

TESTIMONY OF REBEKAH L KOROSKI
TO THE COMMITTEE ON STATE AND LOCAL GOVERNMENT
May 5, 2025

Representative Salisbury, Senator Baldacci and members of the Committee on State and Local Government - My name is Rebekah Koroski and I appreciate you taking the time to hear my position on three bills that you are holding hearings on today - LD 1265 –Act to Amend the Laws Governing Public Employee Market Pay Studies and Comprehensive Reviews of the Classification Plan for State Service Positions, LD 1539 - An Act to Create a State Employee Compensation Stabilization Fund and LD 1744 - An Act to Modify Provisions of the State Civil Service System Governing Employee Recruitment and Retention

I am currently a Management Analyst II with the Maine Department of Environmental Protection. I have been a State Employee for just over 24.5 years. Thank you for accepting my written testimony today, as I am unable to break away from current responsibilities to testify in person.

As a member of the Maine Service Employee’s Association (MSEA) in the Professional/ Technical bargaining unit, I participated in the recent negotiations to implement the 2024 Market Pay Study and the Recruitment & Retention Stipend Task Force this previous year.

As I am sure you are aware, the market pay study was done “in house” by Human Resources staff. We believe that the market pay study questions were worded in such a way that allowed the data to be skewed in the State’s favor as much as possible. That being said, the study indicated that on average, the state is underpaying its employees by 14% compared to the market. Some individual classifications were underpaid as much as 30% below market.

Then, when it came time to bargain for the implementation of the study, although the legislature authorized Human Resources to use to have access to all of the money in the salary plan to fund the implementation, they wanted to use less than \$2M in the over \$50M salary plan to fund this. They also carved out classifications that they hadn’t reviewed in decades and wanted to do an expedited review of them before deciding that they should receive more pay. One of the classifications had not been reviewed since before I was born. The employees in these classifications were going to be penalized for HR not doing their job and reviewing the classifications periodically. They also pushed this out long enough so that they could claim that all of the money used in the

implementation had to come from the salary plan because they didn't have time to include it in the budget.

Let's set this process up for success in the eyes of both management and labor. A neutral company that has no stake in what the actual data is should be performing both of these studies when they are due. That way, both sides are receiving accurate data to make the best decisions possible about how much employees should be paid.

Also, it is important to close the pay gap if the State truly wants to be the employer of choice in Maine, like the Commissioner of DAFS says frequently. It used to be that the benefits package actually made up for what the employees were getting paid because they were decent and there was little, if any, out of pocket associated with them, except for maybe dependent premiums. And on top of that, there was a retirement that the employee could count on later in life. I am the child of a former State Employee. I remember what the health insurance was like back in the early 1990's. Having the health insurance that we had as a benefit paid for by the State with little to no co-pays was a decent trade-off at the time, especially if you had to see a lot of doctors or had small children. With how much and how fast the employee costs for the health plan have increased since 2000, it doesn't have the same appeal as a tradeoff for lower pay as it once did. In this last round of premium deliberations, health insurance deductibles increased to \$800 for individual plans and \$1,600 for family plans. Added onto the increased copay amounts and the benefits that made it acceptable to be paid slightly less have significantly eroded over time. It's more important than ever for State Employees to be paid comparable to the market.

Last year, the Legislature instructed Human Resources to create a Recruitment & Retention Stipend Task Force. This was to address any changes that might be needed to the current process. We did not have our first meeting until the last week in October and, by Statute, the report from the task force and any suggested changes to statute were due to the legislature by November 30th. From my perspective, it seemed like the neutral third party was not neutral, the Management representatives were attempting to make the stipend process more difficult to have a positive outcome and they were not receptive to any of labor's suggestions. We ended up coming to an impasse. The task force ended up being an after thought that was set up to fail.

As for the State Employee Compensation Stabilization Fund, I think that is an excellent idea. This will be money set aside specifically for addressing the parity between State positions those in other areas of the public sector and the private sector.

In summary, the Market Pay Study that was done in-house by Human Resources fell short of the mark and even the Human Resources Director said there were issues with some of the data. When it came time to implement, they were unwilling to use the resources that the legislature gave them to fund the implementation and the Recruitment & Retention Stipend Task Force ended up being set up to fail. Please do what is needed to make these activities more accurate when completed. At least with accurate data, we can have a more informed conversation.

Thank you again for taking the time to allow me to share my perspective on the three bills you are taking up today. We are asking to be respected enough for the State to pay us properly for the essential services that we provide to the public.