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SERVING THE PUBLIC AND DELIVERING ESSENTIAL SERVICES TO STATE GOVERNMENT

May 5, 2025

Re: *LD 1265– An Act to Amend the Laws Governing Public Employee Market Pay Studies and Comprehensive Reviews of the Classification Plan for State Service Positions*

Senator Baldacci, Representative Salisbury, and members of the Joint Standing Committee on State and Local Government; I am Anya Trundy, a Deputy Commissioner for the Department of Administrative and Financial Services and I am testifying today in opposition to *LD 1265, An Act to Amend the Laws Governing Public Employee Market Pay Studies and Comprehensive Reviews of the Classification Plan for State Service Positions*.

This bill mandates that an outside contractor must perform the statutorily required market, compensation, and classification studies, which would be redundant of work that State employees were hired specifically to perform, and at greater taxpayer expense. PL 2023, c. 412 requires the State of Maine, through the Bureau of Human Resources (BHR), to complete a market study every four years, a compensation study every five years, and a classification study every ten years to ensure that the State stays as competitive as possible in its wages and compensation. In PL 2023, c. 412 the Legislature also authorized four permanent positions within BHR whose job it is to provide expertise compensation and classification and “to complete the classification plan every ten years and the market pay study every four years.” These positions have been hired, and the Compensation and Classification Team, who deal on a daily basis with functional job assessments (FJAs), have also recently completed training in job matching, job pricing, competitive ranges, aging market data, applying market data, creating surveys.

A functional job assessment is an objective evaluation of the actual work and responsibilities that an employee performs that all employees have the right to request, to ensure they are being compensated at the correct range. Prior to the COVID-19 pandemic, BHR had only 1.5 FTEs devoted to this work, so the turnaround time for an FJA was sometimes years. However, after the Bureau received authorization to hire a more extensive Compensation and Classification Team, the team has been able to complete an average of 50 FJAs a month, with 75 FJAs completed in March.

Employment in State government is often difficult to compare to the job market at large. While we employ a wide range of occupations, we also operate under five unions and seven separate bargaining agreements. In the past, when there have been outside contractors hired for this kind of work, BHR has had to spend a great deal of time explaining *how* State employment works. State government encompasses a broad array of different kinds of jobs, from food service

to medical care, from law enforcement to wildlife research—and some State jobs have no equitable private sector counterpart to compare. This is one of the reasons that it is so important, efficient, and effective to have an in-house team doing this classification work. In doing these FJAs on a daily basis, these employees are now the best situated workers to perform any required studies, they are the experts in these matters.

DAFS would encourage the Committee to allow current staffing to stand and the required studies to be completed at least once before proposing changes to the process. The employees in the Compensation and Classification Team are doing exemplary work, and they are continuing to train for the statutorily required studies. The cost of hiring an outside contractor to duplicate this work is considerable. For example, the budget for the RFP for a contractor doing the current classification study is \$1 million. This study is occurring outside of the Compensation and Classification Team, as it was a separately bargained agreement.

Thank you very much for your time and attention. I am happy to answer any questions.