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JOINT SPECIAL LEGISLATIVE INVESTIGATING COMMITTEE

Testimony of Earle R. Hayes (Recalled)

Re: Personnel Board.

Augusta, Thursday, Dec. 12, 1940

Counsel: Donald W. Webber,
Hubert Ryan

Thursday, December 12, 1940.

EARLE R. HAYES recalled and testified as follows:

CHAIRMAN TOMPKINS: Mr. Hayes, will you restate again the method of fixing salaries of employees of the State?

A. Well, in the matter of original appointments the salaries are fixed by the Governor and Council without any particular reference to the Personnel Board. I mean to this extent: The orders clear through our office, but there are definite ranges established for definite jobs, and the council orders ordinarily call for the minimum in these particular ranges, so there is generally no particular argument about the authorization of a new employee. They are fixed by council order in the first instance.

In the matter of readjustment of salaries upwards, they are approved in all cases by the Personnel Board in the first instance by actually going over the whole situation and then finally approved by the Governor and Council.

Q. Does the department head have anything to say about the increase?

A. Very much, of course.

Q. It has to be on his recommendation?

A. It must be on his recommendation in the first instance.

Q. Now you spoke of revising the pay upwards. Is there any procedure for the revising of the pay of an employee downwards?

A. Just the same.

Q. So in order to revise the pay of employees in any particular department downward, it must be on recommendation

of the head of the department and the approval of the Bureau of Personnel?

A. And finally approved by the Governor and Council.

Q. But the personnel officer has to also approve, does he not?

A. Well, the Personnel Board.

Q. Now under date of November 19th council meeting, Council Order 1035, there are salaries fixed for two employees for the Milk Control Board. Can you tell, Mr. Hayes, whether those are new employees or are they old employees?

A. They are old employees. This is an adjustment.

Q. And on whose recommendation would that be?

A. The recommendation in the first instance being from the Milk Control Board through its secretary.

Q. And did your board approve of the increase?

A. We did.

Q. And what was the increase on those two employees?

A. As I recall it, from \$25 to \$27.

Q. You increased them four dollars a week?

A. Either two or three. I cannot say whether it was \$24 or \$25, but I think it was \$25. We increased them to \$27. I think it was a two dollar increase, if I am not mistaken. It might have been \$24. I don't recall.

Q. Now on the same date, by order 1049, there was an increase ordered in the pay of certain employees at the State Hospital?

A. That is right. These may have been either adjustments or initial ~~pay~~ appointments. The method pursued in connection with the institutions is considerably different than that

pertaining to the departments.

There has been in existence for a very long time, whether by council order or otherwise, I don't know, some sort of an understanding or agreement in connection with the institutional set-up that institutional employees should be employed at the minimum of rates established a considerable number of years ago by certain schedules that were adopted by the Governor and Council at that time. They are, as I say, employed at the minimum, presumably, in each institution, and at the end of each six months' period or each year, at the discretion of the superintendent of that institution, they are increased usually one dollar, until they reach the maximum of the amount set up for that particular grade. These orders come from the institutions. We devised this form for them to use each month, so that each month these orders covered all changes in personnel. This order, for instance, was designed to cover all personnel changes at the Augusta State Hospital for the month of October. These are original appointments.

Q. How many are there?

A. Ten on that page.

Q. Ten original appointments?

A. I should say so, because there is no vacancy there. I should say they are all original appointments, because the reason given in each case is for somebody resigned.

Q. Now these appointments were to fill vacancies?

A. All but one. This one is indicated on the order, "No vacancy". That is an additional employee. Nine out of the ten are to fill vacancies.

Q. Now order 1052, the same meeting of the council.

A. The same general situation pertains here except in answer to your question of how many were to fill vacancies. Two, I would say, permanently, and one I would say for leave of absence, evidently a temporary appointment.

Q. How many in all?

A. Nine people in all.

Q. And how many of those are new employees?

A. Apparently two permanent and one temporary.

Q. And the balance are new employees?

A. No; I beg your pardon. There are two temporary. One is an emergency electrical worker. There are four promotions, one demoted.

Q. How much of an increase in salary on those promoted?

A. One dollar, presumably.

Q. And Order 1054?

A. 1054, five people appear on the order. They are all promotions. These apparently have been promoted to the maximum of their grade, \$20. I think they were probably getting \$18 before.

Q. And the next order is 1055. How many people are affected there?

A. There are twelve people actually on the order, but in several instances you will note that the same person is employed in different capacities or perhaps in the same capacity at different times during the month, so that they appear on the order more than once. For instance, the first person on the order, they are employed as a maid from October 4th to 6th., due to somebody being ill. She was next employed in the

same capacity from October ~~20th~~ 14th to 19th., and for the third time employed in the same capacity from October 20th to 22nd. In other words, she is a spre maid apparently gotten to take someone's place. That is true in several instances, but the duties are put in there specifically so that the controller can check.

Q. How many of that character?

A. There are seven of these people.

Q. They are of a temporary character?

A. That is right, substitute employees.

Q. And the other five, what is the character of their promotion or demotion, as the case may be?

A. In the first instance, a temporary employee for a period of two days only. The same thing is true in the second case from the 6th to the 8th. In the case of the baker, temporarily, September 29th to October 14th. They are all temporary, there is no permanent.

Q. Why can't you answer the question that way, that they are all temporary?

A. They are apparently all temporary on that order.

Q. Now checking order 1056, look it over carefully and then analyze that order. Don't do it out loud until you get ready to give the answer to the reporter here.

A. There are ten people appearing on that order, two of them appear more than once, three of them are replacements on what is presumed to be a permanent basis. The rest of them are temporary employees.

Q. Now order 1058, will you analyze that order?

A. 1058 contains the name of one employee who is promoted

to the position of assistant farm superintendent.

Q. What is the pay there?

A. Thirty-five dollars is the pay established for this particular position.

Q. Is that the maximum?

A. Yes; there is only one price.

Q. The next order there is what?

A. 1059.

Q. Will you analyze order 1059.

A. Ten names appear on order 1059. Five of them appear to be temporary, supplying for vacations, sick leave. Two of them appear to be permanent replacements, three of them appear to be promotions or at least changed positions.

Q. The next order is 1060.

A. Sixteen names appear on Order 1060. Three of them are for permanent replacements, thirteen of them appear to be promotions.

Q. And order 1061, will you also analyze that one?

A. 1061 has four names appearing on it. Two of them appear to be replacements on a permanent basis and the other two promotions.

Q. Order 1062?

A. Order 1062 has three different names on it. Two of the names appear twice and three of them appear to be vacation relief employees, and the other two are either promotions or replacements because people have transferred out of some other department.

Q. How many people in all are affected?

A. Only three people.

SENATOR LAUGHLIN: What departments are these?

A. These are institutions. The State Military Home was the last one we were talking about.

CHAIRMAN TOMPKINS: The next order is 1063.

A. 1063, State School for Girls. Six different names appear on that order. Four of them appear on the order twice, and in every case they are replacements for either sick leave or vacation or time off.

Q. 1064?

A. Western Maine Sanitorium. Six names appear on that order. Apparently only one is a permanent replacement. All the rest are temporary, for vacation relief.

Q. The Bureau of Social Welfare, Order 1093 calls for your analysis.

A. Order 1093 contains a considerable number of names, eighteen names, the names of eighteen employees; in every case an adjustment upwards, in effect representing increases in pay for position held or change of position with corresponding increase in pay.

Q. 1094.

A. The same bureau, Bureau of Social Welfare, twenty-four names appearing on there, in every case an adjustment of salary upward.

Q. 1095.

A. Bureau of Social Welfare, twenty-four names, representing in every case adjustments upward.

Q. Next is order 1096.

A. Still the Bureau of Social Welfare; nineteen names, in every case adjustments upward, for reasons given in connection with the first order.

Q. Order 1097.

A. Bureau of Social Welfare, 22 names appearing on that order. As far as my memory serves me, three of the names on that order were reduced. The others are increases. I may have inadvertently skipped someone in these former orders who was reduced.

Referring back to 1096, there is one name on the order I see immediately that was a reduction rather than an increase. In connection with the others, I would not recall without referring to the record.

Q. 1098.

A. 1098 is the Bureau of Social Welfare, 25 names appearing on that order.

Q. Is that a revision upward?

A. I will have to check that. There are two on this order that I recall were reductions. I couldn't swear but there might have been one or two others.

Q. 1099.

A. Bureau of Social Welfare. There are five names on that order, and, so far as I know, all were adjustments upward.

(Off record)

SENATOR LAUGHLIN: I would like to ask you: Who initiated these changes, the department or the council or the Personnel Board?

A. The Commissioner of Health & Welfare, the appointing authority in the department, and the recommendations were very largely accepted in toto.

Q. Did the Personnel Board act in accordance with the

recommendation of the department?

A. Very largely.

(By Senator Laughlin)

Q. Did it in any cases assume the right to make changes too?

A. Yes. Not in many, but in several. I recall some salaries were set up in odd cents, and the odd cents would be deleted by the Personnel Board because under our set-up they are supposed to be even dollars.

Q. Apart from the odd cents changes, did the Personnel Board attempt to make any changes in the dollar amount other than what the department head recommended?

A. I don't recall that they made any changes.

(By Chairman Tompkins)

Q. I show you Council Order dated December 2, 1940, and ask you to analyze that order, please.

A. This is a new employee at the State Prison, a new guard, going on at the minimum salary range for guards.

Q. I show you council order 1111, under date of December 2, 1940, and ask you to analyze that.

A. These are all temporary employees that are employed in the field as veterinary helpers to assist the federal and state veterinarians. They usually work for a period of a month or so.

Q. I show you council order 1112 under the same date and ask you for analysis.

A. That is a new employment by the Milk Control Board. It

It is a replacement of a temporary stenographer. This girl is on a part time basis only. I think it says so.

Q. I show you Council Order 1113, under date of December 2.

A. Adjusting the salary upward of twelve employees in the department of Banks and Banking, one deputy commissioner, one junior secretary, and all the rest are bank examiners of various grades. My recollection is, if you are interested, those are practically all increases of four dollars.

Q. I show you Council Order 1116.

A. Covering adjustment upwards of the medical staff and steward and treasurer of the Augusta State Hospital, the entire staff.

Q. How many?

A. Eight.

Q. I show you Council Order 1117.

A. 1117 is a council order for the medical staff at the Bangor State Hospital, four physicians, including the superintendent.

Q. I show you Council Order 1118.

A. For one employee promoted at the prison, bookkeeper.

Q. Council order 1119.

A. For Pownal State School, and adjusts the salary of two physicians on the staff there.

Q. I show you council order 1124.

A. 1124, two employees of the Maine State Library, adjustments upward in salary.

Q. 1125?

A. This is a new employee of the Maine Unemployment

Compensation Commission, replacing somebody.

Q. 1127.

A. 1127, for the appointment by the Police Department of an account and audit clerk, new appointment.

Q. I show you Council Order 1160, under date of December 11th., and ask you to analyze that.

A. 1160 covers promotion of employee in the Bureau of Social Welfare, a new position; an old employee but a new position.

Q. I show you Council Order 1167 under date of December 11th.

A. An adjustment of salary for one employee in the Department of Public Utilities.

Q. I show you council order 1155 under date of December 11th and ask you to analyze that.

A. That is for a new position under the State Highway Commission, inventory clerk in the garage.

Q. At what salary?

A. Forty-five dollars a week.

Q. I show you Council Order 1151, under date of December 7, and ask you to analyze that.

A. For the employment on a part time basis of two painters and one carpenter in the Superintendent of Buildings department.

Q. I show you Council Order 1141 under date of December 7th and ask you for an analysis of that order.

A. This order is for the State School for Girls and contains eight different names, apparently. Two or three of them appear twice or more on the order. One

One is a promotion, one is an employment curtailed due to breakdown of machinery, a dentist, only part of the week. The others are all temporary employees to supply vacation and sick leave.

Q. I show you Council Order 1140 under date of December 7th., and ask for an analysis.

A. 1140 covers the employment of a cottage master, one person at the School for Boys, filling a vacancy.

Q. I show you Council Order 1139, under date of December 7th.

A. Four names, Reformatory for Women, one promotion, two presumably permanent appointments due to resignations, and one temporary employee.

Q. 1138, under date of December 7th.

A. Appears to contain seventeen different names for Pownal State School, one appointment as a substitute to fill a vacancy caused by military leave, nine promotions, six apparently permanent appointments to replace people who resigned, one temporary, replacing someone on vacation.

Q. I show you council order 1137, dated December 7th.

A. Five different names appear on this order for the Northern Maine Sanitorium. One or more of the names appear twice on the order. They are all for temporary leaves, with the exception of one which is a changed position.

Q. Council Order 1136, under date of December 7th.

A. Only one name appears on the order; the name appears twice. School for Deaf. The first period appointed for was to fill vacancy caused by leave of absence.

Q. Council Order 1135, under date of December 7th.

A. Covers employment of Central Maine Sanatorium, seven different names on the order. Several of them appear twice or more, all of them apparently for temporary periods, replacing people on leave or sick.

Q. Council Order 1134.

A. Another one for Central Maine Sanatorium. Seven names appear thereon, all of them on a temporary basis for periods of two days at a time.

Q. Council Order 1133.

A. Bangor State Hospital, fourteen names appearing on the order, six promotions. Six appear to be appointments to replace people resigned or discharged, two apparently temporary, replacing people who were sick.

SENATOR LAUGHLIN: When the Personnel Board changes the salary recommended by the department and the recommendation is within the classification in which that employee belongs, on what ground does the Personnel Board assume to change the amount recommended?

A. Well, I don't know that I could tell you.

Q. Does it assume that it knows more than the head of the department as to the qualifications of that person?

A. No; I would not think so.

Q. Then why do you undertake to make a change over the recommendation of the department when it is within the classification?

A. Well, there are several reasons that they have expressed at different times during periods of hearings on these things. One of them is that ordinarily they do not

like to recommend an increase of more than one unit within a given range. That has been one thing they have held at different times. For instance, some ranges have one dollar units, some ranges two dollar units. The department head sometimes recommends an increase from \$22 to \$26.

(By Senator Laughlin)

Q. They think they know more than the head of the department as to the qualifications and deserts of that employee?

A. I do not think they feel that way.

Q. The head of the department knows the work of the employee.

A. I think they feel one unit of increase is enough.

Q. Regardless of what the employee may deserve?

A. They are using their best judgment.

Q. They do not know the work of the employee as much as the head of the department?

A. I grant you.

Q. Then how do they dare go against it when they don't know what they are doing?

A. I can say this, Senator: In spite of the fact the department head should know the qualifications of their various employees, there are occasions when have come to the attention of the board when they have felt that the department head might be somewhat prejudiced with reference to that particular employee and are recommending more than they should.

Q. How do they learn there is a prejudice?

A. Various ways.

(By Senator Laughlin)

Q. Just clairvoyance?

A. Oh no; the same way we learn of lots of things in this world. A matter of judgment of the facts.

Q. What are their other reasons in their ignorance--

A. I would rather you wouldn't use that term. I dislike to have you classify the Personnel Board as ignorant.

Q. You grant they do not know as much about the employee as the head of the department?

A. That might be true. On the other hand, perhaps they do know. After all, it is their judgment. I can not impeach their judgment.

Q. Do they make these changes on your recommendation or on their own initiative?

A. Not at all. I have nothing to do with them except as they tell me to. I am their executive officer. They lay down policies and not me. They are the ones that consider these things on the recommendation of the department head. Naturally they listen to me sometimes. I hope they would.

Q. One is they do not want to increase more than one unit?

A. That has been one reason. Whether it is a reason or an excuse, I wouldn't say.

Q. What are the other excuses?

A. I do not think of any offhand. Just a matter of judgment on their part frequently as to how far they want to go.

CHAIRMAN TOMPKINS: Does the state of the appropriation have any controlling interest?

A. A very determining factor. You see at the present time the Budget Officer is Chairman of the Board and they rely to quite an extent on his reasoning. Another thing is they like to keep so far as possible the same level of pay for the same kind of work between departments. In other words, they try to follow the principle of like pay for like work.

SENATOR LAUGHLIN: I said as long as the recommendation is within that classification.

A. I think it develops in the final analysis largely into a matter of judgment on their part, good, bad and indifferent.

(By Chairman Tompkins)

Q. Mr. Hayes, is the monthly turnover of the employees of the State as large all the months of the year as it is the months of November and December, 1940?

A. Well, I couldn't swear to that, Senator. We haven't had the opportunity to gather together statistics along that or very many other lines. We do not have the time or money. But I would say this: In the case of several institutions the departmental employees are no greater at one time than another except possibly during June when there are a lot of people out. But in the institutions we get a pretty constant turnover of people, particularly Pownal and the Central Maine Sanatorium and the Western Maine Sanatorium.

CHAIRMAN TOMPKINS: Is the month of November and December the usual time when pay raises take place?

A. Not necessarily. There are no stated times I know of when any pay raises take place.

Q. In the orders which we have now reviewed there are some three hundred employees whose salaries have been affected more or less. In one department alone apparently there are over one hundred and thirty whose salaries have been affected upward, the Social Welfare Bureau.

A. That is right.

Q. On what ground, if they stated it, did the director or commissioner of Social Welfare base his claim to increase the salaries of these employees, in the face of the fact that the department had already overdrawn its appropriation?

A. As far as your last reference is concerned, I don't know anything about it. Whether or not the Budget Officer called that to the attention of the board, I do not know. The matter of adjustments, however, has been under consideration for a long while, more particularly since the new Commissioner came into the picture, and perhaps still more particularly in the last several months since he has had opportunity to study the situation and decide what his recommendations were going to be. He revamped his entire department, or at least revamped the Social Welfare side of the picture down there, and I understand he intends to revamp the Bureau of Health. As far as the Bureau of Social Welfare is concerned, he has brought together the

divisions which were heretofore separated and isolated as to administration, and has created one or two new divisions, one called "Division Management" and the other "Division of Accounts and Audit". He is apparently trying to run his department in a businesslike way. In the process he has made a great many changes in the occupations or work of the individuals. It has been, I think, generally recognized for a long while by the Personnel Board and the head of the department, both this one and the former head of the department, that there were many inequalities between people in that department as between Social Welfare workers and various grades of clerks. I think it has been the desire of the new Commissioner to iron this out, and I think he has done very well in this particular adjustment. This thing was not arrived at in a minute. He has been working at it very carefully and for a long while, and has presented a great deal of evidence to the Personnel Board in substantiation of their position, not the least of which was this: That the total amount of State funds involved in the readjustment, in spite of the fact many salaries are readjusted upward, was only \$153 a year, and that further substantial savings in connection with his personnel organization would be effected shortly thereafter; and he has already started curtailing of activities.

(Off record)

CHAIRMAN TOMPKINS: In making these recommendations for increased pay, did the Director of Health & Welfare

intimate to you in what way he expected to curtail expenses?

A. Only by a general statement so far as the data he filed with us at that time was concerned. My recollection was it was rather a general statement that he contemplated in the next few months a reduction of still further amounts, and I think he named them, six or seven or eight thousand dollars.

CHAIRMAN TOMPKINS: In what way?

A. I do not think he indicated, except it would be, I think possibly he indicated it might be along the lines of curtailing personnel and expenses of personnel. I am quite sure he did refer to the personnel aspect of the thing.

Q. They employ in that department four hundred and fifty people now?

A. I cannot tell you the exact number. I would think it would be pretty close to that. You mean the Department of Health & Welfare?

Q. The Department of Health & Welfare, according to the figures given to the Committee a couple of months ago.

A. The figures haven't materially changed. Of course there have been some people released and people resigned and positions filled.

Q. In your work as Director of Personnel do you keep in your office a list of all the employees of these departments over which your authority extends, so far as examinations and salaries are concerned?

A. We do. We maintain a roster, so-called, of all employees, which is a card file by departments or by

divisions or bureaus, so far as possible. There is occasionally somebody we don't have a card for until we check the thing up, but we maintain a pretty comprehensive and complete record, not only the classified service but we are also charged with the maintenance of records in the unclassified service. We do not always get the changes that take place in the unclassified service but we maintain roster cards for that.

CHAIRMAN TOMPKINS: That extends to all departments of the State government?

A. That is right, as far as permanent employees are concerned. We do not maintain any records in our office at the moment, and I hope we wont for some time to come, of the thousands of people employed by the Highway Department on a seasonal basis, or the many hundreds, because they don't employ as many as they used to.

MR. MacNICHOL: Mr. Hayes, did I understand you to say that although there were one hundred and thirty odd people that had a salary increase in the Department of Health & Welfare, that the net cost to the department was only one hundred and some dollars a year?

A. Of State money, \$153, according to the written statement the Commissioner filed with the board, it indicated total increased cost in State money only amounted to \$153 a year. You understand a great many of the people affected by this increase are paid out of Federal funds.

Q. Well, does the State vote Federal funds?

A. Well, they are State employees.

MR. MacNICHOL: Yes; State employees, but if the employees were not given raises at this time it would leave more federal funds in there for the department to operate on? This doesn't call for a new appropriation by ~~from~~ Washington?

A. No. I would expect you would find, in the process they work under over there those increases were already okeyed by Washington before they asked the State to okey them. They submit to Washington far more voluminous budgets than here. Nothing is assigned there on Federal money unless it is set up in a line by line budget, item by item, and they are all approved by Washington before they make the move over here.

Q. Still, it could mean on the other hand it was a bookkeeping item, could it not?

A. Let me answer you in this way. If I am not misinformed, the way they handle the system in connection with the Federal money is by a line by line budget for a definite amount set up for a bookkeeper or a clerk or stenographer, and they must use it for that purpose and no other. They cannot re-allocate it to general relief or travelling expenses. It must be re-allocated by the Federal authorities before they can use it over again, and that would have to be in the next fiscal period.

MR. VARNEY: Could you furnish us a list of the employees whose salaries have been increased during the months of October, November and December of this year, and the

date of the increase and the amount?

A. I can. It may take some little time. I have only one girl in my establishment, and I would have to go through all those roster cards to pick them out. It would be more difficult for us to get it for the institutions, because our records for them are not as complete. We may have to check through all these council orders as far as the institutions are concerned.

(Off record)

(Witness excused)

The foregoing is a true transcript
of my shorthand notes in the above
matter.


Reporter.