



131st MAINE LEGISLATURE

LD 1854

LR 1090(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: State and Local Government

Fiscal Note Required: Yes

Fiscal Note

Redistribution of final priority transfers

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

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

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

Fiscal Detail and Notes

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

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

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

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