



# Timeline: State Employee Pay Gap

**1975:** The compensation and classification system for the Executive Branch of Maine State Government arose out of [a study conducted by Hay Associates in 1975](#) and the system was [implemented and funded through Legislation shortly thereafter](#).

- By design, the system requires active management, which included regular updates and reviews. By statute, proper oversight of the classification system “shall provide for periodic updating of job descriptions at least every 5 years to accurately reflect current duties and responsibilities of each job classification.” [5 MRSA § 7061\(4\)\(A\)](#).
- In addition, the Bureau of Human Resources is required, by statute, to provide annual reports that include data such as turnover rates by job classification, the total number and disposition of reclassification requests, and the number of vacancies and the reason for those vacancies, as well as the length of time required to fill each vacancy. [5 MRSA § 7036 \(13\)](#).
- Similarly, civil service rules require the Director of Human Resources to “make or cause to be made such comparative studies as deemed appropriate of factors affecting the levels of salaries in the classified service.” Chapter 18, Section 389, chapter 5(2)(B).
- However, over the last 40-plus years, the system has not been actively managed. 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.

**2006:** Under the Baldacci administration, MSEA members and management conducted a reclassification and compensation study of positions in the Executive Branch’s Administrative Services Bargaining Unit.

- This review resulted in an at-least 5% across-the-board pay raise for all Administrative Services Bargaining Unit positions.
- Similar reclassification and compensation studies in MSEA’s three other Executive Branch bargaining units – Operations, Maintenance & Support Services; Professional-Technical Services; and Supervisory Services – also began under the Baldacci administration but none of those three was ever implemented.
- Upon taking office in 2011, Governor LePage ended the reclassification and compensation study process; to this day, no action was ever taken on the three remaining studies that began under the Baldacci administration.

**2009:** [A labor-market study by the Crescendo Consulting](#) Group of Portland, Maine, commissioned by the Maine Department of Administrative and Financial Services in 2008, but never acted upon by either the Maine Legislature or the Baldacci administration, shows that wages of state workers were far behind those of their private-sector counterparts doing comparable work. At the time of the report’s release, the Baldacci administration tried to keep its findings secret; the report was stamped as confidential and only released to MSEA following a request under Maine’s Freedom of Access law. According to the

report, State of Maine workers in January 2009 were paid hourly rates less than their private sector counterparts as follows:

- **Administrative services** workers such as secretaries and clerical workers, 7.5% less;
- **Professional-technical services workers** such as engineers, technicians and chemists, 21.7% less;
- **Institutional services workers** such as corrections workers and mental health workers, 11.8% less;
- **Operations and maintenance services workers**, including highway maintenance workers and MaineDOT highway crews, 21.6% less;
- **Supervisory services workers**, 9.6% less.

**2011:** Governor LePage halted all of the reclassification and compensation study work that had been under way during the Baldacci administration. Even though the reclassification and compensation study for the Operations, Maintenance and Support Services Bargaining Unit was completed and on Governor LePage's desk in early 2011, his administration never acted on it and implementation discussions never happened. The Supervisory Pay Study was about midway through their analysis of the classifications in their unit, and the Professional-Technical Services Bargaining Unit study was nearing the end of its classification chart work.

**2011 - 2018:** The LePage administration refused to participate in any labor-management work to address the need to bring the State of Maine's Executive Branch compensation and classification system into the 21<sup>st</sup> century.

**March 25, 2019:** Maine DAFS Commissioner Kirsten Figueroa testified before the Committee on Labor and Housing in support of [LD 1214](#), a Resolve, To Conduct a Comprehensive Study of the Compensation System for State Employees. MSEA-SEIU Local 1989 also testified in support. LD 1214 died upon the conclusion of the 129<sup>th</sup> Legislature; MSEA-SEIU Local 1989 and the Mills administration in contract negotiations reached a memorandum of understanding to complete a compensation and classification study relating to the Executive Branch as explained in the July 31, 2019, timeline entry.

- **Excerpt from Commissioner Figueroa's testimony in support of LD 1214:** "The current compensation system is 40 years old and has never been systematically reviewed. During that time, inadequacies and inequities of the current compensation system that loudly demanded our attention in the form of arbitration, legislation, settlements and collective bargaining were addressed through a hodgepodge of reclassifications, range changes, stipends and adjustments. Meanwhile, a host of issues remain unaddressed, some solutions have given unintentional rise to new issues, and the work of state employees has evolved considerably since the current compensation system was first instituted."
- **Excerpt from then-MSEA-SEIU president Ramona Welton's testimony in support of LD 1214:** "After years of neglect, and crisis—induced adjustments, the current system lacks internal cohesion, and fails to stay current with market conditions. We need a neutral third party to lead a data-driven process that can review the entire compensation system, review job classifications, compile alternative models, and provide an analysis of how state employees' pay compares to the employers and industries that the state of Maine is competing with."

**July 31, 2019:** Following contract negotiations with Governor Mills' administration, MSEA-SEIU members in the Executive Branch ratified new contracts that included a Memorandum of Understanding to complete a compensation and classification study to support a discussion, grounded in empirical evidence, to determine whether the pay gap still existed, to measure the extent of the gap and to outline the deficiencies in the classifications across all departments. The State contracted with Segal

Consulting to conduct the study. The compensation study was designed by a joint labor-management committee and utilized a sampling of “benchmark” positions to determine the average compensation of state government positions.

**November, 20, 2020:** [The compensation portion of the compensation and classification study](#) that MSEA and management agreed to was completed. It showed state workers are underpaid 15% on average compared to their public and private sector counterparts throughout Maine and New England, and that it’s even worse for classifications such as civil engineers, accountants, chemists, mechanics and correctional workers. At the time, the Mills administration attempted to block MSEA from releasing the results of the compensation study to its members. The report documented that MSEA-SEIU-represented workers within the State of Maine Executive Branch earn less than their counterparts as follows:

- **Administrative Services Bargaining Unit:** State workers earn 18% less;
- **Operations, Maintenance and Support Services Bargaining Unit:** State workers earn 18% less;
- **Professional-Technical Services Bargaining Unit:** State workers earn 14% less;
- **Supervisory Services Bargaining Unit:** State workers earn 16% less.

**2021:** In contract negotiations, MSEA demanded immediate action to end the pay gap. The administration and DAFS insisted they needed more time to finish the classification portion of the study. MSEA agreed to extend the Memorandum of Understanding and assumed there would be good faith to complete the study, then negotiate its implementation.

**May 12, 2023:** Scores of state workers testified in support of [LD 1854](#), An Act to Complete and Implement the Comprehensive Review of the Classification and Compensation System for Executive Branch Employees, sponsored by Representative Drew Gattine. During the 2023 legislative session, much of the language of LD 1854 was folded into the State Budget that was enacted into law; as such, LD 1854 died with the conclusion of the legislative session as explained in the July 11, 2023, timeline entry below. LD 1854 would have required the State to:

- Perform a compensation study every two years; conduct a comprehensive classification review every 10 years;
- Complete and implement the results of the current classification and compensation studies by July 1, 2024;
- Establish a State Employee Compensation Stabilization Fund to help fund closing the state employee pay gap.

**July 11, 2023:** Maine Legislature approves, and Governor Mills on July 11 signs into law, [PL2023, Chapter 412, Part UUU](#) (see the Maine Senate’s summary on Page 23 of the PDF):

- Section UUU-2 directs the Commissioner to “complete the comprehensive review of the classification and compensation system for employees of the executive branch that was undertaken pursuant to a memorandum of agreement executed MSEA on June 25, 2019.”
- Section UUU-3 states that the Commissioner shall submit a report based on the recommendations in the comprehensive review by no later than January 31, 2024.
- Section UUU-5 allocates \$1.2 million for completion of the review. This was on top of the initial \$1.2 million that the Legislature allocated for the review back in 2019.
- Section UUU-2 included an express legislative mandate that the completed study shall include “a recalculation of the market salary report using current salary data.” Because the initial market salary report was completed more than three years ago and utilized data from 2019 and 2020, the

Legislature required the Commissioner to re-run the market salary report for inclusion in the completed review.

**November 16, 2023:** The Legislative Council voted to allow Representative Drew Gattine's bill, An Act to Address Chronic Understaffing in Maine State Government, to proceed as emergency legislation. The legislation, LD 2121 would:

- Provide \$165 million in funding for a new compensation and classification system that closes the state employee pay gap for Executive Branch workers;
- Require the administration to report annually to the Maine Legislature on all Executive Branch job vacancies, so that the Legislature can adequately assess the ongoing staffing crisis;
- Improve laws relating to recruitment and retention adjustments, making it easier to establish recruitment and retention programs targeting agencies experiencing chronic understaffing;
- Require the Maine Department of Administrative and Financial Services and the Bureau of Human Resources to develop a plan to improve the state government hiring process.

**Dec. 23, 2023:** Members of MSEA-SEIU Local 1989 ratified new Executive Branch contracts with the Mills administration. The agreements included a Memorandum of Understanding stating: "The parties agree that the Classification and Compensation study first agreed to on June 25, 2019, and extended on August 17, 2021, will be completed and implemented as required under PL2023, Part UUU."

**Jan. 31, 2024:** Instead of completing the 2020 classification and review as required by [PL2023, Chapter 412, Part UUU](#), and as required by the ratified collective bargaining agreements, the Mills administration submitted to the State and Local Government Committee a report titled [Report and Recommendations of the Maine State Government Classification and Compensation Plans Study](#), dated Jan. 31, 2024.

- In the submitted report, the administration willfully disregarded this legislative mandate. The commissioner's report made no reference to the obligation to re-run the market salary report at all.
- Rather, the report meekly stated that the 2020 Market Study Report is out of date and then made the data-free assertion that it has successfully closed the pay gap identified by the 2020 Market Study Report.
- Given that the administration ignored the legislative mandate expressly requiring that the completed review include a recalculation of the market salary data, the administration failed to make a good faith effort to complete the review.

**February 8, 2024:** MSEA-SEIU General Counsel Tom Feeley, in responding to the administration's report dated Jan. 31, 2024, said in his testimony before the State and Local Government Committee, "Respectfully, we ask that the Commissioner be directed to comply with the legislative mandate of Section UUU and complete the review utilizing a recalculated Market Study Report based on current salary data. I would also suggest that the Committee invite representatives from the Segal Group to attend your work session so they can explain what exactly re-running the Market Study Report would entail. The Legislature has already allocated more than enough money for the State to retain Segal to re-run the Market Study Report."

**Also on February 8, 2024:** State workers and organizations testified in support of [LD 2121](#), An Act to Address Chronic Understaffing of State Government Positions, Sponsored by Representative Drew Gattine.