

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.

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.



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Dec. 19, 2022

Dear Governor Mills,

On behalf of the members of MSEA-SEIU Local 1989, congratulations on your reelection as Governor. We look forward to advancing our shared goals of rebuilding State Government, adequately staffing state agencies, strengthening retirement security for Maine's seniors and increasing working families' wages. The forthcoming Supplemental Budget, the Biennial Budget and the Executive Branch contract negotiations offer a unique opportunity to advance these shared goals.

As you build these budgets, we respectfully request your administration include the following investments:

- Include sufficient resources necessary in the biennial budget to fully eliminate the State Employee Pay Gap;
- Include sufficient funding necessary in the next supplemental budget to complete the classification study in 2023;
- Fully fund a retiree cost of living adjustment (COLA) that matches inflation for MainePERS participants;
- Increase funding for Maine Maritime Academy.

#### Addressing the State Employee Pay Gap

##### The State Employee Pay Gap:

In January 2009, in response to a request by the Maine Department of Administrative and Financial Services (DAFS), Crescendo Consulting Group, LLC, produced a labor market survey comparing Executive Branch employees to private sector and other public sector employees employed by 250+ companies and 100+ municipalities. The results were striking. On average, Executive Branch employees were paid between 7.5% and 21.7% less than comparable private sector workers. Specifically, on average, administrative employees were paid 7.5% less, operations and maintenance employees were paid 21.6% less, professional and technical employees were paid 21.7% less and supervisors were paid 9.6% less than comparable private sector workers.

In 2020, The Segal Group Inc. performed yet another pay study at the request of DAFS per the collective bargaining agreements between MSEA-SEIU Local 1989 and the State of Maine. According to the market pay study commissioned by DAFS, state employees earn on average 15% less than what their peers make from other public employers in Maine and throughout New England, even after adjusting for regional pay differences. This pay gap is unfair to State employees and their families and it harms the essential services the people of Maine rely on. In addition to using aggregated data on private sector compensation, Segal also compared State of Maine wages to public employers, including: the cities of Augusta, Bangor, Portland and South Portland; Cumberland County; four other New England states: Massachusetts, New Hampshire, Rhode Island and Vermont; and the U.S. Government in Maine. This study confirms the findings of the labor-market survey the