

Testimony of Jeff McCabe
Maine Service Employees Association, SEIU Local 1989

In Support of LD 258, "An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025" (Emergency)
(Governor's Bill)
Sponsored by Representative Melanie Sachs

Before the Joint Standing Committee on Appropriations and Financial Affairs,
and the Joint Standing Committee on State and Local Government
Friday, February 17, 2023, State House Room 228, and Electronically

Senator Rotundo, Representative Sachs, members of the Committee on Appropriations and Financial Affairs, Senator Nangle, Representative Stover and member of the Committee on State and Local Government, I'm Jeff McCabe, director of politics and legislation for the Maine Service Employees Association, Local 1989 of the Service Employees International Union. The Maine Service Employees Association represents over 13,000 workers across the state, including workers in all three branches of Maine State Government.

In testimony both from our members and the departments of Maine State Government before these committees and others on the proposed State Budget, it is apparent the various reclassifications and reallocations across all Executive Branch departments must be fully funded.

We're here to ask, as an important next step in addressing the State's broken classification system, that this Legislature provide the funding necessary for the Executive Branch to both complete and implement the ongoing review of the State compensation and classification systems.

The current compensation and classification systems were put in place in the late 1970s, and both under statute and the civil service rules the State, through the Bureau of Human Resources, is required to perform active management and oversight thereof, including regularly reviewing all positions (5 MRSA § 7061(4)), and regularly performing comparative studies of salaries for State workers (Chapter 18, Section 389, chapter 5(2)(B)). However, the State's oversight has been haphazard, it has failed to adequately manage the systems in any comprehensive manner since the 1980s. As a result, the overall architecture of the classification system is in shambles, and pay for State workers has lagged far behind those of their peers.

In 2019 we sought the legislative resolve "to Conduct a Comprehensive Study of the Compensation System for State Employees." At hearing, the Administration testified in support of the bill, [LD 1214](#), and [Commissioner Figueora detailed at length how the lack of systemic oversight and years of neglect had bred numerous "inadequacies and inequities."](#)

Following the Administrator's signal of support for the study, MSEA and the State entered into a separate Memorandum of Agreement which required the State to undertake the study – at which point the resolve was pulled. The Agreement required the State to contract with an outside consultant to complete the study and to make recommendations by August 1, 2020. It also obligated the State to share the results with MSEA, and allowed either party to then bring the results back to the legislature in early 2021.

However, this timeline proved to be aggressive. The State launched the RFP process for the outside consultant in the Fall of 2019, and made the final selection in early 2020. The overall budget for the study was approximately \$550,000. The study was to begin in March 2020 and be completed around the end of the year, but COVID delayed the start date and understandably overwhelmed the Human Resources personnel tasked to work on the study. Despite these delays, the State did not seek a corresponding extension of the consultant's contract.

The study has two main components: a market pay report to compare the pay of State workers with their peers on the region, and an overhaul of the classification system and all titles therein to achieve equity between positions. In the end, the consultant was to then merge these two components into a comprehensive classification and compensation plan.

The consultant completed [the market pay report](#) in November 2020, and, as expected, the results were jarring. The data showed an approximately 20% gap in pay between State workers and their peers. However, when the consultant's contract wrapped in early 2021, the classification report was still incomplete and the consultant did not provide any final recommendations regarding the merger of the compensation and classification studies.

Since then, the State has continued to review the draft classification study and report back its piecemeal findings to the study's Steering Committee, which includes representatives from MSEA.

On August 17, 2021, MSEA and the State entered into another MOA which required a good faith effort to complete the study by March 31, 2022 or otherwise provide a status update to State and Local Government. As the study was still not complete, Commissioner Figueroa testified before the Committee signaled her desire to finish the study.

Over the past several years, MSEA has repeatedly asked whether the State intended to bring back the consultant to finish the study, but until recently, the State was noncommittal. Finally, a few months ago, the State responded that they were not interested in bringing back the consultant, and signaled their belief that they could finish the review themselves.

To date, the State still has not finished the review of classifications. It is not clear what their timeline is for completing this review, or how they intend to integrate the compensation and classification studies, or whether they have any plan to implement or the findings. Further, the compensation study relied on data that is now several years old and does not reflect the private and public sector growth we saw in response to both the pandemic and inflation.

As a result, the same inadequacies and inequities identified by Commissioner Figueroa four years ago remain largely unaddressed, compensation for State workers continues to fall further behind that of their peers, and the \$550,000 project funded by the Legislature to study the issue is at risk of going nowhere.

This is not acceptable.

Accordingly, we are asking this Legislature to fund the completion of this study. Doing so would entail either by bringing back the same outside consultant or undertaking a new RFP process, conducting a new compensation study with up-to-date data, integrating the new compensation study and the classification review into a comprehensive plan that would be brought back to the Legislature.

And finally, we are asking this Legislature to set aside funds necessary and sufficient to substantially close the pay gap between State workers and their peers.

Thank you and I'd be glad to answer any questions.