



# 131st MAINE LEGISLATURE

LD 2121

LR 2890(01)

## An Act to Address Chronic Understaffing of State Government Positions

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Gattine of Westbrook

Committee: State and Local Government

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

Potential future biennium cost increase - All Funds

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$176,432,940	\$11,482,774	\$11,534,557
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$11,432,940	\$11,482,774	\$11,534,557
Other Special Revenue Funds	\$0	\$165,000,000	\$0	\$0
<b>Transfers</b>				
General Fund	\$0	(\$165,000,000)	\$0	\$0
Other Special Revenue Funds	\$0	\$165,000,000	\$0	\$0

#### Fiscal Detail and Notes

This bill includes a one-time allocation of Other Special Revenue Funds to the Department of Administrative and Financial Services (DAFS) of \$165,000,000 in fiscal year 2024-25 to support a new compensation and classification system for employees of State Government. The allocation is funded by a one-time transfer of \$165,000,000 in fiscal year 2024-25 from the unappropriated surplus of the General Fund to the Other Special Revenue Funds account within the Salary Plan program in DAFS.

To continue funding the new compensation and classification system beyond fiscal year 2024-25 there will be an ongoing annual cost of approximately \$165,000,000 to the General Fund and Highway Fund and approximately \$120,000,000 in costs to other funds. As this bill provides no funding for the ongoing costs of \$285,000,000, the impact on other programs across state government cannot be determined at this time.

DAFS will require ongoing General Fund appropriations of \$10,000,000 beginning in fiscal year 2024-25 for increased costs of recruitment and retention adjustments resulting from changes to the eligibility criteria for adjustments. There will be a corresponding cost of \$9,000,000 to other funds beginning in fiscal year 2024-25. The impact of these unfunded costs on other programs across state government cannot be determined at this time.

DAFS will require ongoing General Fund appropriations of \$1,282,940 beginning in fiscal year 2024-25 for 9 new positions, including 3 Public Service Coordinator I positions and 6 Public Service Coordinator II positions to manage increased recruitment and retention initiatives. It will also require ongoing General Fund appropriations of \$150,000 beginning in fiscal year 2024-25 for payments to contracted mediation and arbitration services. Any additional costs to DAFS associated with providing an annual report on job vacancies and developing a plan to improve the hiring process of the executive branch are expected to be minor and can be absorbed within existing budgeted resources.

Additional costs to the Maine Labor Relations Board to implement the requirements of this legislation can be absorbed within existing budgeted resources.