EXHIBIT 1
DATE 2/2/07
HB 13

2008-09 Economic Negotiations
State of Montana and
MPEA, MEA-MFT and AFSCME

FY 2008-09 ECONOMIC AGREEMENT

The following constitutes the parties' economic agreement in its entirety, conditioned upon legislative passage and approval:

1. **Move to broadband pay plan.** Repeal the statewide classified pay plan ("pay plan 060") and transfer all positions except those under the separately negotiated blue collar plan to the broadband plan ("pay plan 020") by July 1, 2007. Existing pay schedules will remain in full force and effect until new schedules are negotiated in the local or supplemental contracts. No employee will suffer a loss in pay as a result of this action.

2. **FY 2008-09 pay adjustments.** Appropriate a 3.6% bifurcated pay raise for each employee October 1, 2007 and October 1, 2008 whereby:

   - 3.0% will be distributed across the board, and
   - .6% will be appropriated to state agencies that may distribute the appropriation for reasons including but not limited to market progression, performance or competencies. To the extent this distribution applies to employees within a collective bargaining unit, the distribution is a negotiable subject under 39-31-305. The amount of the discretionary funds distributed to agencies and available to each bargaining unit will be determined by the salaries of the total number of FTE (full-time equivalents) in the bargaining unit multiplied by .6%.

   The 3.0% across-the-board pay raises will be implemented retroactively once the bargaining unit has ratified a collective bargaining agreement, with or without a negotiated pay schedule. The .6% appropriation will be implemented once the bargaining unit has ratified a pay schedule.

3. **Minimum of 80 percent.** Provide a one-time appropriation to agencies with permanent funding to move employees' pay to a minimum of 80 percent of market after the FY 2008 pay adjustments have been implemented.

4. **State's share toward the health insurance premium.** Increase the state's share towards the health insurance premium by $33 per month (to $590 per month) effective January 2008, and by $36 per month (to $626 per month) effective January 2009.

5. **Labor-Management Training Initiative**. Continue the Labor Management Training Initiative with a biennial appropriation of $75,000.

6. **Leave Time for Union Leaders.** The State will consider proposals for leave time through local or supplemental contract negotiations.

7. **Longevity pay.** Modify 2-18-304 to provide for a 2% longevity allowance for each employee who has completed 10 years of uninterrupted state service.

DATED This 11th day of January, 2007.

FOR THE UNIONS:

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Eric Feaver
President
MEA-MFT

Don Kinman
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FOR THE STATE:

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