



AN ACT AUTHORIZING FURLOUGHS FOR STATE EMPLOYEES; PROVIDING DEFINITIONS; REDUCING AGENCY EXPENDITURES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE.

WHEREAS, the Sixty-Fifth Legislature needs additional flexibility to balance the budget and provide budget stability; and

WHEREAS, the estimated savings generated by state employee furloughs will allow the Legislature to balance the budget and provide budget stability while ensuring state employee job protection; and

WHEREAS, the Legislature encourages all public agencies to institute furloughs of public employees to help balance the budget and provide budget stability.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Legislative intent. (1) The purpose of [this act] is to require a \$15 million reduction in personal services for each public employer of executive branch state employees whose personal services are funded by the state general fund. The legislature intends that each affected public employer institute furloughs to fulfill these reductions. The legislature further intends that the Montana university system utilize employee furloughs in lieu of raising student tuition or fees.

(2) The legislature intends that furloughs be applied to state employees making at least \$50,000 and that employees making less than \$50,000 be excluded from furloughs pursuant to [this act].

Section 2. Definition. As used in [sections 1 through 3], "furlough" means the placement of a public employee into a temporary nonduty, nonpay status.

Section 3. Furlough authority. (1) A public employer of state employees whose agency expenditures are reduced pursuant to [section 4] may implement furloughs of state employees for a limited duration as an

alternative to a reduction in force.

(2) Nothing contained in this section prohibits a public employer from instituting a reduction in force, including a reduction in force applied to an individual who is furloughed pursuant to this section.

(3) A furlough ordered pursuant to this section must comply with the following:

(a) A public employee who is furloughed remains eligible as before the furlough for group benefits provided in Title 2, chapter 18, parts 7 and 8. The furlough may not exempt the employer from paying the employer portion of the group benefit premium for any employee. If, because of the furlough, an employee's pay is insufficient to deduct from and remit the employee's share of the employee's group benefit premium, then the employer shall remit the unpaid portion of the employee's share of the premium. However, when the furlough ends, the employer shall deduct aggregate payments from the employee's future pay at the maximum rate permissible under state and federal law equivalent to the employee's portion paid by the employer under this subsection (3)(a).

(b) Days, parts of days, or weeks for which public employees are furloughed must count as days employed or days worked for purposes of calculating retirement eligibility and state service time.

(c) Days, parts of days, or weeks for which public employees are furloughed must be considered days employed or days worked for purposes of accruing sick leave or annual leave.

(d) A public employee who has been furloughed may not use accrued annual leave or accrued sick leave for days on which the employee is scheduled to be furloughed.

(e) A public employer may allow an employee's reduction in compensation to be allocated over the balance of the fiscal year rather than solely in the pay period in which the furlough occurs.

(f) Placement of a public employee on furlough does not give rise to a claim or right of a public employee to receive unemployment compensation.

(g) The sole act of placing a state employee on furlough may not give rise to the right of a employment grievance or claim.

Section 4. Reduction in expenditures. The budget director, taking into account the legislative intent and provisions of [sections 1 through 3], shall mandate reductions to executive branch agency expenditures for personal services for executive branch state employees funded by the state general fund of at least \$15 million for the biennium ending June 30, 2019.

Section 5. Effective date. [This act] is effective on passage and approval.

Section 6. Termination. [This act] terminates June 30, 2019.

- END -

I hereby certify that the within bill,
HB 0008, originated in the House.

Speaker of the House

Signed this _____ day
of _____, 2017.

Chief Clerk of the House

President of the Senate

Signed this _____ day
of _____, 2017.

HOUSE BILL NO. 8

INTRODUCED BY B. USHER

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