

**Testimony of Beth White
Maine Service Employees Association, SEIU Local 1989**

On LD 210, 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, 2025, June 30, 2026, and June 30, 2027 (Emergency) (Governor's Bill) Sponsored by Representative Drew Gattine

**Before the Joint Standing Committee on Appropriations and Financial Affairs and
the Joint Standing Committee on Health Coverage, Insurance and Financial Services
11am Wednesday, February 26, 2024, State House Room 228 and Electronically**

Senator Rotundo, Representative Gattine and members of the Committee on Appropriations and Financial Affairs, Senator Bailey, Representative Mathieson, and members of the Committee on Health Coverage, Insurance and Financial Affairs, I'm Beth White, Director of Politics & Legislation of the Maine Service Employees Association, Local 1989 of the Service Employees International Union. We are a labor union representing over 13,000 Maine workers, including workers in the Department of Administrative and Financial Services (DAFS) and the Department of Professional and Financial Regulation (DPFR).

First, we support the numerous reclassifications, reorganizations, and range changes within DAFS and DPFR. We're also encouraged to see initiatives to address understaffing through the creation of new positions and the continuation of limited period positions. Understaffing has been an ongoing concern across state government for many years, impacting both the workers providing critical services and the Mainers who rely on these services. According to data from the Executive Branch, as of November 2024, DAFS reported a vacancy rate of approximately 17%, and DPFR had a vacancy rate of approximately 23%. It's important to note that while the DAFS vacancy rate dropped 2% from April 2024 to November 2024, the DPFR vacancy rate rose 2% during that same timeframe.

We support Part TTT of the Governor's proposed budget, which would establish a career ladder for the Bank Examiner job classifications within the Department of Professional and Financial Regulations, Bureau of Financial Institutions. The creation of this career ladder will help with both recruitment and retention by providing a concrete, known path for both current workers and incoming workers to advance in their careers. We hope this will help improve the vacancy rate within DPFR.

However, we are extremely concerned about the Governor's proposal (Part R) to remove nearly \$44 million from the State's personnel budget and transfer that amount into the General Fund, where it would be used for other purposes. The administration proposes to more than triple the state employee attrition rate, from 1.6% to 5%, in both the Executive and Judicial branches of Maine State Government, in order to justify this proposed financial maneuver. Understaffing

throughout all other departments of state government remains a serious problem often with devastating consequences on both state workers and Maine people who rely on their services. The State's own studies show that state workers remain substantially underpaid compared to their public and private sector counterparts throughout Maine and New England. [Please see the related memo](#) that we presented to the Appropriations Committee on Oct. 8, 2024, detailing our response to the State's Market Pay Report dated Sept. 30, 2024.

The money in the State's Salary Plan is there to fund budgeted positions and to close the state employee pay gap, and it shouldn't be used as a piggybank to fund other priorities. We'd like to respectfully remind you that Part PPP of the Supplemental Budget passed by the Legislature and signed into law on April 22, 2024, expressly authorizes the administration to use all funds in the State's Salary Plan to negotiate with us over the implementation of a new compensation and classification system for Executive Branch workers—and those negotiations are ongoing. The administration's proposal to transfer nearly \$44 million from the State's personnel budget into the General Fund appears to be an attempt to end run Part PPP. We ask that you reject this change and ensure these resources are used to address these serious recruitment and retention issues.

We respectfully ask that you address the state employee pay gap so that the state can recruit and retain workers, including those at DAFS and DPFR whose work is so essential and beneficial to Maine's working families, our communities and our economy.