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SERVING THE PUBLIC AND DELIVERING ESSENTIAL SERVICES TO STATE GOVERNMENT

March 24, 2025

Senator Joseph Baldacci, Chair
Representative Suzanne Salisbury, Chair
Members, Joint Standing Committee on State and Local Government
100 State House Station
Augusta, ME 04333-0100

Re: **LD 914** – *An Act Regarding Employees in the Office of the State Auditor*

Senator Baldacci, Representative Salisbury, and esteemed members of the Joint Standing Committee on State and Local Government:

I am Michael Dunn, Acting Chief Human Resources Officer for the Maine Bureau of Human Resources, and I am writing to testify in opposition to LD 914, An Act Regarding Employees in the Office of the State Auditor. If passed, LD 914 would permit the State Auditor to classify, title and compensate State Auditor employees based on what the State Auditor considers appropriate.

The Bureau of Human Resources is responsible for maintaining the Executive Branch classification and compensation plans and is also responsible for conducting employment relations activities with the various unions representing Maine government employees (5 MRS §§ 7061, 7065). Employees of the Office of the State Auditor are Executive Branch employees. The classification and compensation plans are designed to ensure that State Government employees are classified by their job duties appropriately and, most importantly, that employees receive comparable pay for comparable work, regardless of the department or agency that they work for.

The State of Maine's compensation system is inextricably linked to equal pay for equal work, and there are other auditors working in other agencies that if LD 914 were to become law could then be working for different compensation, without proper evaluation. The State uses the Hay Methodology, which is a job evaluation system that assesses job roles based on three primary factors: Know-How (knowledge and skills), Problem-Solving (thinking needed), and Accountability (responsibility). Based on the scores in the Hay Methodology, a position is sorted into a Salary Spec and Pay Grade. Multiple agencies across the executive branch have auditors who largely perform comparable work. Where additional duties are identified under the Hay Methodology, additional pay is assigned. For example, a Staff Auditor I in the Office of the State Auditor is a Pay Grade 22, whereas an Auditor I in the Office of MaineCare is a Pay Grade 20. This means that the Hay analysis has identified additional job duties performed by the Staff Auditor I that are not performed by the Auditor I, and the Staff Auditor I receives additional pay as a result.

This bill does not specify *how* the State Auditor will decide on the classification and compensation of their employees. BHR has an identifiable and proven system that applies to employees equally within classifications. This bill, as drafted, raises significant concerns that substantial unfairness and lack of pay equity across State Government would result from its passage. It also doesn't make clear how to ensure there will be equity among the Audit staff, which is a key component of a centralized compensation and classification system. For instance, how to ensure pay is commensurate with work rather than favoritism.

The next consideration is that this bill will not necessarily address any recruitment and retention problems the Office of the State Auditor is facing—there is also no evidence that the Office of the State Auditor is currently experiencing recruitment and retention difficulty. BHR

maintains a central job posting network, such that while some positions may be posted on private job posting boards, all job postings are included on the State's job board. The Office of the State Auditor has not advertised a position for hire since October 30, 2024. In 2024, The Office of the State Auditor posted 11 positions, and all but one resulted in the hire of a qualified applicant. Giving the State Auditor authority to set the salaries of their own staff will not positively impact recruitment and retention efforts by the office.

This bill sets a dangerous precedent for deviating from the long-established classification and compensation plans. BHR would anticipate several other executive branch agencies proposing similar legislation for their respective Departments. Every agency has key employees who we wish we could pay more in order to incentivize them to remain in public service.

This Administration has done a lot of work to increase the pay of all state employees to better reflect their work and the times we live in. The Mills Administration has increased pay for every State employee, including those in the Department of Audit, by at least a 24.1% from September 2019 through July 2025. For the more than half of State workers who are eligible for the new Step 9 between July 2024 and July 2025, their cumulative pay growth will be at least 29%. Additionally, longevity pay has been added for employees who have worked for the State longer than 5 years, and promotional Step increases are now a minimum 7% pay increase (up from 5%). There have been benefit increases, thousands of reclassification efforts, and three one-time lump payments, two for \$2,000 each and one for \$800.

In total, through collective bargaining, the Mills Administration has increased wages for State employees by more than \$1.154 billion all funds, including \$216 million as part of the 2026-2027 General Fund biennial budget. In fact, since assuming office, Governor Mills and the

Legislature have provided more salary increases for state employees than were provided during the previous 16 years combined.

Lastly, 18 positions at the Office of the State Auditor are covered by collective bargaining agreements that the Bureau's Office of Employee's Relations negotiates with the unions. A core component of those negotiations is the wages of the employees. This LD could limit the employees' collective bargaining rights, the effectiveness of the Office of Employee Relations, while giving the State Auditor sole discretion on setting their employees' wages.

Also, it is unclear how this bill will affect the budget. There are no limits on how often the Auditor may change staff salaries, how high they may be set, or if the changes will be submitted through the budget process for Legislative funding approval prior to being implemented or rubber-stamped retroactively, which would leave a funding gap.

Respectfully, we oppose this bill. As always, BHR is committed to discussing any underlying concerns raised by this bill with the Office of the State Auditor and within the existing legal framework.