Examples of Work Performed," according to the directions on the following sheet.
- . If you cannot find at least 80 percent of your job in these statements, check the "No" box at the top of the specification statement. Then, in the space provided under the section "Examples of Work Performed," write in only the additional duties you perform frequently and that are critical to your job. Then, complete the rating scheme according to the directions on the following sheet.

SEE "INSTRUCTIONS FOR COMPLETING CRITICALITY AND FREQUENCY RATINGS" ON NEXT PAGE.

INSTRUCTIONS FOR COMPLETING CRITICALITY AND FREQUENCY RATINGS

For all statements under the heading "Examples of Work Performed," indicate how often you do each according to the following system.

- 5** = Very Often refers to those things which are the major parts of your job and may take a few hours a day or one or more full days a week. An example of this would be conducting personal interviews by an employment interviewer.
- 4** = Frequently refers to those things which are also substantial parts of your job, but to a somewhat lesser degree. An example of a frequent activity for an employment interviewer might be preparing reports on individual cases.
- 3** = Sometimes refers to activities which do not necessarily take place on a regular basis nor are they performed every day. An example might be conducting periodic reviews of employment statistics.
- 2** = Rarely includes those things that are part of your job, but only happen on a few occasions during the year. For example, attending special hearings in a review board.
- 1** = Never refers to activities which are not part of your job.

To complete these ratings, follow these steps:

- Step 1: Rate each job activity by writing the number of the appropriate rating on the line before the activity statement. BE SURE TO READ AND RATE EVERY STATEMENT.
- Step 2: If you write in additional activities, be sure to rate them the same way you did the other activities.
- Step 3: Next, CIRCLE THE ACTIVITIES that are the MOST IMPORTANT parts of your job. The most important activities are those which are critical to getting the job done. They may present you with the greatest problems or challenges. Depending on your job, you may circle from one to five activities. NOTE: DO NOT CIRCLE MORE THAN FIVE ACTIVITIES AS MOST IMPORTANT.
- Step 4: After you have completed and checked your ratings, please mail it to us in the enclosed envelope to:

Personnel Study
Department of Personnel
State Office Building
Augusta, Maine 04333

THIS QUESTIONNAIRE MUST BE RETURNED WITHIN 5 DAYS.

EXAMPLES:

Step 1: If interviewing applicants is something you spend a lot of time doing, you would rate this activity as follows:

5

1. Interview applicants.

Step 3: If interpreting rules and regulations is one of the most CRITICAL things you do, you would circle this activity as follows:

4

2. Interpret rules and regulations.

STATE OF MAINE

SEPTEMBER 1975



KNOW-HOW

© HAY ASSOCIATES 1975

DEFINITION: Know-How is the sum total of every kind of skill, however acquired, needed for acceptable job performance. Know-How has three dimensions — the requirements for:

- Practical procedures, specialized techniques, and scientific disciplines.
- Know-How of integrating and harmonizing the diversified functions involved in managerial situations occurring in operating, supporting, and administrative fields. This Know-How may be exercised consultatively (about management) as well as executive, and involves in some combination the areas of organizing, planning, executing, controlling, and evaluating.
- Active, practicing, person-to-person skills in the area of human relationships.

MEASURING KNOW KNOW: Know-How has both scope (variety) and depth (thoroughness). Thus, a job may require some knowledge about a lot of things, or a lot of knowledge about a few things. The total Know-How is the combination of scope and depth. This concept makes practical the comparison and weighing of the total Know-How content of different jobs in terms of: "HOW MUCH KNOWLEDGE ABOUT HOW MANY THINGS."

		●●● M A N A G E R I A L K N O W - H O W																							
		N. NONSUPERVISORY			I. LIMITED			II. INTERMEDIATE			III. BROAD			IV. COMPREHENSIVE			V. MAJOR			VI. TOTAL					
		Performance or supervision of an activity as an individual or as a group leader, with appropriate awareness of related activities.			Supervision of an activity (or activities) highly specific as to objective and content, with appropriate awareness of related activities.			Primarily within a single field or toward a single objective with some integration of, or external integration with, other fields.			Integration and coordination of diversified activities in an important management area or consulting field.			Comprehensive integration and coordination of diversified activities and functions in a major management area.			Management at the level of policy making which affects the overall management and operation of the State.								
		1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3			
PRACTICAL PROCEDURES SPECIALIZED TECHNIQUES	A. PRIMARY	50	57	66	57	66	76	66	76	87	87	100	115	115	132	152	152	175	200	200	230	264			
	Elementary plus some secondary (or equivalent) education; plus work indoctrination.	57	66	76	66	76	87	76	87	100	100	115	132	132	152	175	175	200	230	230	264	304			
		66	76	87	76	87	100	87	100	115	115	132	152	152	175	200	200	230	264	264	304	350			
	B. ELEMENTARY VOCATIONAL	66	76	87	76	87	100	87	100	115	115	132	152	152	175	200	200	230	264	264	304	350			
	Familiarization in uninvolved, standardized work routines and/or use of simple equipment and machines.	76	87	100	87	100	115	100	115	132	132	152	175	175	200	230	230	264	304	304	350	400			
		87	100	115	100	115	132	115	132	152	152	175	200	200	230	264	264	304	350	350	400	460			
	C. VOCATIONAL	87	100	115	100	115	132	115	132	152	152	175	200	200	230	264	264	304	350	350	400	460			
	Procedural or systematic proficiency, which may involve a facility in the use of specialized equipment.	100	115	132	115	132	152	132	152	175	175	200	230	230	264	304	304	350	400	400	460	528			
		115	132	152	132	152	175	152	175	200	200	230	264	264	304	350	350	400	460	460	528	608			
	D. ADVANCED VOCATIONAL	115	132	152	132	152	175	152	175	200	200	230	264	264	304	350	350	400	460	460	528	608			
	Some specialized (generally nontechnical) skill(s), however acquired, giving additional breadth or depth to a generally single functional element.	132	152	175	152	175	200	175	200	230	230	264	304	304	350	400	400	460	528	528	608	700			
		152	175	200	175	200	230	200	230	264	264	304	350	350	400	460	460	528	608	608	700	800			
	E. BASIC SPECIALIZED	152	175	200	175	200	230	200	230	264	264	304	350	350	400	460	460	528	608	608	700	800			
	Sufficiency in a technique which requires a grasp either of involved practices and precedents; or of scientific theory and principles; or both.	175	200	230	200	230	264	230	264	304	304	350	400	400	460	528	528	608	700	700	800	920			
		200	230	264	230	264	304	264	304	350	350	400	460	460	528	608	608	700	800	800	920	1056			
	F. SEASONED SPECIALIZED	200	230	264	230	264	304	264	304	350	350	400	460	460	528	608	608	700	800	800	920	1056			
	Proficiency, gained through wide exposure of experiences in a specialized or technical field, in a technique which combines a broad grasp either of involved practices and precedents; or of scientific theory and principles; or both.	230	264	304	264	304	350	304	350	400	400	460	528	528	608	700	700	800	920	920	1056	1216			
		264	304	350	304	350	400	350	400	460	460	528	608	608	700	800	800	920	1056	1056	1216	1400			
	G. SPECIALIZED MASTERY	264	304	350	304	350	400	350	400	460	460	528	608	608	700	800	800	920	1056	1056	1216	1400			
	Determinative mastery of techniques, practices and theories gained through wide seasoning and/or special development.	304	350	400	350	400	460	400	460	528	528	608	700	700	800	920	920	1056	1216	1216	1400	1600			
		350	400	460	400	460	528	460	528	608	608	700	800	800	920	1056	1056	1216	1400	1400	1600	1840			
	H. PROFESSIONAL MASTERY	350	400	460	400	460	528	460	528	608	608	700	800	800	920	1056	1056	1216	1400	1400	1600	1840			
	Exceptional competence and unique mastery in economic, judicial, educational and/or political affairs.	400	460	528	460	528	608	528	608	700	700	800	920	920	1056	1216	1216	1400	1600	1600	1840	2112			
		460	528	608	528	608	700	608	700	800	800	920	1056	1056	1216	1400	1400	1600	1840	1840	2112	2432			
		●●● H U M A N R E L A T I O N S S K I L L S																							
		1. BASIC: Ordinary courtesy and effectiveness in dealing with others.								2. IMPORTANT: Understanding, influencing, and/or serving people are important, but not critical considerations.								3. CRITICAL: Alternative or combined skills in understanding, selecting, developing and motivating people are important in the highest degree.							

STATE OF MAINE

SEPTEMBER 1975



PROBLEM-SOLVING

© HAY ASSOCIATES 1975

DEFINITION: Problem Solving is the original "self-starting" thinking required by the job for analyzing, evaluating, creating, reasoning, arriving at and making conclusions. To the extent that thinking is circumscribed by standards, covered by precedents, or referred to others, Problem Solving is diminished and the emphasis correspondingly is on Know-How.

Problem Solving has two dimensions:

- The environment in which the thinking takes place.
- The challenge presented by the thinking to be done.

MEASURING PROBLEM SOLVING: Problem Solving measures the intensity of the mental process which employs Know-How to: (1) identify, (2) define, and (3) resolve a problem. "You think with what you know." This is true of even the most creative work... The raw material of any thinking is knowledge of facts, principles, and means; ideas are put together from something already there. Therefore, Problem Solving is treated as a percentage utilization of Know-How.

STEP
VALUES

5600
4864
4224
3680
— 3200 —
2800
2432
2112
1840
— 1600 —
1400
1216
1056
920
— 800 —
700
608
528
460
— 400 —
350
304
264
230
— 200 —
175
152
132
115
— 100 —
87
76
66
57
50
43
38
33
29
25
22
19
16
14
12
10
9
8
7
6

STEPS BELOW 100%

• Thinking guided or circumscribed by:

T H I N K I N G E N V I R O N M E N T	A. STRICT ROUTINE Simple rules and detailed instructions.	10% 12%	14% 16%	19% 22%	25% 29%	33% 38%	A
	B. ROUTINE Established routines and standing instructions.	12% 14%	16% 19%	22% 25%	29% 33%	38% 43%	B
	C. SEMI-ROUTINE Somewhat diversified procedures and precedents.	14% 16%	19% 22%	25% 29%	33% 38%	43% 50%	C
	D. STANDARDIZED Substantially diversified procedures and specialized standards.	16% 19%	22% 25%	29% 33%	38% 43%	50% 57%	D
	E. CLEARLY DEFINED Clearly defined policies and principles.	19% 22%	25% 29%	33% 38%	43% 50%	57% 66%	E
	F. BROADLY DEFINED Broad policies and specific objectives.	22% 25%	29% 33%	38% 43%	50% 57%	66% 76%	F
	G. GENERALLY DEFINED General policies and ultimate goals.	25% 29%	33% 38%	43% 50%	57% 66%	76% 87%	G
	H. ABSTRACTLY DEFINED General laws of nature or science, within a framework of cultural standards and business philosophy.	29% 33%	38% 43%	50% 57%	66% 76%	87% 100%	H

STATE OF MAINE

SEPTEMBER 1975

DEFINITION: Accountability is the answerability for an action and for the consequences thereof. It is the measured effect of the job on end results. It has three dimensions in the following order of importance:

• **Freedom to Act** - the degree of personal or procedural control and guidance as defined in the left-hand column below.

• **Job Impact on End Results** - as defined at upper right.

• **Magnitude** - indicated by the general dollar size of the area(s) most clearly or primarily affected by the job (on an annual basis), stated in terms of Constant Dollars, 1965 Base.



ACCOUNTABILITY

© HAY ASSOCIATES 1975

•• IMPACT OF JOB ON END RESULTS

REMOTE: Informational, recording, or incidental services for use by others in relation to some important end result.

CONTRIBUTORY: Interpretive, advisory, or facilitating services for use by others in taking action.

SHARED: Participating with others (except own subordinates and superiors), within or outside the organizational unit, in taking action.

PRIMARY: Controlling impact on end results, where shared accountability of others is subordinate.

		•••MAGNITUDE→				→AMI EQUIVALENT→				→••IMPACT→											
		(1) VERY SMALL OR INDETERMINATE Under \$100 M				(2) SMALL \$100 M - \$2 MM				(3) MEDIUM \$2 MM - \$20 MM				(4) LARGE \$20 MM - \$200 MM				(5) VERY LARGE \$200 MM - \$2 MMM			
		REMOTE	CONTRIB.	SHARED	PRIMARY	REMOTE	CONTRIB.	SHARED	PRIMARY	REMOTE	CONTRIB.	SHARED	PRIMARY	REMOTE	CONTRIB.	SHARED	PRIMARY	REMOTE	CONTRIB.	SHARED	PRIMARY
• A C T T O M D E E R E L	A. PRESCRIBED These jobs are subject to: Direct and detailed instructions Close supervision	10	14	19	25	14	19	25	33	19	25	33	43	25	33	43	57	33	43	57	76
		12	16	22	29	16	22	29	38	22	29	38	50	29	38	50	66	38	50	66	87
		14	19	25	33	19	25	33	43	25	33	43	57	33	43	57	76	43	57	76	100
	B. CONTROLLED These jobs are subject to: Instructions and established work routines Close supervision	16	22	29	38	22	29	38	50	29	38	50	66	38	50	66	87	50	66	87	115
		19	25	33	43	25	33	43	57	33	43	57	76	43	57	76	100	57	76	100	132
		22	29	38	50	29	38	50	66	38	50	66	87	50	66	87	115	56	87	115	152
	C. STANDARDIZED These jobs are subject, wholly or in part to: Standardized practices and procedures General work instructions Supervision of progress and results	25	33	43	57	33	43	57	76	43	57	76	100	57	76	100	132	76	100	132	175
		29	38	50	66	38	50	66	87	50	66	87	115	66	87	115	152	87	115	152	200
		33	43	57	76	43	57	76	100	57	76	100	132	76	100	132	175	100	132	175	230
	D. GENERALLY REGULATED These jobs are subject, wholly or in part, to: Practices and procedures covered by precedents or well-defined policy Supervisory review	38	50	66	87	50	66	87	115	66	87	115	152	87	115	152	200	115	152	200	264
		43	57	76	100	57	76	100	132	76	100	132	175	100	132	175	230	132	175	230	304
		50	66	87	115	66	87	115	152	87	115	152	200	115	152	200	264	152	200	264	350
	E. DIRECTED These jobs, by their nature or size, are subject to: Broad practice and procedures covered by functional precedents and policies Managerial direction	57	76	100	132	76	100	132	175	100	132	175	230	132	175	230	304	175	230	304	400
		66	87	115	152	87	115	152	200	115	152	200	264	152	200	264	350	200	264	350	460
		76	100	132	175	100	132	175	230	132	175	230	304	175	230	304	400	230	304	400	528
	F. GUIDANCE These jobs are inherently subject only to broad policy and general management guidance.	87	115	152	200	115	152	200	264	152	200	264	350	200	264	350	460	264	350	460	608
		100	132	175	230	132	175	230	304	175	230	304	400	230	304	400	528	304	400	528	700
		115	152	200	264	152	200	264	350	200	264	350	460	264	350	460	608	350	460	608	800
	G. GENERAL GUIDANCE These jobs, by reason of their nature or size, independent complexity and high degree of effect on State operations are subject only to guidance from the Governor's office.	132	175	230	304	175	230	304	400	230	304	400	528	304	400	528	700	400	528	700	920
		152	200	264	350	200	264	350	460	264	350	460	608	350	460	608	800	460	608	800	1056
		175	230	304	400	230	304	400	528	304	400	528	700	400	528	700	920	528	700	920	1216
	H. GOVERNOR/CHIEF JUSTICE These jobs are subject only to the limitations of the State Constitution as it pertains to the Executive or Judicial Branch.	200	264	350	460	264	350	460	608	350	460	608	800	460	608	800	1056	608	800	1056	1400
		230	304	400	528	304	400	528	700	400	528	700	920	528	700	920	1216	700	920	1216	1600
		264	350	460	608	350	460	608	800	460	608	800	1056	608	800	1056	1400	800	1056	1400	1840