

## Chapter 2 – Montana’s Executive Branch Employee Pay

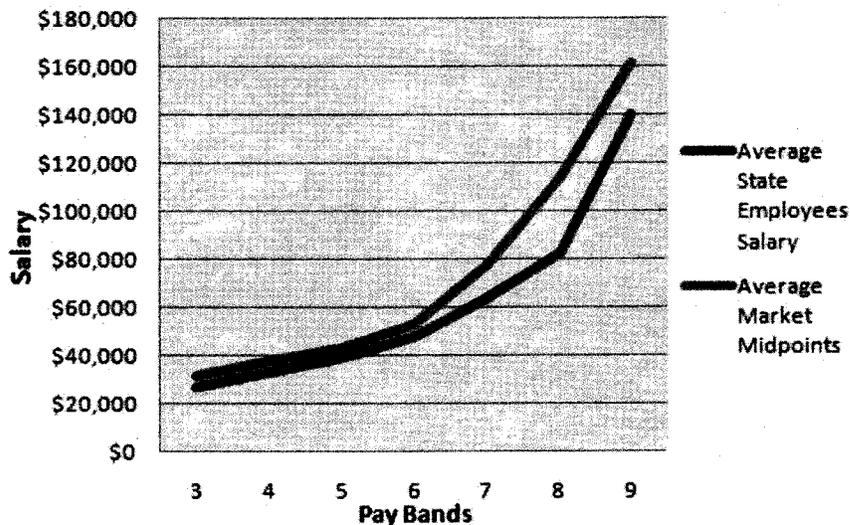
This chapter covers the two primary pay plans in the executive branch; the broadband pay plan and the blue-collar pay plan. There are 10,952 employees covered under the broadband pay plan. The blue-collar pay plan covers 661 employees.

### Active Pay Plans for Executive Branch Employees

**The Broadband Pay Plan** - The broadband pay plan became the primary pay plan July 1, 2007. It is an enterprise-wide plan allowing state agencies flexibility to develop their own pay plan rules within broad statutory and policy parameters and within authorized funding levels. Employees in this plan earned an average annual base salary of \$42,644 in 2010. This is a \$32 decrease from the average annual base salary of \$42,676 in 2009 and \$55 decrease from the average base salary of \$42,703 in 2008.

Figure 14 illustrates the difference in salary between actual state employee salaries and market midpoints. Pay bands eight and nine (where salaries are larger than \$80,000) lag the farthest behind the market midpoint. Figure 15 depicts the data for each pay band. Figure 16 shows a comparison of Montana state employee pay to the pay of neighboring state government employees.

**Figure 14**  
**Market Midpoints compared to**  
**Actual Pay Rates by Pay Band**



Source: 2010 Market Analysis conducted by the Human Resources Policy and Programs (HRPP) Bureau, State Human Resources Division

**Figure 15**  
**Average State Employee Base Salary**  
**Compared to the Average Market Salary**  
**by Pay Band**

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1	11	\$19,429	\$20,447	\$1,018	4.98%
2	342	\$21,658	\$24,509	\$2,851	11.63%
3	1,952	\$27,273	\$31,409	\$4,137	13.17%
4	1,272	\$33,033	\$37,537	\$4,504	12.00%
5	2,488	\$39,211	\$43,411	\$4,200	9.68%
6	3,359	\$47,580	\$53,024	\$5,443	10.27%
7	1,415	\$63,689	\$77,503	\$13,814	17.82%
8	229	\$82,759	\$114,278	\$31,519	27.58%
9	30	\$139,993	\$162,016	\$22,022	13.59%

Source: 2010 Market Analysis conducted by the Human Resources Policy and Programs (HRPP) Bureau, State Human Resources Division

**Figure 16**  
**Average State Employee Salary Comparison**  
**with Neighboring State Governments**

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Montana	\$41,405	NA
Wyoming	\$45,822	10.67%
Idaho	\$41,090	-0.76%
South Dakota	\$34,201	-17.40%
North Dakota	\$44,643	7.82%

Source: 2010 Central States Compensation Association (CSCA) Benefits Survey, June 2010

**The Blue-Collar Pay Plan** - The blue-collar pay plan is a single rate plan for 661 skilled trade and craft positions (heavy equipment operators, laborers, carpenters, painters, etc.) in collective bargaining units. All aspects of the plan are determined through collective bargaining. The plan consists of 14 grades (no steps), each with a corresponding hourly wage. Employees advance to higher grades by successfully bidding for jobs, or completing experiential and testing steps in a career ladder. The plan was approved by the legislature in 1979 and is codified at 2-18-315, MCA. In 2010, the average full-time employee covered under the blue-collar plan received a base annual income of \$38,792. This is a \$24 increase from the average annual base salary of \$38,768 in 2009 and a \$74 increase from the average annual salary of \$38,718 in 2008.

## Longevity

Eligible employees covered under the two pay plans receive a longevity allowance defined under 2-18-304, MCA. State law provides for longevity increments of 1.5 to 2 percent of the employee's base salary for each continuous five years of state service. Figure 17 shows longevity pay increments outlined in statute, the cumulative total multiplier, and the number of employees receiving each increment.

**Figure 17**  
**Longevity Pay Increments and**  
**Employees Receiving Longevity Pay**  
**November 1, 2010**

First Increment	5	1.5%	1.5%	2,284	2,379
Second Increment	10	2.0%	3.5%	1,583	1,576
Third Increment	15	2.0%	5.5%	1,417	1,213
Fourth Increment	20	2.0%	7.5%	1,170	1,060
Fifth Increment	25	1.5%	9.0%	831	603
Sixth Increment	30	1.5%	10.5%	530	407
Seventh Increment	35	1.5%	12.0%	139	114
Eighth Increment	40	1.5%	13.5%	23	14
Ninth Increment	45	1.5%	15.0%	3	3
Tenth Increment	50	1.5%	16.5%	0	0
<b>Totals</b>				7,980	7,378

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)