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Report and Recommendations of the Maine State Government Classification and Compensation Plans Study

Presented to:

Joint Standing Committee on Appropriations and Financial Affairs
Joint Standing Committee on State and Local Government

January 31, 2024

Department of
Administrative and Financial Services



Commissioner Kirsten LC Figueroa

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Executive Summary

Governor Mills values state government employees and respects the work they do every day in every way to support the people of Maine.

Early in the Mills Administration, in 2019, the Department of Administrative and Financial Services (DAFS) worked with the Legislature to secure funding to review the state's classification and compensation plans. DAFS acknowledged that a review was warranted: the system was 40 years old, and many inadequacies and inequities existed within the system at that time. A review would provide a snapshot of how Maine state government employees were compensated in comparison to the private sector and other public sector employers including municipal, county, state and federal governments. A review would also evaluate the system the state uses to complete position analyses.

This Administration is committed to a continued partnership with state government employees to ensure they are adequately compensated and otherwise supported for their meaningful contributions to the wellbeing of Maine people.

As the second largest employer in Maine, state government is in a position to be a leader and we continue to lead by example. Much has happened since 2019.

- In February 2020, the Administration engaged a third-party consultant. The Segal Group (Segal) conducted a comprehensive study of the Classification and Compensation Plans and delivered their findings in two components: a Market Study Report in November of 2020 and an analysis of existing classifications with suggested modifications.
- The Mills Administration increased wages by at least 24.1% in less than 5 years, which totals the increases from the previous 16 years combined.
- The impact of the 24.1% cumulative wage increases total approximately \$511 million per biennium, ongoing, all funds, not including time payouts, annual merits, or the myriad of allowances and special, stipend, and shift differential pays.
- The Bureau of Human Resources has conducted more than 3,000 reclassifications, reorganizations, and/or range changes impacting more than 5,500 positions—nearly half of the State of Maine workforce.
- Effective December 2021, the minimum starting salary was increased to \$15 per hour.
- The Mills Administration has completed three rounds of biennial collective bargaining across 5 unions representing nearly 9,800 employees in 8 units for 2019-2021, 2021-2023, and, most recently, 2023-2025; this last bargaining effort finalized on December 31, 2023, nearly a year after commencing.
- The Administration advocated for increased funds available for collective bargaining in each session, which each time was approved by the Legislature, with consideration of the impact to future budgets.

- The evaluation and effort have been transparent with the Administration reporting the progress multiple times to the Legislature, through the budget process, and directly to employees.
- A worldwide pandemic, a period of unprecedented inflation, and a nationwide workforce shortage.

“The Mills Administration increased wages by at least 24.1% in less than 5 years, which totals the increases from the previous 16 years combined.”

With this report, in response to P.L. 2023, ch. 412, § UUU-1, DAFS welcomes the opportunity to detail all that has been accomplished. These accomplishments fly in the face of criticism that nothing has changed.

The Administration considers all of the actions since 2019 to be comprehensive and considerable. This does not mean that every state government position is now on par to other comparable public sector employers or the private sector. However, combined these actions render the 2020 Market Study Report out of date and no longer applicable. As such, this report outlines recommendations and future considerations, in particular around the specificity of what to include in future market pay studies, and does not recommend targeted or additional across-the-board statewide compensation adjustment at this time.

It is time to set aside the phrase “pay gap” and acknowledge the actual progress in pay and benefits that the Mills Administration has championed and, with Legislative support, delivered.

It won’t be known how the State’s current wages and benefits compare to the private sector and other public sector employers until the new Market Study is complete, in September 2024 per statute. What is known is that the quality and quantity of the actions taken since 2019 have had a real impact to the wages and benefits of every state government employee.

Maine state government is actively working to excel as an Employer of Choice; that involves competitive compensation and an attractive benefit package. The Administration’s goal is to remain competitive and ensure that Maine state employees are appropriately compensated to the greatest extent possible within budgetary constraints as established by the Legislature. That has consistently been the goal and achievements as the Governor increases wages, adds new leave options, advocates for new positions, and recognizes work life balance.

Classification and Compensation Study

Why We Did the Study

During the 129th Legislature, Department of Administrative and Financial Services Commissioner Figueroa testified before the Committee of Labor and Housing on LD 1214, a “Resolve, To Conduct a Comprehensive Study of the Compensation System for State Employees.” The resolve would have directed the Commissioner of Administration and Financial Services to commission a consultant to perform a comprehensive study of the wages and compensation plans for employees of the executive branch of State Government.

As that bill had a substantial fiscal note, a compromise was reached ahead of its passage and the efforts intended to be completed as part of the bill were included in the 2019-2021 collective bargaining agreement between DAFS and Maine Service Employees Association (MSEA-SEIU 1989), the labor union representing the majority of State workers.

“Governor Mills had just taken office and her Administration, along with Commissioner Figueroa, knew that such a study was long overdue.”

Governor Mills had just taken office and her Administration, along with Commissioner Figueroa, knew that such a study was long overdue. The current compensation system was 40 years old and had never been systematically reviewed. The expectation was that the study would confirm what was already known based on 16 years of minimal salary increases: that Maine state employee compensation had not remained competitive with Maine’s private sector, and perhaps even lacked parity with public sector compensation at the local level and in comparable states.

Less than competitive compensation was hampering the State’s ability to recruit employees into state government service and wasn’t sufficient to demonstrate the value placed on talent, engagement, and commitment to the mission of government. The Administration could see that wage inequity led to significant turnover and resulted in a loss of institutional knowledge and acquired efficiency, destabilized departments and agencies, and hurt the state’s ability to satisfy

goals and objectives in serving the people of Maine. It was costing the state in real and measurable ways.

The request for funding of the study was approved by Legislators and on June 25, 2019 the State entered in a Memorandum of Agreement with the Maine Service Employees Association to commission a consultant to perform a comprehensive review of the Classification and Compensation Plans for employees of the executive branch of State Government.

The goals of the Study were to, on a micro-level: review the State's methods for classifying, compensating, and rewarding employees; comparing the State's methods with models from other states and comparable public and private employers; and examining the competitiveness of State employment by comparing State employee wages with those at other public and private employers in the labor market.

And, on a macro-level: to attract and retain qualified employees; ensure positions performing work with similar levels of complexity, responsibility, knowledge and skills are treated equitably; provide compensation commensurate with assigned duties and market conditions; provide recognizable compensation growth; and be poised to meet the needs and demands of a modern workforce.

What We Did

First, a Steering Committee was established to lead the project from a macro perspective. The Steering Committee is currently comprised of the following members:

- Mary Anne Turowski, Office of the Governor, Senior Policy Advisor
- Heather Perreault, CPA, DAFS, Deputy Commissioner of Finance
- Breena Bissell, DAFS, State Human Resources Officer
- Kelsie Lee, DAFS, Director of Compliance, Bureau of Human Resources
- Thaddeus Cotnoir, DAFS, Public Service Coordinator
- Scott Helmke, DAFS, Senior Compliance Analyst
- Sue Garcia, DAFS, Procurement Analyst II
- Tom Feeley, Esq., Maine Service Employees Association, Chief Counsel
- Joseph Gribbin, Esq., Maine Service Employees Association, Counsel

In 2019, as agreed to in the State's negotiations with MSEA, the State conducted an RFP process, reviewed bids with a team that included representatives from MSEA, and hired a consultant, The Segal Group (Segal). In early 2020, Segal began its work to conduct a comprehensive review of the Classification and Compensation Plans. Then came the worldwide COVID-19 pandemic.

COVID-19 Pandemic

The COVID-19 pandemic is more than a footnote. The pandemic was all consuming for the State's Human Resources team as they worked with employees to: conduct contact tracing; update policies and work rules; process pandemic hazard pay; comply with federal pandemic efforts and policies; and assist with leave time for illness and death.

As a result of their efforts, state government was open, state employees were supported, and services were available throughout the years – the more than 1,200 days – of the pandemic.

Additional benefits were put into place as a result of the pandemic, responding to the protection and needs of our employees in the face of this unprecedented emergency.

Initially:

- Within days, State offices were mobilized to transition the majority of non-24/7, emergency services employees to remote work.
- With the initial Families First Coronavirus Relief Act, which provided leave for employees whose children were unable to attend school/childcare, the State continued to pay employees their full rate of pay instead of the 2/3 pay required by the federal law.
- Provided hazard pay through December 2020 for employees required to report to work in positions that required interaction with the public.

Beginning in 2021:

- Provided every employee 80 hours of COVID administrative leave to use for their own illness or quarantine, or to care for family members who were ill or needed to quarantine.
- Front loaded sick leave for employees to ensure they had leave time available if they ran out of COVID administrative leave.
- Allowed sick leave to be used to care for children when their school or childcare was closed due to COVID.
- Allowed unused vacation leave above maximums to roll over for two years, to allow employees to carry their time while job demands increased and gatherings and travel were restricted.
- Had regular labor management meetings with employee representatives from all unions to hear and address concerns related to COVID and reentry to the work site.
- Undertook space renovations, including improvements to air filtration systems, to ensure employees reporting to the work sites were kept distanced and safe.
- Provided personal protective equipment and followed increased cleaning protocols in accordance with CDC recommendations.
- Merit increases and collective bargaining continued uninterrupted, and positions were filled with no employees laid off at any time due to the pandemic, despite initial economic and budgetary concerns.
- Developed a telework policy in recognition of proof that State employees could perform work remotely.

On May 11, 2023, with the end of the COVID-19 federal public health emergency, but, to be clear, not the end of COVID-19 or the impacts it has on the state's workforce and the HR team supporting them, the Governor sent this message to state employees: "When I think about Maine's nation-leading success in confronting the pandemic, I think about our state workers, and the many ways you contributed to our state these last 1,200 days. Thank you for all you continue to do for the State of Maine."

Bottom line: BHR supported, protected, advocated for and helped keep state employees working and safe.

Although somewhat delayed by the onset of the COVID-19 pandemic in March 2020, the main portion of the classification review began in July 2020 by gathering input from all employees on their job duties through the completion of a Job Description Questionnaire (JDQ). As a result of the pandemic, training and information sessions initially intended to be in person, were done remotely, creating additional challenges.

Another portion of the review was a wage study that gathered data from State of Maine government and other employers over the summer of 2020 and was completed and published by Segal as the Market Study Report in November of 2020 (2020 Market Study Report).

Segal 2020 Market Study Report Process

Segal worked with the Steering Committee to develop surveys to gather salary data from other public and private sector employers. The survey contained several sections and questions. The State of Maine, as one of the employers, responded to the survey with salary information including both the base rate of pay and any stipends the classification received.

The 2020 Market Study Report synthesized State pay data for 100 benchmark classifications, approximately 8.4 percent of the State's total, and compared it against 10 government sector employers, including several other New England states and some large Maine municipalities, and utilized published data sources to serve as a proxy for private sector data. Of the 100 benchmark classifications surveyed, 18 benchmark titles did not have sufficient market data to make a comparison, which reduced the percentage to 6.9 percent of the State's classifications.

Even after the completion of the 2020 Market Study Report, Segal's work to evaluate the condition of the state's current job classification plan continued. Segal analyzed 7,181 JDQ survey responses of Executive Branch employees to gain further insight.

With guidance from the Steering Committee, and with the work of Segal in hand as a starting point for data, the Compensation and Classification Team at the Bureau of Human Resources is completing the day-to-day work.

Compensation Report

Compensation Learning

The 2020 Market Study Report was completed based upon data collected at the onset of the pandemic, in summer 2020. Segal initially looked at 100 benchmark positions, but 18 had insufficient market data for analysis, eliminating them from further study. The 82 classifications remaining for review represented only 6.9 percent of the approximate 1,200 job classifications in Maine state government. Of the 82: 63 benchmark titles were below market average; 14 benchmark titles were competitive with market average; 5 benchmark titles were above market average.

The evaluation by Segal showed that the salaries for the 82 benchmark classifications examined were, in 2020, on average 11 percent below market, when compared with other public sector employees; and were, in 2020, on average 15 percent below market for similar positions in the private sector. The point of benchmarking is to assume that evaluating one position translates to an evaluation of many; however, because of the wide variety of classifications and responsibilities in state government and the existence of numerous “boutique” classifications, it is likely that a blanket “on average” for the entire population is an overstatement.

Segal’s qualitative assessment of “Pay Plan Information” put State government employees on even footing with their public sector counterparts on matters such as pay schedule design, promotion policy, non-monetary perquisites, hiring rates, supplemental benefits, and a number of other categories.

Segal’s 2020 Market Study Report took into account the three percent negotiated general increase of September 1, 2019, but did not factor in the raises that were known would be effective at the end of 2020.

The 2020 Market Study Report focused on wage and salary earnings and did not consider the value of the State’s generous benefits package, including employer contributions to health and dental insurance, pension plan, and paid time off. The State of Maine’s health benefit plan is a platinum-rated plan particularly in comparison to the private sector. Workforce Surveys have shown that the state’s generous benefits plan is a significant reason that people apply for and remain a State of Maine employee. It’s important that future Market Studies factor benefits into account. Comparing our benefit package with other government and public sectors is an important component of comparing the overall compensation of positions.

Collective Bargaining

Consistent with Maine’s State Employees Labor Relations Act (SELRA), the State engages in collective bargaining with the five unions that represent nearly 9,800 Executive Branch employees across eight bargaining units. Collective bargaining is the process by which the State, as the employer, negotiates with State employees, through their unions, to determine terms of employment including pay and certain benefits. Collective bargaining typically results in contract agreements that are then ratified by a vote of the union membership. The process typically occurs every two years.

As of December 31, 2023, all of the unions representing executive branch employees: Maine Service Employees Association SEIU Local 1989 ([MSEA](#)); American Federation of State, County, and Municipal Employees ([AFSCME](#)); Maine State Troopers Association (MSTA); Maine Fraternal Order of Police (FOP); and Maine State Law Enforcement Association ([MSLEA](#)) had finalized contract negotiations for collective bargaining agreements in effect through June 30, 2025.

The finalized contracts provide a 6 percent pay increase effective on/around October 1, 2023 for two of the unions, and January 1, 2024 for the other three, with another additional 3 percent pay increase to follow for all, effective July 1, 2024. For approximately 50 percent of the State workforce, these contracts also established a new top step that provides a 4 percent increase over the previous top step for most employees who have reached their maximum allowed pay. These contracts also increase paid parental leave, childcare reimbursement, time-off, longevity pay, shift differentials, expand bereavement leave, and more.

The amount of funding available for collective bargaining negotiating for all contracts is legislatively authorized and publicly available. Per [P.L. 2023, ch. 406](#) the State had \$99 million legislatively authorized to bargain the fiscal impact in fiscal years 2024 and 2025 to the General Fund and Highway Fund of all contracts. It is important to note that the total bargaining cost will be more than this as wage increases will also impact positions funded with other funds, such as federal grants and fee income. This amount, \$99 million, is significantly more than any previous collective bargaining bill. This speaks to all parties’ interest in funding state employee salaries; that the Administration and the Legislature are acknowledging the importance of ensuring employees are compensated for their work efforts while considering and acknowledging the impact to future biennial budgets.

The collective bargaining bill funding history is below:

Session	Law	Year 1	Year 2	Total
127 th 1 st Regular (amended in 2 nd)	PL 15, c. 376 & c. 512 (2016-2017 biennium)*	\$8,000,000	\$12,000,000	\$24,000,000
128 th 1 st Regular	PL 17, c.293 (2018- 2019 biennium)	\$8,000,000	\$12,000,000	\$24,000,000
129 th 1 st Regular	PL 19, c. 505 (2020- 2021 biennium)	\$15,000,000	\$30,000,000	\$45,000,000
130 th 1 st Special	PL 21, c. 486 (2022- 2023 biennium)	\$30,000,000	\$45,000,000	\$75,000,000
131 st 1 st Special	PL 23, c. 406 (2024- 2025 biennium)			\$99,000,000

*PL 15, c.512 amended the dates by which ratification had to occur.

These are the funds that are available in the state’s Salary Plan and that the Governor recommended, and the Legislature set aside for these efforts. The Salary Plan, funded with lapsed Personal Services appropriations, has grown at a faster pace in recent years due to the combination of higher vacancy rates calculated at higher wages. It is unclear if the Salary Plan will continue at these levels as 1) the state continues its recruitment and retention efforts to fill and prevent vacancies, and 2) the Legislature took the current vacancy situation into account in its final version of the FY24/25 biennial by increasing the recommended attrition rate from 5% each year to 8% in FY24 and 6% in FY25 so the difference went into the budget rather than into the Salary Plan. While the \$99 million is more than previous collective bargaining bills, this amount also considers and acknowledges the impact to future biennial budgets. The impact of the 2023-2025 collective bargaining wage increases to the FY26/27 biennial is approximately \$164 million to the General Fund and Highway Fund, and \$267 million to all funds. The impact of all wage increases since 2019 to the FY26/27 biennial is approximately \$511 million all funds. There is a balance needed to ensure the continued sustainability of these increases to all funding sources, including the General Fund, the Highway Fund, federally funded programs, and programs supported with fees or other sources.

There are thousands of priorities that the state’s limited resources must cover. Through actions detailed in the budget, the Governor and Legislature have improved the lives of every resident of Maine through increased funding for healthcare, education, food programs, economic development, infrastructure, pandemic relief payments, additional state employee positions, tax relief, and much more. This includes state employees with increased wages of at least 24.1% in just under 5 years. Not all the state’s priorities have seen that level of increase.

Compensation and Benefits During the Mills Administration

Since before the approval of the Classification and Compensation Study, Governor Mills was committed to addressing wage inequity of State employees. From year one, the Governor has provided and continues to provide wage increases, benefit improvements, expanded leave time, additional stipends and other pay augmentations, and other benefits. These improvements and accomplishments fly in the face of criticism that nothing has changed since the 2020 Market Study Report.

Increases

As a result of the 2020 Market Study Report, Governor Mills has delivered significant wage increases and other benefits to Maine State Employees. From September 2019 to July 2024, every State government employee will be the beneficiary of at least a **24.1 percent** increase in their pay. For the more than half of State workers who are eligible for the new Step 9 beginning in July 2024, their cumulative pay growth will be at least **29 percent**.

- **Three percent** in September 2019,
- **Four percent** in January 2021,
- **Two percent** in December 2021,
- **Four percent** in July 2022,
- **Six percent** raise in October 2023 or January 2024,
- Will receive **additional 3 percent** July 1, 2024.

An additional **four percent** step effective with performance evaluations on or after July 1, 2024 for most employees who have reached maximum pay through step 8. This impacts over 50 percent of employees.

By anyone's standard, 29 percent wage growth in just under five years is significant. This is base salary cost of living adjustments. There have also been significant changes in other pay categories such as stipends, shift differentials, and allowances. Pay growth was just 10.4% cumulatively over Governor Lepage's eight years as Governor, and 12.5% over Governor Baldacci's eight years.

It is time to set aside the phrase "pay gap" and acknowledge the actual progress in pay and benefits that the Mills Administration has championed and, with Legislative support, delivered.

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It won't be known how the State's current wages and benefits compare to the private sector and other public sector employers until the new Market Study is complete, in September 2024 per statute. What is known is that the quality and quantity of the actions taken since 2019 have had a real impact to the wages and benefits of every state government employee.

Below is a history of wage increases over the last three Administrations:

Contracts under Governor John Baldacci

- 2003-2005: No compensation increases
- 2005-2007: 3 percent increase on 7/1/2005
- 3 percent increase on 7/1/2006
- 2007-2009: \$700 one-time payment on 7/11/2007
- 2 percent increase on 7/1/2008
- 4 percent on average increase via salary schedule adjustment 1/1/2009
- 2009-2011: No compensation increases

Contracts under Governor Paul LePage

- 2011-2013: No contract
- 2013-2015: 1 percent increase on 9/1/2013
- 1 percent increase on 7/1/2014
- 2015-2017: 1 percent increase on 10/1/2015
- 1 percent increase on 7/1/2016
- 2017-2019: 3 percent increase on 1/1/2018
- 3 percent increase on 1/1/2019

Contracts under Governor Janet Mills

- 2019-2021: 3 percent increase on 9/1/2019
- 4 percent on average increase via salary schedule adjustment 12/31/2020
- 2021-2023: 2 percent increase on 12/1/2021
- \$2000 one-time payment on 12/1/2021
- \$15 minimum wage implemented on 12/15/2021
- 4 percent increase on 7/1/2022
- 6 percent increase on 10/1/2023 for AFSCME/MSLEA;
- 6 percent increase on 1/1/2024 for MSEA, MSTA, and FOP plus \$800 lump sum
- 3 percent increase on 7/1/2024
- 4 percent higher new step 9 effective 7/1/2024 which will impact 50+% of employees currently at step 8 who can move to new step 9 on their next anniversary date

Governor Mills and the Legislature have done the same amount of salary increases for state employees since she assumed office, in less than 5 years, than happened during the previous 16 years combined. Another way of looking at it, Governor Mills increased base wages by at least 24% three times faster than the previous two Administrations combined.

The impact of the 24.1% cumulative wage increases that have been negotiated during this Administration, as authorized by the Legislature, is approximately \$511 million a biennium, ongoing, all funds. This does not include the one-time payouts, annual merits, or the myriad of allowances and special, stipend, and shift differential pays.

The General Fund supports approximately 44% of the total cost of Personal Services. The Highway Fund supports another 13%. The remainder is federal funds, other special revenue accounts – ie. fees, non-federal grants, internal service funds, etc. Increased costs put at risk positions funded with stagnant or diminishing funds. Or funded through rates that can't be adjusted, federal funds that are disappearing, or fees that cannot be increased. It is also about balancing resources between funding existing positions and creating new positions. And, as previously discussed, the balance needed to ensure the continued sustainability of these increases to all funding sources. The inability to sustain these increases would likely result in position eliminations and layoffs.

Inflation

There's no denying that inflation has become more of a factor in the past two years than it has been for many years (August 2022 CPI-U was 8.3%; July 2023 CPI-U was 3.2%; and December 2023, CPI-U is 3.4%), but it affects all employers in the same way. The Mills Administration believes it is important that wages consider inflation to the extent possible. Most employers often do not or cannot set pay to match inflation – whether inflation is higher or lower. For instance, the administration did not match inflation when it was less than the 3 percent and 4 percent increases given at the beginning of this Administration.

Having said that, with the 6 percent increase effective this month the increases to state employees' wages have significantly kept pace with inflation. Incredibly, State of Maine wage increases have kept pace with inflation during the worst inflationary period in decades, if the monthly inflation rate stays the same through July 2024.

From State Economist Amanda Rector on wages in Maine, wage growth, average wages, and economics of inflation on wages.

	Cumulative wage growth relative to January 2019	Inflation relative to January 2019
3% September 2019	3.0%	1.5%
4% January 2021	7.1%	3.9%
2% December 2021	9.3%	11.1%
4% July 2022	13.6%	16.6%
6% January 2024	20.5%	22.5%*
3% July 2024	24.1%	24.5%*
4% July 2024 – new step 9 for those eligible	29.0%	24.5%*
*inflation estimated to continue at average 2023 month-over-month rate		

“Incredibly, State of Maine wage increases have kept pace with the worst inflationary period in decades...”

Comparison to other States

According to State Economist, Amanda Rector, overall wage and salary growth in Maine has been strong in recent years. From 2019 to 2022, wage and salary income grew 23.3%, the eleventh highest rate in the nation and second in New England. This measure includes all sectors of Maine’s economy, including state government. As the second largest employer in the State of Maine, Governor Mills steady pay increases since the beginning of her Administration are reflected in that number.

	Total growth in wage and salary income, all sectors, 2019 - 2022
Connecticut	14.6%
Maine	23.3 %
Massachusetts	17.2%
New Hampshire	24.0%
Rhode Island	15.9%
Vermont	16.4%

State Economist Rector also reviewed total growth in annual compensation per job for state government, 2019-2022. This uses data from two different tables from the U.S. Bureau of Economic Analysis – compensation of employees by industry (which includes both wages/salaries and employer contributions for retirement/insurance/gov’t social insurance) and full-time and part-time wage and salary employment, using “State Government industry only” for both.

By this measure, Maine increased annual compensation per job by 19.3% from 2019 to 2022. This was the highest rate in New England. Although the exact mix of jobs this encompasses is not known, it does seem to indicate that Maine has made up some ground in compensation compared to its New England neighbors.

	Total growth in annual compensation per job (full-time and part-time wage and salary employment) for state government, 2019-2022
Connecticut	12.4%
Maine	19.3%
Massachusetts	6.8%
New Hampshire	11.7%
Rhode Island	14.4%
Vermont	16.6%

Pay Improvements Compared to 2020 Market Study Report Findings

While all benchmark classifications included in the report have had significant increases to pay since 2020, the following information provides details to examine some specific pay improvements.

Operations, Maintenance, and Support Services Bargaining Unit - MSEA

Six of the nine benchmark classifications included in the Market Study Report from the Operations, Maintenance, and Support Services (OMS) bargaining unit within MSEA are provided below along with the minimum, midpoint, and maximum wage comparisons as identified in the 2020 report.

Laborer I	90%	82%	74%
Conservation Aide	82%	78%	75%
Building Custodian	94%	91%	86%
Janitor/Bus Driver	90%	88%	88%
Maintenance Mechanic	75%	72%	69%
Park Ranger	75%	74%	73%

The implementation of the December 2021 \$15.00 minimum wage had a significant impact on all of these classifications, with employees who had been receiving the \$12.00 per hour minimum wage in place at the time of the 2020 report realizing a 25 percent increase in pay.

In 2020, the salary schedule in place for the Laborer I classification did not have a single step at an hourly rate above \$15.00, as \$13.57 was the top step in the Laborer I salary grade. Now the top step is \$16.54, with another 3% increase coming in July 2024, followed by a new top step 9 at 4% higher than step 8. This new step 9 will be nearly 31 percent higher than the top step in 2020.

As demonstrated in the chart below, with the salary schedules in place in 2020, it took six years for Janitor/Bus Drivers to achieve pay above \$15.00 per hour, progressing from step 1 to step 7. For Park Rangers, it took four years to achieve pay above \$15.00 per hour, progressing from step 1 to step 5. With the \$15.00 minimum wage change in 2021 and the salary increases since then, step 1 for Park Rangers is now \$15.90 per hour, an increase of 19.19 percent from the 2020 \$13.34 per hour.

Classification	Salary Grade	Step 1 2020	Step 2 2020	Step 3 2020	Step 4 2020	Step 5 2020	Step 6 2020	Step 7 2020	Step 8 2020
Janitor/ Bus Driver	10	12.31	12.72	13.17	13.59	14.15	14.70	15.30	15.90
Park Ranger	13	13.34	13.78	14.28	14.81	15.45	16.01	16.66	17.31

Vacancies at the Maine State Ferry Service caused canceled ferry runs, impacting reliable transportation to and from the islands. Though not included as benchmarks, three OMS Ferry Service classifications received significant new or increased Recruitment and Retention stipends through the statutory process to address the staffing shortage. Although not a routine process and not always possible, until funding was secured via the budget to begin paying the stipends in FY24, payment for these stipends from November 2022 through June 2023 was funded by salary savings as agreed to in an MOA between the State and MSEA.

Classification	Current R&R Stipends	R&R Stipends to be paid under this MOA
Ferry Deckhand	-	5%
Ferry Ordinary Seaman	-	15%
Ferry Able Bodied Seaman	15%	Increase to 30%

Supervisory Services Bargaining Unit – MSEA

In 2020, the MSEA Supervisory Services classification of Motor Vehicle Branch Office Manager was found to be below market, as noted in the 2020 Market Pay Study Report’s minimum, midpoint, and maximum wage comparisons provided below.

Motor Vehicle Branch Office Manager	79%	78%	77%
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Assigned to salary grade 22 in 2020, the Motor Vehicle Branch Office Manager classification underwent a Hay evaluation at the Bureau of Human Resources in May 2022 resulting in a range change to salary grade 24. The chart below shows the nearly 30% increase in annual pay in place now at grade 24 compared to the grade 22 pay in place at the time of the 2020 report.

MV Branch Office Manager	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Grade 24 Hourly Annual (1/2024)	25.48 52,998.40	26.75 55,640.00	28.06 58,364.80	29.43 61,214.40	30.88 64,230.40	32.13 66,830.40	33.42 69,513.60	34.77 72,321.60
Grade 22 Hourly Annual (11/2020)	19.59 40,747.20	20.56 42,764.80	21.49 44,699.20	22.48 46,758.40	23.62 49,129.60	24.73 51,438.40	25.74 53,539.20	26.78 55,702.40

Though not included as benchmarks, two Supervisory Ferry Service classifications received new or increased Recruitment and Retention stipends through the statutory process. Although not a routine process and not always possible, until funding was secured via the budget to begin paying the stipends in FY24, payment for these stipends from November 2022 through June 2023 was funded by salary savings as agreed to in an MOA between the State and MSEA.

Classification	Current R&R Stipends	R&R Stipends to be paid under this MOA
Ferry Port Engineer	6.5%	Increase to 9.5%
Ferry Captain	-	3%

Professional and Technical Services Bargaining Unit - MSEA

Two of the classifications from MSEA’s Professional and Technical Services bargaining unit identified as being below market in 2020, the Principal Property Appraiser and Rehabilitation Counselor II, have had FJAs submitted to the Classification and Compensation team at the Bureau of Human Resources for review. Additionally, authorization to hire at step 8 of the salary schedule was granted in November 2023 for the Principal Property Appraiser classification at Maine Revenue Services.

Principal Property Appraiser	88%	83%	77%
Rehabilitation Counselor II	78%	76%	74%

Both the Emergency Communications Specialist and the Human Services Caseworker classifications were identified by Segal as being above market in 2020, as indicated below.

Emergency Communication Specialist	116%	107%	107%
Human Services Caseworker	114%	107%	101%

Despite being identified as above market in 2020, the inability to fill critical shifts to carry out the 24/7 emergency response (911 call center) work of the Emergency Communications Specialists resulted in a 30% Recruitment and Retention adjustment being approved for this classification in January 2023.

With fewer students entering the field, and a nationwide shortage of caseworkers, the State has negotiated and implemented additional incentives for Child Protective Caseworkers, including a stipend of \$7.50 per hour for Child Protective Caseworkers (recently increased by \$2.50 per hour). A 2022 Memorandum of Agreement (MOA) provided a \$1,000 recruitment and retention incentive payment to Child Protective Caseworkers, and a similar but more extensive MOA has recently been agreed to with the potential of up to \$3,000 in incentives paid in three \$1,000 installments in 2024. Additionally, FJAs filed for review of the Child Protective Caseworker classification have recently been approved at BHR to be placed at salary grade 24 from the prior salary grade 22. A budget initiative to fund and implement this increase will be included in the Governor’s FY24/25 Supplemental Budget in February 2024. And even more recently, a request has been made by MSEA for the State Human Resources Officer to form a Recruitment and Retention Adjustment Committee pursuant to statute.

Though not included as benchmarks, two Professional and Technical Ferry Service classifications received significant new or increased Recruitment and Retention stipends through the statutory process. Although not a routine process and not always possible, until funding was secured via the budget to begin paying the stipends in FY24, payment for these stipends from November 2022 through June 2023 was funded by salary savings as agreed to in an MOA between the State and MSEA.

Classification	Current R&R Stipends	R&R Stipends to be paid under this MOA
Ferry Engineer	6.5%	Increase to 21.5%
Asst Port Engineer	6.5%	Increase to 9.5%

Other Collective Bargaining Items During the Mills Administration

Additionally, the Mills Administration has:

- Established paid parental leave now totaling six paid weeks for the birth or adoption of a child. What began as two weeks of paid parental leave during the 2019-2021 negotiations, doubled to four weeks in the 2021-2023 negotiations, and has now been increased to six paid weeks in the 2023-2025 contracts.
- Increased base pay to a minimum of \$15 per hour in December 2021, which increased pay for 382 employees, representing an average pay increase of 9 percent for the lowest paid positions in the State workforce, and an increase of more than 21 percent for those who had been earning the previous state minimum wage.
- Issued a one-time \$2,000 payment to employees in December 2021 (payment was prorated for seasonal, part-time, and/or intermittent employees and was issued March 2022 for law enforcement positions).
- Will be issuing a one-time \$800 payment to MSEA, and MSTA, FOP employees covered by collective bargaining in February 2024 (payment will be prorated for seasonal, part-time, and/or intermittent employees).
- Improved longevity pay for workers with ten years and twenty-five years of service in 2019-2021 negotiations and then added longevity pay for workers with five years of service and thirty years of service in 2023-2025 negotiations.
- Improved pay upon promotion by including recruitment and retention stipends in calculating a new rate of pay upon promotion and increasing the minimum increase upon promotion to seven percent from the previous five percent.
- Improved Child Care Reimbursement by increasing income and reimbursement amounts, allowing both qualifying parents working for the State to apply to receive up to twice as much in reimbursement, and clarifying language in 2021 to reflect the practice of relying solely on Adjusted Gross Income (AGI) for eligibility. As a result of the 2023-2025 negotiations, employees with an adjusted gross family income of less than \$60,000 per year now qualify for up to \$2,000 in reimbursement for child care expenses.
- Added new classifications to the \$2 per hour Correctional Career Incentive Stipend: Unit Clerks (Office Associate IIs), Correctional Boiler Operator, Correctional Boiler Engineer, Correctional Maintenance Mechanic, Community Program Coordinator, Correctional

Librarian, Correctional Building Maintenance Superintendent, Correctional Building Maintenance Supervisor.

- Removed restrictions on classifications that can receive federally funded overtime in Agriculture, Conservation and Forestry for forest fires and emergency mobilizations.
- Added specific night shift differentials for Emergency Communication Specialists and Emergency Communications Specialist Leads.
- Restored paid employee organizational leave for attendance at MSEA's Annual Meeting. Allows members of the MSEA organization to attend the 2-day annual meeting, using up to 145 days in paid time off. Members must take their own time and then be credited with organizational leave retroactively.

Benefits

As a State of Maine worker, compensation includes a generous benefit package, including health, dental and vision insurance, sick time, paid holidays, vacation time, personal days and other wellness benefits. In comparison to hourly workers in other business sectors, the benefits offered through the State of Maine provide security and flexibility that many jobs don't provide. The State provides a consistent schedule versus other jobs where hours vary week to week. The State provides generous sick time available for personal illness or to care for a sick child. State benefits allow for planned flexible paid time off and provide 13 paid holidays per year. In addition, the state of Maine offers a sound career path with resources and training to help achieve long-term career goals.

The benefit package for state government employees includes:

Paid Time Off: 13 paid holidays, 12 days of sick leave, and 3+ weeks of vacation leave. Vacation leave accrual increases with years of service, and overtime-exempt employees receive personal leave. Some positions earn additional personal days.

Pre 2019 PAID LEAVE INFORMATION

Paid Leave Type Hours per Year	New Hire	5 years	10 years	15 years	20+ years
Vacation	96	120	144	168	192
Sick Leave	96	96	96	96	96
12 Holidays	96	96	96	96	96
TOTAL Hours Earned Annually	288	312	336	360	384
% 2080 hours (full time year)	13.8%	15%	16.1%	17.3%	18.5%
Personal Leave Hours per Year	New Hire	5 years	10 years	15 years	20+ years
Some <u>Non OT</u> Eligible	16	16	16	16	16
Some <u>Non OT</u> Eligible	24	24	24	24	24
Some OT Eligible	8	8	8	8	8
Some OT Eligible	16	16	16	16	16
Paid Parental Leave Hours per Birth/Adoption	New Hire	5 years	10 years	15 years	20+ years
NO Paid Hours per Birth/Adoption	0	0	0	0	0
Bereavement Leave* 24 or 40 hours per Loss	New Hire	5 years	10 years	15 years	20+ years
Loss of 24 Hour Covered Relative*	24	24	24	24	24
Loss of 40 Hour Covered Relative*	40	40	40	40	40
Loss of 2 Grandparents	48	48	48	48	48
*No limit on covered losses/year					
EXAMPLES Potential Paid Hours Off in a Year with Birth, Loss, or Both	New Hire	5 years	10 years	15 years	20+ years
<u>Non OT</u> Eligible w 3 pers days; Loss of 2 Grandparents Paid Hours	360	384	408	432	456
% of 2080 hours	17.3%	18.5%	19.6%	20.8%	21.9%
Non OT Eligible w 3 pers days; Birth/Adoption of <u>Child</u> Paid Hours	312	336	360	384	408
% of 2080 hours	15%	16.1%	17.3%	18.5%	19.6%
<u>Non OT</u> Eligible w 3 pers days; Birth/Adoption of Child; Loss of 2 Grandparents Paid Hours	360	384	408	432	456
% of 2080 hours	17.3%	18.5%	19.6%	20.8%	21.9%

* **Bereavement Leave** – 24 Hours Paid Leave Covered Relatives of the Employee: *Sibling, Stepsibling, Guardian, Ward, Grandparent*. 40 Hours Paid Leave Covered Relatives of the Employee: *Spouse, Significant Other, Child, Stepchild, Grandchild, Parent, Stepparent*. 40 Hours Paid Leave Covered Relatives of the Employee’s Spouse or Significant Other: *Child, Grandchild, Parent, Stepparent*.

2024 PAID LEAVE INFORMATION

Paid Leave Type Hours per Year	New Hire	5 years	10 years	15 years	20+ years
Vacation	120	132	144	168	192
Sick Leave	96	96	96	96	96
13 Holidays	104	104	104	104	104
TOTAL Hours Earned Annually	320	332	344	368	392
% 2080 hours (full time year)	15%	16%	16.5%	17.7%	18.8%
Personal Leave Hours per Year	New Hire	5 years	10 years	15 years	20+ years
Some <u>Non OT</u> Eligible	16	16	16	16	16
Some <u>Non OT</u> Eligible	24	24	24	24	24
Some OT Eligible	8	8	8	8	8
Some OT Eligible	16	16	16	16	16
Paid Parental Leave 6 Weeks per Birth/Adoption	New Hire	5 years	10 years	15 years	20+ years
Hours per Birth/Adoption	336	336	336	336	336
Bereavement Leave* 40 hours per Loss	New Hire	5 years	10 years	15 years	20+ years
Loss of 1 Grandparent/covered relative	40	40	40	40	40
Loss of 2 Grandparents/covered relatives	80	80	80	80	80
Loss of 3 Covered Relatives	120	120	120	120	120
*No limit on covered losses/year					
EXAMPLES Potential Paid Hours Off in a Year with Birth, Loss, or Both	New Hire	5 years	10 years	15 years	20+ years
<u>Non OT</u> Eligible w 3 pers days; Loss of 2 Grandparents Paid Hours % of 2080 hours	424 20.4%	436 21%	448 21.5%	472 22.7%	496 23.8%
<u>Non OT</u> Eligible w 3 pers days; Birth/Adoption of Child Paid Hours % of 2080 hours	680 32.7%	692 33.3%	704 33.8%	728 35%	752 36.2%
<u>Non OT</u> Eligible w 3 pers days; Birth/Adoption of Child; Loss of 2 Grandparents Paid Hours % of 2080 hours	760 36.5%	772 37%	784 37.7%	808 38.8%	832 40%

* **Bereavement Leave** – 40 paid hours per loss. Covered Relatives of the Employee: *Spouse, Significant Other, Child Stepchild, Grandchild, Sibling, Stepsibling, Parent, Stepparent, Guardian, Ward, Grandparent, Co-Parent of shared minor children.* Covered Relatives of the Employee’s Spouse or Significant Other: *Child, Grandchild, Parent, Stepparent, Sibling.* /

- For ease of calculations, the charts above reflect vacation earned in hours per month, which is the case for some State employees. However, the majority of State employees earn vacation every two weeks resulting in the more generous amounts below:
 - New hire 4.7 hours biweekly for a total of 122.2 hours per year
 - 5 years 5.15 hours biweekly for a total of 133.9 hours per year
 - 10 years 5.6 hours biweekly for a total of 145.6 hours per year
 - 15 years 6.5 hours biweekly for a total of 169 hours per year
 - 20+ years 7.4 hours biweekly for a total of 192.4 hours per year
- Health Insurance Coverage: The State of Maine pays 85 to 100 percent of employee-only premiums (at an annual value of \$9,893.52 to \$11,057.52), depending on salary.
- Health Insurance Premium Credit: Participation decreases employee-paid premiums by 5 percent.
- On November 1, 2023, a change was made to the active State of Maine Health Plan member salary tiers. Increasing the base levels for each salary tier lowers employee monthly contributions for health coverage.
 - NEW Tiering Effective November 1, 2023:
 - Level 1: Base Annual Salary is Equal to or Less Than \$50,000 (previously Less than \$30,000)
Level 1 (with the Health Credit) State pays 100% health insurance premium for individuals; or for families (including children) if both parents work for the state
 - Level 2: Base Annual Salary is Between \$50,000 – \$100,000 (previously Between \$30,000 - \$80,000)
Level 2 (with the Health Credit) State pays 95% health insurance premium for individuals; or 95.8% for families (including children) if both parents work for the state
 - Level 3: Base Annual Salary is Equal to or More Than \$100,000 (was More than \$80,000)
Level 3 (with the Health Credit) State pays 90% health insurance premium for individuals; or 91.6% for families (including children) if both parents work for the state
 - To see more detail on the revised premium rates, based on these adjusted salary tiers visit <https://www.maine.gov/bhr/oeh/benefits/som-health-plan/premium-rates>.
- Dental Insurance: The State of Maine pays 100 percent of employee-only dental premiums (an annual value of \$350.40).

- Retirement Plan: The State of Maine contributes on behalf of the employee to the Maine Public Employees Retirement System (MainePERS); employees are vested after 5 years.
- Gym Membership Reimbursement: State employees can improve overall health with regular exercise and receive up to \$40 per month to offset this expense.
- Health and Dependent Care Flexible Spending Accounts: State employees can set aside money pre-tax to help pay for out-of-pocket health care expenses and/or daycare expenses.
- Public Service Student Loan Forgiveness: The State of Maine is a qualified employer for this federal program. State employees are also eligible for the Student Loan Replacement Tax Credit, which provides an annual refundable tax credit of up to \$2,500 if you are an eligible Mainer who is repaying student loans, are working at least part time, and live in Maine, with a lifetime cap of \$25,000.
- Living Resources Program: State employees can navigate challenging work and life situations with our employee assistance program.
- Voluntary Deferred Compensation: State employees save additional pre-tax funds for retirement in a MaineSaves 457(b) account through payroll deductions.
- Additional generous wellness benefits for State employees are outlined at the [Office of Employee Health and Wellness](#).
- Telework Opportunities
- Life Insurance Premiums
- Tuition Reimbursement
- On the job training
- Longevity Pay: Improved to impact employees with fewer years of service and to better recognize and reward the contributions of more seasoned employees.

YEARS OF SERVICE	LONGEVITY PAY Pre 2019	LONGEVITY PAY 2020	LONGEVITY PAY Now – 1/2024
5			\$.10 / hour
10		\$.20 / hour	\$.20 / hour
15	\$.30 / hour	\$.30 / hour	\$.30 / hour
20	\$.40 / hour	\$.40 / hour	\$.40 / hour
25	\$.50 / hour	\$.60 / hour	\$.60 / hour
30			\$.70 / hour

Telework

The pandemic brought a quest for learning and adoption of telework on a fast track and as a result remote work is now a functioning reality. After years of contemplating the viability and possibility of telework for State employees, the unintended silver lining of our forced pandemic telework situation resulted in:

- A broad beta test offering considerable case studies and lessons learned;
- Better optimized workforce engagement and retention efforts as we provide telework arrangements;
- Eliminated implicit bias for or against telework, overcoming resistance to change; and,
- Changes to the way we do business, to allow telework for more types of work and positions, resulting in modernization of paper-heavy processes.

We have found Maine’s Civil Service to be well-suited to telework. Subsequently, we have developed a telework policy with the goals of:

- Supporting employee wellbeing and productivity;
- Supporting the needs of the public;
- Protecting State operational and financial interests;
- Ensuring compliance with labor law, insurance mandates, security requirements, and legal considerations to which we are bound as a public institution and Maine-based employer; and,
- Protecting our climate.

Now that telework is a functioning reality, as always, in order to provide the programs and services so important to the Maine people we serve, operational need will continue to determine whether employees need to work on site and what percentage of their time is necessary to do so.

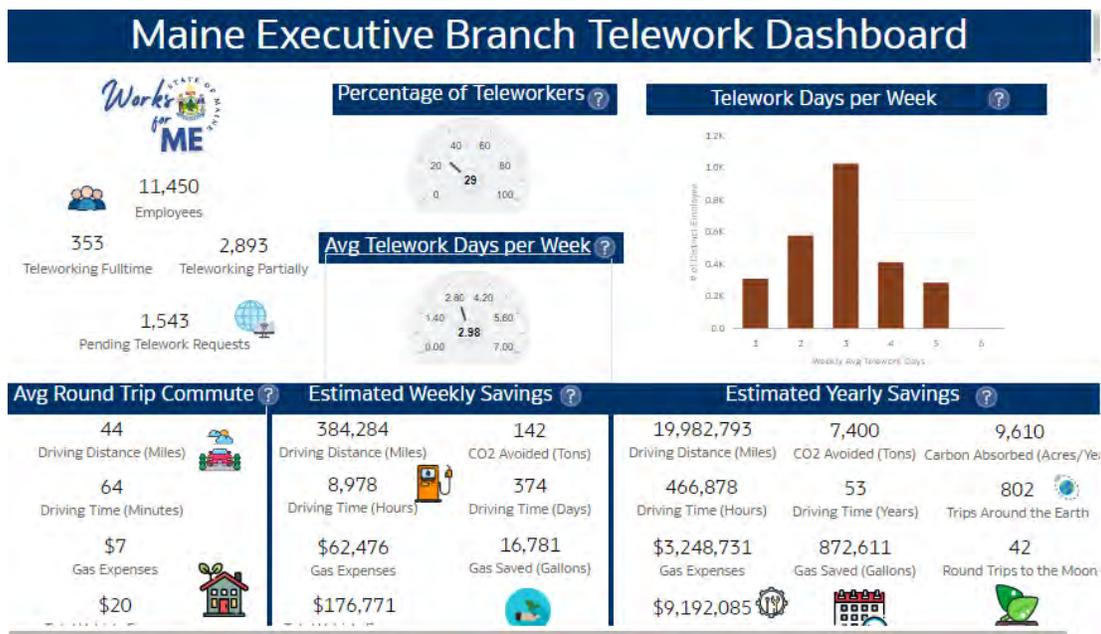
The State has developed a program called “Works For ME” that outlines the processes and approvals for telework. Through a portal on the Works for ME website, employees may access and submit forms requesting telework approval for a requested number of days. Supervisors then assess the application and both parties come to an agreement on what works best within the department, keeping in mind the needs of both parties. Based on the more than one year since transitioning to a hybrid workforce, the Telework App has been updated and streamlined.

Each Department’s re-entry process did not, and does not, look exactly the same or follow the same cadence. Instead, each department continues to evaluate requests from employees for telework and acceptance is determined by what works best for operational needs, while

balancing the benefits of telework for employee wellbeing including savings of time, energy, and mileage.

From June through October 2022, state government transitioned from an emergency telework situation to a post-emergency hybrid workforce. We developed a statewide telework policy, and telework is now a component of an employee’s annual review.

Not all positions and job tasks are suited to telework. However, current data shows that 29 percent of Maine state employees are teleworking, most with a hybrid schedule. Another 1,543 or 13.5 percent have submitted requests for approval. In many cases, employees who have not yet received approval are likely working a hybrid schedule while the paperwork is finalized with supervisor approval. The majority of those with a hybrid telework schedule work three days per week remotely.



A telework authorization can be adjusted at any time based on employee preference, productivity and operational need. In all cases, an employee’s telework schedule will be revisited at least once each year during their annual review.

Flexible Work Schedules

Studies show that employees who regularly take time away from work stay with the company longer, and good retention numbers improve morale. Maine state government has increased the number of vacation hours a new employee earns. Where the average private sector employer might offer 17 days, or 136 hours, of paid time off a year for vacations, personal appointments and illness, a new employee will earn a minimum of 27 days, or 216 hours, a year; the minimum

is 36 days, or 288 hours, after 20 years of employment. And unlike many companies, these balances can carry over year to year (up to a maximum). This is in addition to 13 paid holidays.

Under this administration, Maine state government has added paid parental leave and then increased it from 2 to 4, and again to 6 weeks with some flexibility of when to take it.

Also to flexibility, balance, and personal responsibilities, employees are looking for options outside a standard work week or schedule. Although a challenge for an institution such as state government where residents have expectations of when services are open, we are currently evaluating more options for flexible work schedules.

Part and parcel with having the hours to take away from work is providing an environment where an employee feels that is possible. Increasing workloads and expectations; additional statutory, enforcement, and reporting requirements; a nationwide workforce crisis; and a retiring and retirement-eligible workforce create an environment of more work than workers.

Adding New Positions

Often in state government, the state doesn't usually remove a service, but instead adds one. And in the spirit of needing to balance the requirements within our limited resources, it's often the case that the additional expectations and duties don't come with additional workers. Also, over time, every supervisory job has changed from a mix of supervision tasks and job tasks to a full day-to-day workload; this means less time for employee/supervisor interaction, mentoring, training, performance discussions, and brainstorming. And, in an environment where so many people with so many years of service are retiring, new employees to state government will not be able to do the workload or work at the pace of an employee with 20 plus years of experience and knowledge in that job.

Governor Mills has routinely requested new headcount in each budget. Not all that are requested by agencies make it into a budget bill, as there is a balance. But consistently the Governor has recognized the challenge employees face in being able to keep up with the demands.

Since 2019, the Governor has advocated for, and the Legislature has approved, approximately 800 legislatively authorized headcount and FTE count (full-time equivalent). Position counts are still below 2005 and 2010 levels.

Vacant Positions

There has been a lot of discussion about vacancy rates within State of Maine government, as there has been across the state and the country. All organizations have vacancies. Eliminating vacant positions to fund or create new positions routinely happens in State of Maine agencies as each position is evaluated when it becomes vacant. Having vacant positions does not diminish or eliminate the need to add new positions.

Particularly in state government, it's important to remember that Personal Services has to cover a number of things so a program will always need some vacant positions as part of managing its overall Personal Services budget. Managing Personal Services includes meeting the attrition reduction of 5% or more while also covering other self-funded Personal Services costs including hiring above budgeted step; vacation payouts; unanticipated overtime, callout, standby; and certain recruitment/retention efforts.

However, vacant positions, of course, add to the workload of those present. Although Maine state government typically has a 9-10% vacancy rate, current rates are closer to 16%. When compared to other like entities, this is consistent. (As a result, the Legislature increased the attrition rate in FY24/25 to 8% and 6%, respectively.) The workforce shortage, the baby boomers retiring, the lack of a similar number of workers coming up behind them, are nationwide challenges. The Bureau of Human Resources is expending a significant amount of effort to ensure successful recruitment and then retention including adding staff dedicated to talent recruitment. These include increasing the use of social media to advertise positions; connecting with other recruitment vendors; increasing the number and presence of the BHR Talent Management team at career fairs and community events; updating job classifications and job postings so more people feel comfortable that they have the skills and background the State is looking for; expanding public sector apprenticeship, internship and job shadow opportunities; and establishing a new hire journey to make sure new employees are set up for success and can grow in their careers by focusing on retention efforts as well.

Classification Report

The Classification Report Process

Even after the completion of the 2020 Market Study Report, Segal's work to gain insight into the condition of our current job classification plan continued.

As previously mentioned, Segal analyzed 7,181 Job Description Questionnaire (JDQ) survey responses of Executive Branch employees and then provided recommendations to streamline and simplify the State's then catalog of 1,189 job classifications.

The JDQ was developed as a tool to gather job content information from the State's workforce. It was presented as both an on-line form to be filled out and submitted electronically, and as a Word document to be completed either by hand or on a computer and submitted either in paper form or via email.

The JDQ was designed to be completed either individually by an employee, or in a group submission by employees within the same classification who perform the same work and have the same supervisor. The JDQ included questions on major duties and responsibilities of the

employee/position, the skills and abilities required to do the work, the minimum educational and experiential background required and/or desired to qualify to do the work, and any certifications required or preferred.

Upon completion of a JDQ, the submission was routed first to the supervisor of the employee(s) for review and final sign-off, and then to Segal.

The JDQ was voluntary – no one was required to complete one; however, employees were strongly encouraged to complete the JDQ, as the success of the study was largely dependent on full participation. Prior to sending out the questionnaire, Segal gave presentations to employees through remote sessions, explaining the process, and going over each section of the JDQ. The presentation was recorded and access to it, as well as to the PowerPoint slide deck, was provided to anyone who was unable to attend the live electronic presentation.

Following the presentations, the JDQ was sent to employees during the first two weeks of July 2020. Employees were given until the end of July to complete and submit to their supervisors. Supervisors were then given until mid-August to review their employees' JDQs, make any necessary edits, and sign off. The "sign-off" process automatically submitted the final JDQs to Segal.

Once Segal received the completed JDQs, they performed a detailed analysis of what State employees reported on their JDQs and compared it to the State's existing job classifications. Segal used their proprietary assessment tool to evaluate classifications, recommend classification changes and combinations, and assign recommended salary tiers. Segal did not provide a summary document or overarching recommendations, instead presenting their findings in a detailed spreadsheet format.

Classification Learnings and Changes as a Result of the 2020 Market Study

Learnings

In the fall of 2021, while the State was still reeling from the impacts of the pandemic, members of BHR's classification team met with all executive branch departments, as well as many smaller agencies, to review Segal's recommendations and solicit feedback from departments/agencies. The BHR team has now completed its work of meeting with state agencies to review the classification recommendations provided by Segal. All feedback was reported to the Classification and Compensation Review Steering Committee which included members from the Bureau of Human Resources, the Department of Administrative and Financial Services, the Governor's Office, and the Maine Service Employees' Association.

- Segal identified areas where BHR could streamline and simplify classifications.

- Segal recommended that the State streamline classifications in order to create consistent job series for use across state government, which in turn provides recognizable career ladders for employees of Maine state government pursuing career growth.
- Segal determined that the classification plan had grown to include too many individualized classifications, or “boutique” classifications and recommended replacing them with universal classifications that can be broadly used across State government. A boutique classification can be described as created specifically for use by a specific agency or department, that cannot be widely used.

“The BHR team has now completed its work of meeting with state agencies to review the classification recommendations provided by Segal.”

Changes

BHR has begun to implement changes to classifications based on recommendations from Segal. These improvements include collapsing classifications and creating recognizable career ladders, as appropriate.

At the Department of Health and Human Services’ Psychiatric Hospitals, the classifications of Psychologist III and IV existed; however, their duties were indistinguishable, and the classifications of Psychologist I and II no longer existed. BHR has combined the classifications of Psychologist III and IV into one single classification of Psychologist. This change streamlines the classification plan and provides the department with the appropriate title for the position in line with Segal’s recommendations.

More recently, the Bureau of Human Resources met with HR professionals across state government as well as select department heads to discuss a partial implementation of Segal’s recommendations for a Paralegal series. Segal had recommended changing the Assistant Paralegal Classification to a Paralegal I. Through discussions with the departments, BHR learned that the Assistant Paralegal classification had significant recruitment challenges, and the classification was no longer in use. As a result, BHR eliminated the Assistant Paralegal classification and will continue to work with these departments to create a Paralegal series that consists of an entry level Paralegal I as well as a Paralegal II classification.

Segal identified classifications to be eliminated due to inactivity, and these changes have begun to be implemented. Examples include:

- Eliminating Photographer I which is no longer in use and changing Photographer II to a Photographer.
- Eliminating Automotive Mechanic I which is no longer in use and changing Automotive Mechanic II to an Automotive Mechanic.
- Eliminating Physician I and II which are no longer in use and changing Physician III to a Physician.
- Eliminating Psychologist I and II which are no longer in use and changing Psychologist III to a Psychologist.
- Eliminating Occupational Therapist I which is no longer in use and changing Occupational Therapist II to an Occupational Therapist.
- Eliminating Employment Specialist I and II and changing Employment and Training Specialist III to an Employment and Training Specialist.

Segal also identified more appropriate titles for supervisory and management classifications to better reflect the supervisory nature of the work and improve recruitment. Examples include:

- Changing Chemist III to Chemist Supervisor.
- Changing Public Health Inspector II to Public Health Inspector Supervisor.
- Changing Plant Maintenance Engineer III to Plant Maintenance Supervisor
- Changing Archivist III to Archivist Supervisor.
- Changing Senior Tax Examiner to Tax Examiner Supervisor
- Changing Employment and Training Specialist IV to Employment and Training Supervisor.

As a result of Segal's recommendations on classifications and feedback received from the departments/agencies, BHR has also begun implementing changes to create career ladders in a more consistent manner. For example, a classification series may now include suffixes of I, II, Supervisor, and Manager to show progression within the series. Moving forward, the Bureau of Human Resources will continue to take into consideration the Segal recommendations and implement, as appropriate.

BHR has also received feedback from some departments that the Segal recommendations do not work well given the unique working conditions for some positions. For example, the Department of Corrections is understandably concerned about collapsing their positions to classifications that do not properly reflect the security and risk elements of work performed in a Correctional facility. BHR recognizes these legitimate concerns as a reflection of the limitations of the Segal classification tool, supporting the continued use of the Hay System.

The Hay System of Classification is a Good Fit for State Government

Throughout the course of the survey and study, Segal utilized their own proprietary classification system which was seemingly too simplistic for the State of Maine's broad work environment. In hindsight, their system would work more effectively in an accounting firm, where employees perform the same type of work. In the State of Maine, the work environment spans a wide range of services – from part time park rangers to public health nurses, custodial workers to biologists, and accountants to law enforcement.

Consequently, the State realized its current system of classification and evaluation, the Hay System, works well for State government. The Hay job evaluation tool maps out job roles in the context of an organizational structure. The affiliated Korn Ferry Hay Guide Charts are the central instrument of the point-factor job evaluation method developed by the Hay Group, founded in 1943, and now Korn Ferry. The Hay System takes into consideration the three most important universal factors:

- Know- How (practical and technical job knowledge, planning and organizing skills, communication and influencing),
- Problem Solving (thinking environment and the thinking challenge), and
- Accountability (freedom to act, magnitude and financial impact) of the job classification.

The Hay System continues to be one of the most widely used job evaluation tools for state governments, counties, and corporations; with thirty-four states utilizing the Korn Ferry Hay Guide Charts. Given the continued and widespread use of the Hay System in North America and Europe, it has clearly withstood the test of time.

It is important to understand that the Hay System is a classification system. Salaries are a compensation matter. The use of the Hay System methodology for classification is not the cause nor the solution for pay that may at times fall above or below market. Maine statute, 5 MRSA § 7065, sub-§ 2, affords the State Human Resources Officer the ability to approve payment of a recruitment and retention adjustment when payment of a market adjustment is required to recruit and retain an adequate workforce.

Functional Job Analysis Reclassifications

The Functional Job Analysis (FJA) process involves an in-depth analysis articulating the knowledge, skills and abilities and levels of responsibility and accountability involved in a job. FJA requests can be submitted by an employee or a supervisor for review. The multi-page document is run through the classification job analysis and grading tool within the Hay System. Then a determination is issued either in support of a pay range change within the existing class or a reclassification; or in denial of the request. Each FJA takes anywhere from a week to a couple of months depending on how much information must be gathered or confirmed. From 2019 – 2023, BHR received a total of 3,220 FJA, completed 3,074 and approved 2,721.

- In 2019, 656 FJAs received; 590 completed; 560 approved
- In 2020, 437 FJAs received; 464 completed; 416 approved
- In 2021, 628 FJAs received; 579 completed; 525 approved
- In 2022, 752 FJAs received; 702 completed; 598 approved
- In 2023, 747 FJAs received; 739 completed; 622 approved

These figures represent more than 3,000 reclassifications, reorganizations and/or range changes impacting more than 5,500 positions in Maine state government.

Reclassifications and FJAs will always be necessary:

- Job classifications specifications must be reviewed periodically, as required by State statute,
- When new programs are required through legislative changes, additional positions to conduct the work are not always included. Likewise, new positions are not always requested for internal changes to improve processes and procedures. As such, adjustments may need to be made to existing positions to account for this additional work, which is done via the FJA process.
- Employees can submit FJAs to have their classification reviewed and often do so when their work has changed. BHR is required to review every employee initiated FJA.
- Technology innovations and modernizing of business processes can result in changes to the assigned duties of a position and trigger the need for an FJA.
- The State's bargaining unit agreements also allow for an appeal process on any disagreement on final determination of reclassification.
- An FJA is required for each new position authorized by Legislature or via Financial Order.
- State agencies are required to adjust positions. The State budgets by position and only has a short window of time to submit budget requests for additional positions. Whenever there is a vacancy, it is best practice to review the vacant position to determine if the current classification still reflects the role of the position and meets the needs of the

department. An FJA is required if the determination is made that a different classification would better suit the work.

In addition, unrelated to this classification and compensation survey but part and parcel with our commitment to Maine State employees, this Administration continues to evaluate positions one-by-one to ensure State employees are paid at the classification matched to their work efforts.

As a result, this Administration has improved the base pay rate – above and beyond any across the board wage increases outlined above – and since 2019, has implemented over 3,000 reclassifications, reorganizations, and/or range changes, impacting over 5,500 positions —nearly half of the State of Maine workforce.

The Task Ahead

P.L. 2023, ch. 412, § UUU-1 requires the Bureau of Human Resources to conduct subsequent market pay studies every four years intended to compare the salaries of state employees with employees performing comparable work for a sampling of private and public employers in Maine, other New England states, and other states as appropriate.

The Bureau is required to submit a report on the market pay study to the joint standing committee of the Legislature having jurisdiction over the appropriations and financial affairs, and the joint standing committee of the Legislature having jurisdiction over state and local government no later than September 30, 2024 and every 4 years after.

The same legislation also requires BHR to conduct a comprehensive review of the classification plan every 10 years to make modifications and improvements as determined necessary. To complete these requirements and initiatives, the budget also included funding for one Public Service Coordinator I position and three Human Resources Analyst positions.

It will be important to understand how BHR will stay current with market information in our daily evaluations and incorporate the information from the every-four-year market pay studies.

Since this law was passed, the State has hired three HR Analysts and is in the process of posting the Lead Analyst for this work. This gives the team 5 full time analysts and one limited period analyst who will work closely together to perform this work. This team will work with the National Compensation Association of State Governments and form partnerships with other states who have been charged with similar work. These additional positions will work through the existing backlog as well as future requests for reclassifications, range changes, and reorganizations reviews, while focusing on the overall classification plan and the market pay study work.

The team will:

- Develop internal and statewide policies and procedures to lead the State in the new requirement to conduct market pay studies every 4 years.
- Confer and consult with management on the initial development process to gather market data, providing advice and recommendations, and then carry out best practices for the studies.
- Consult with Management to determine which classifications should be reviewed and how best to gather, store and present this data to key stakeholders.
- Develop methods, forms, questionnaires, and processes to conduct market pay and classification plan studies and analyses, keeping management informed of concerns and outcomes.
- Collect, compile, and edit raw data in order to determine accuracy and completeness and to tabulate and present data.
- Develop and implement reporting and collection procedures in order to obtain data on a continuing basis.

Adding four people to BHR's Classification and Compensation Team doubles the size of that group. These positions will focus on building relationships with other employers such that market pay and classification research, action and proposals are a daily part of their work. The goal is that Maine's statewide classification and compensation plans are considered with each daily action of the team. A reclassification request from one agency is considered as part of the whole plan, rather than creating another boutique classification for one specific need.

Funding Constraints

A recent union proposal requested \$5 per hour for all positions, followed immediately by a general increase of 22%, then a year later another 15%. There are several challenges with this approach:

- The 2020 Market Study Report showed approximately 23% of the benchmark classifications were at market or above market.
- The cost of this, all funds, is estimated at \$1.4 billion over the 24/25 and 26/27 biennials, and the cost would continue to increase in future biennia.
- The General Fund supports approximately 44% of the total cost of Personal Services. The Highway Fund supports another 13%. The remainder is federal funds, other special revenue accounts – i.e. fees, non-federal grants, internal service funds, etc.
- Increased costs put at risk positions funded with stagnant or diminishing funds. Or funded through rates that can't be adjusted, federal grants that are disappearing, or fees that cannot be increased. It is also about balancing resources between funding existing positions and creating new positions. There must be a balance to ensure the continued sustainability of these increases to the funding sources. The inability to sustain these increases would likely result in position eliminations and layoffs.

“The inability to sustain these increases would likely result in position eliminations and layoffs.”

Recommendations

Stay with the Hay System

The assessment tool developed by Segal did not consider the breadth and scope of duties and responsibilities of classifications as effectively as the current and widely used Hay methodology, providing the State with renewed appreciation for the effectiveness of Hay. It is recommended the State continue with the Hay methodology as its assessment tool.

Conduct Market Pay Study Every 4 Years

P.L. 2023, ch. 412, § UUU-1 requires BHR to conduct market pay analysis every four years, and the State agrees this work will be valuable in assessing the status of State employee wages. It is recommended the State solicit and consider benchmark recommendations from the bargaining agents and also consider as benchmarks for analysis classifications representing a wide range of the State's workforce, classifications with existing recruitment and retention adjustments, and classifications with current recruitment and retention challenges. The study will be used to test that the State is remaining competitive rather than a blanket extrapolation.

Include Benefits Comparison as Component of Total Compensation in Market Pay Studies

The State of Maine offers a generous benefit package, including health, dental, and vision insurance, sick leave, vacation time, paid holidays, wellness benefits, retirement, and more. Employees have identified these benefits as a primary reason they seek employment with and remain in State government. Without inclusion of these generous benefits, there is no true comparison of total compensation with other public and private employers. It is recommended benefits comparison be a component of total compensation in future market pay studies.

Align 5 MRSA § 7065, sub-§ 2 with P.L. 2023, ch. 412, § UUU-1

The current statutory language for Recruitment and Retention Adjustments includes a review of any implemented adjustments every two years, while the new law requires market pay studies every four years. It is conceivable these regularly conducted market pay studies could result in changes, including discontinuance, to previously approved recruitment and retention adjustments. It is recommended that the language for reviews to be conducted every two years under 5 MRSA § 7065, sub-§ 2 be revised in statute to a review every four years, which will align the adjustment review with the now statutory requirement under P.L. 2023, ch. 412, § UUU-1 for BHR to conduct market pay studies every four years. It is further recommended that the statutory language for adjustments be improved to provide for the same amount of adjustment (whether an hourly amount or percent of hourly pay rate or discontinuance) for all approved positions within the classification should a study conclude a change of adjustment is appropriate.

Utilize Findings of the Market Pay Studies as Resource for Successor Agreement Negotiations

The current requirement of P.L. 2023, ch. 412, § UUU-1 to begin bargaining by January 31, 2024, to close pay gaps identified in the 2020 Market Study Report, which is out of date and no longer applicable in 2024 as detailed in this report, is not in sync with the requirement to conduct a market pay study by September 30, 2024, and every four years thereafter. It is recommended the negotiations requirement within this statute be removed, and the parties more appropriately utilize the market pay studies as a resource to address compensation as a mandatory subject of bargaining during successor agreement negotiations.

Create Single Classifications for Use with Comparable Positions

The creation of single classifications for multiple comparable positions generates a more concise and manageable number of classifications and ensures like positions are treated and paid similarly. It is recommended the State consolidate like classifications wherever appropriate, utilizing preferences and specific focus areas for recruitment, job description, and performance expectation purposes.

Analyze Impact of Reclassifying/Range Changing Classifications

Reclassifications and ranges changes of entire classifications may have an impact on other classifications within a job series and/or similar classifications. It is recommended that during the review process of these FJAs, BHR consider and assess the potential impact to classifications within a series and/or comparable classifications in other areas of state government and make recommendations as appropriate.

Invest in Advanced Education and Certification of BHR's Analysts

Recognizing the investment made in creating four new positions to conduct the additional work associated with classification review and market pay analysis, it is recommended the State continue to invest in the education and training of these HR professionals through advanced coursework and certification in the areas of compensation and classification.

Participate in the National Compensation Association of State Governments (NCASG)

NCASG provides a forum for compensation professionals from member states to exchange information, professional expertise, and knowledge related to the compensation of state government employees. It is recommended the HR professionals of the State's Compensation and Classification team participate in NCASG's quarterly virtual meetings, attend the annual conference, and take advantage of this network of professional support and resources.

Review and Make Recommendations to Address Salary Schedule Inequities

A prior classification study resulting in changes to only MSEA's Administrative Services unit salary schedule may have created inequities related to promotions, demotions, or transfers between the Administrative Services salary schedule and other salary schedules. Also, as a result of some pay applications made during a former administration, salary spec 02 has inequities

between salary grades and steps. It is recommended BHR review these salary schedules and make recommendations to address any inequities identified.

Stay Budget Conscious

Classification and compensation changes typically come with a price tag, and there are fiscal considerations and constraints inherent in state government. It will be necessary for BHR to master the art of balancing recommendations and best practices with these fiscal considerations and constraints. It is recommended the HR Analysts broaden their knowledge of the budget timeline, process, capabilities, and limitations.

Look Beyond Pay to Address Underlying Concerns and Trends

Knowing the State has made significant investments in wage increases, recruitment and retention adjustments, and negotiated stipends and other special pay components, it is important to recognize there may be underlying reasons for vacancies and/or turnover unrelated to pay. It is recommended the State carefully review the findings of the 2nd Annual Workforce Engagement Survey, which will be available later in 2024, and additional available feedback, along with data on state, regional, and national employment trends in order to identify concerns and develop strategies for addressing them and take action to generate improvements and solutions.

Appendix:

As Attachments via e-mail only

- A. Original MOU for Compensation Study
- B. Segal 2020 Market Study Report
- C. DAFS Commissioner Report to SLG #1 Classification and Compensation 2 10 21
- D. DAFS Commissioner Report to SLG #2 Classification and Compensation 03 31 22
- E. DAFS Commissioner Telework Report to Leg #1 12 01 20
- F. DAFS Commissioner Telework Report to Leg #2 8 26 21
- G. Information provided to Legislators by DAFS Commissioner on Class, Comp and Telework 03 06 23
- H. PL2023, C412, Part UUU