

Senate Finance Committee

March 9, 2012

Broadband Pay in Montana's Executive Branch

Presented by the State Human Resources Division

Paula Stoll, Administrator

444-3789

Pay Categories within the Executive Branch

- ▶ Broadband pay plan covers 10,850 employees
- ▶ Blue collar pay plan covers 650 employees
- ▶ Exempt employees
 - Employees of Montana university system
 - Employees of the Montana State Fund
 - Elected officials and their appointed staff
 - Others specifically identified under Section 2-18-103 and 104, MCA

History and Purpose

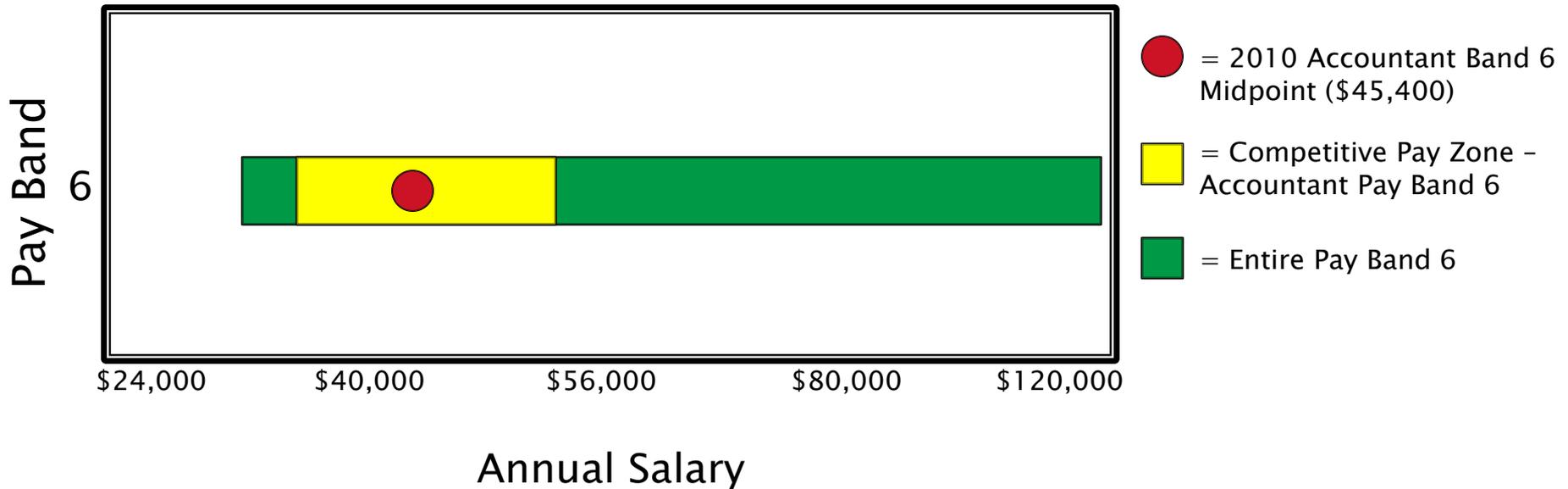
- ▶ Formerly known as *The Alternative Pay Plan* or *Pay Plan 020*
- ▶ First implemented in 1997 as an alternative to the 1975 classification and pay plan
- ▶ Implemented as the executive branch's primary pay plan in 2007
- ▶ Designed to give executive branch agencies more flexibility in designing their own plans – or “agency pay plan rules”
- ▶ Not a “market based” pay plan

Broadband Pay Schedule

Allows state agencies the flexibility to develop their pay plan rules using any combination of pay strategies within broad statutory and policy provisions.

| | Hourly | | Annual | |
|----------|---------------------|---------------------|---------------------|---------------------|
| Pay Band | Minimum Base Salary | Maximum Base Salary | Minimum Base Salary | Maximum Base Salary |
| 01 | \$7.88 | \$13.44 | \$16,400 | \$27,945 |
| 02 | \$7.60 | \$18.73 | \$15,797 | \$38,949 |
| 03 | \$9.40 | \$23.56 | \$19,536 | \$49,003 |
| 04 | \$11.40 | \$31.01 | \$23,710 | \$64,495 |
| 05 | \$11.52 | \$38.27 | \$23,948 | \$79,582 |
| 06 | \$13.10 | \$58.02 | \$27,240 | \$120,665 |
| 07 | \$18.88 | \$58.08 | \$39,269 | \$120,803 |
| 08 | \$27.77 | \$70.39 | \$57,750 | \$146,391 |
| 09 | \$37.63 | \$137.72 | \$78,260 | \$286,454 |

Example: Accountant Band 6



Authorized Pay Components or “Pay Strategies”

Competency

Market

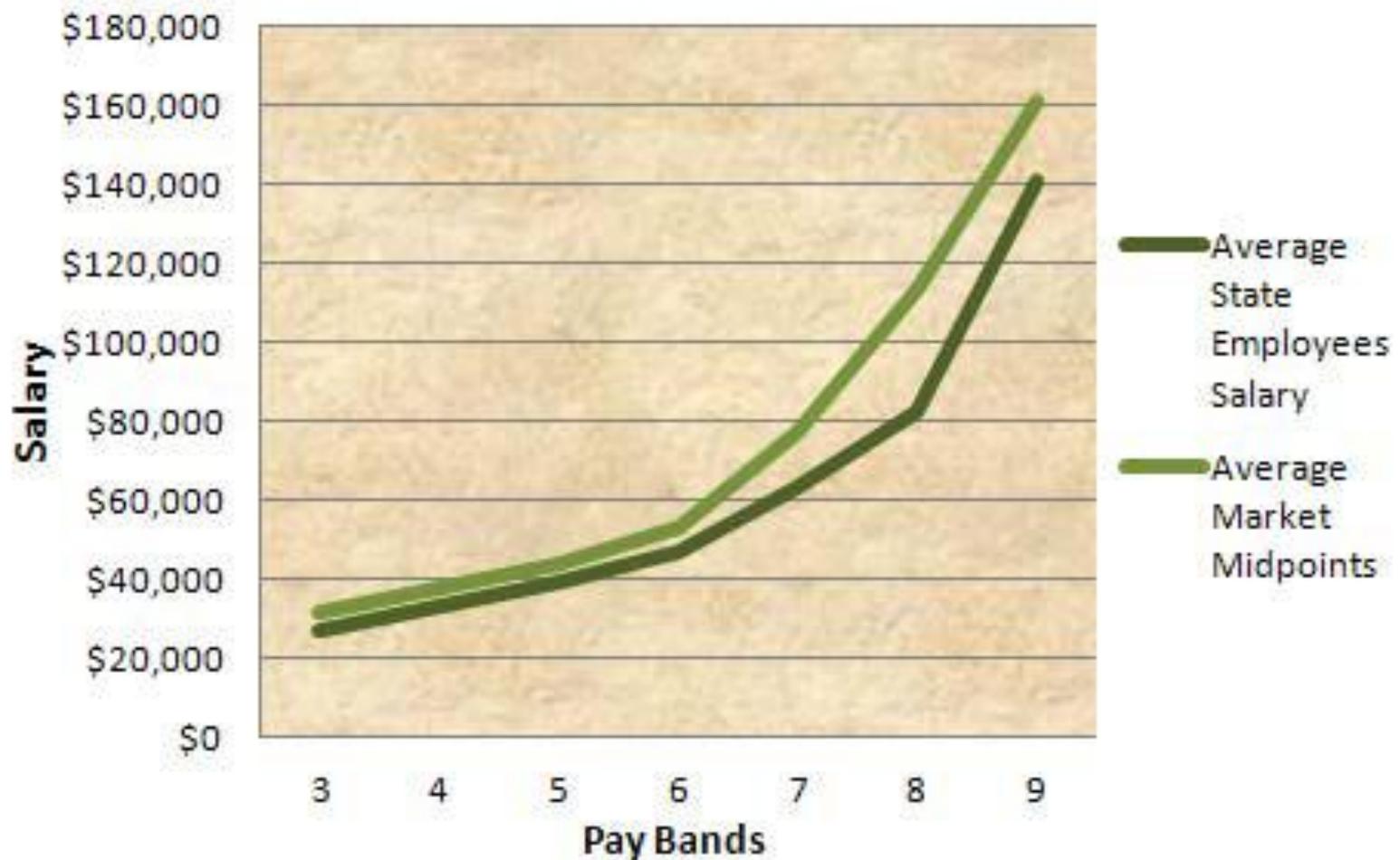
Performance

Results

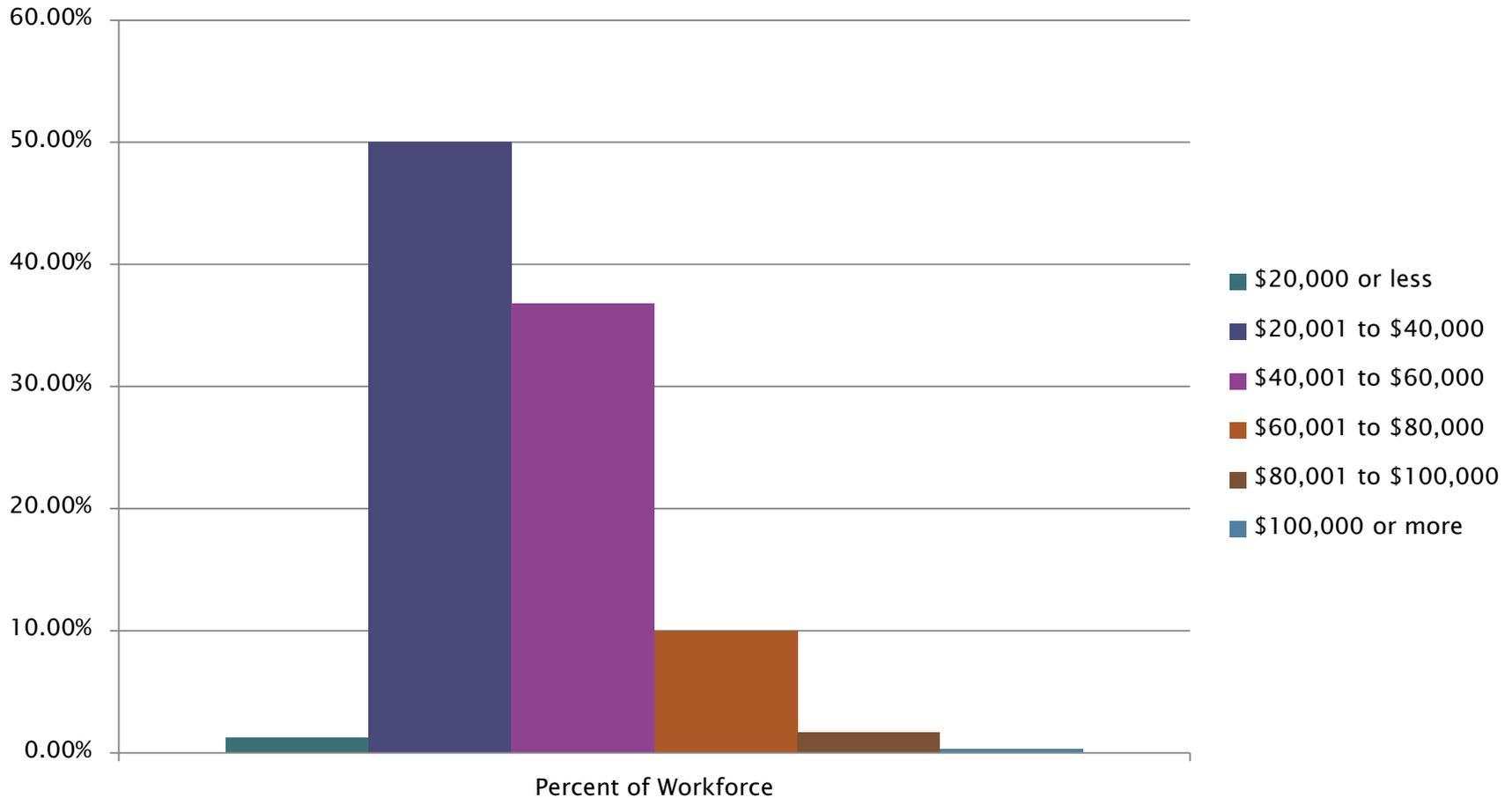
Situational

Strategic

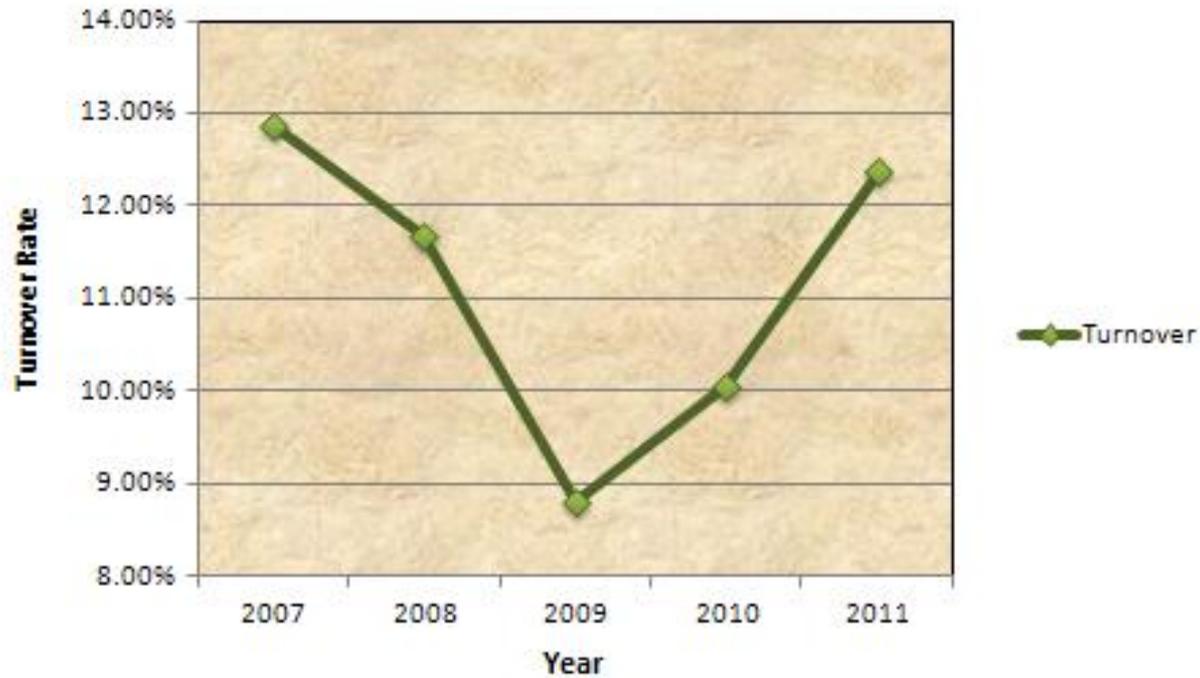
2011 State Employee Pay Compared to 2010 Market Midpoints



Pay Distribution in the Executive Branch



Turnover Rate by Year



Total Retirees by Year

| Year | Retirees | Percent Change from Previous Year |
|-----------------|----------|-----------------------------------|
| 2009 (November) | 295 | -6.1% |
| 2010 (November) | 365 | 23.7% |
| 2011 (November) | 433 | 18.6% |

Governor's 2013 Biennium Broadband Pay Directives

If agencies can afford to do so, they should:

- 1. Correct their worst pay problems, and*
- 2. Provide for modest raises for rank-and-file employees.*

General Parameters for Broadband Pay Adjustments

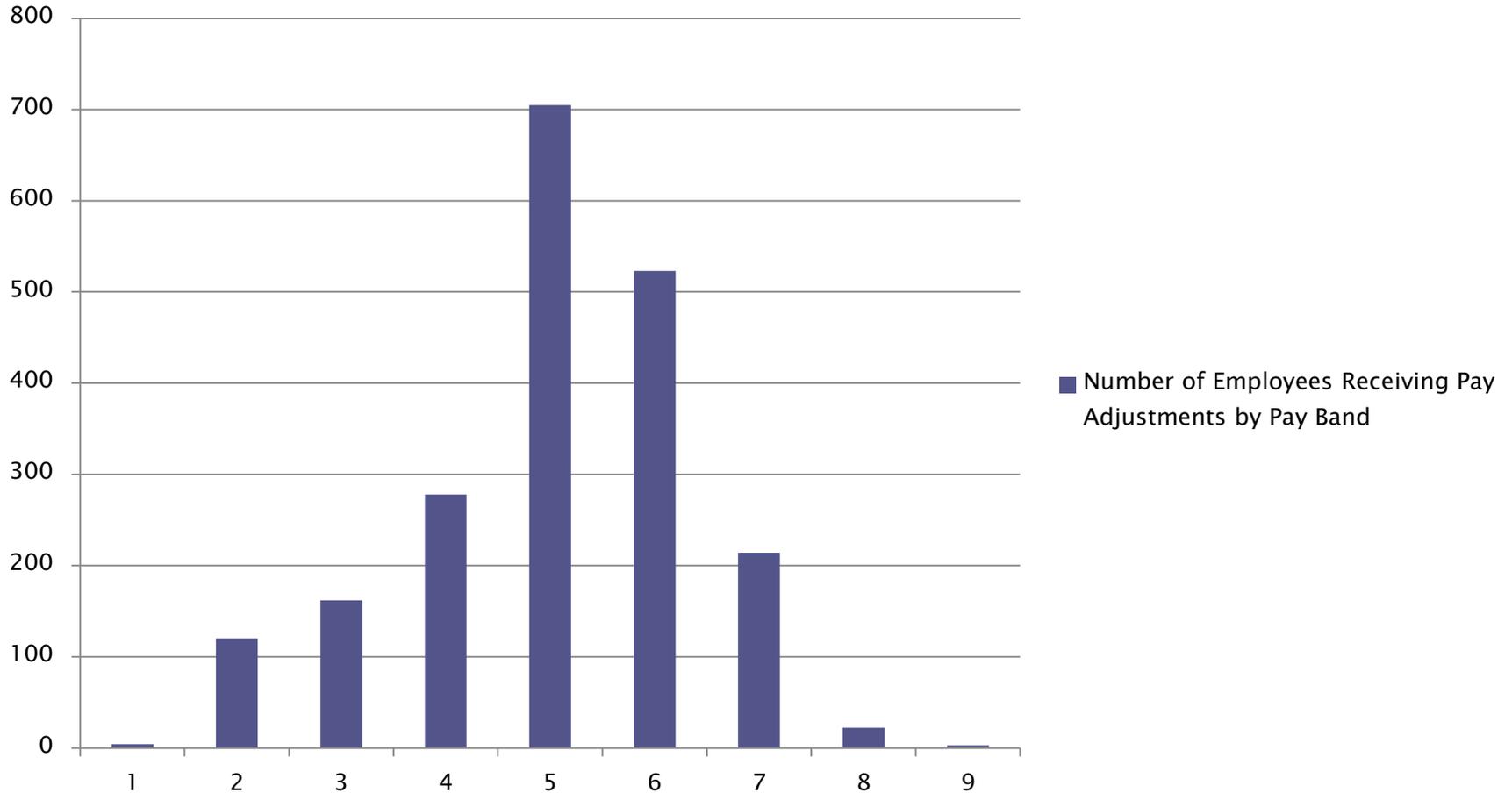
1. Adjustments must conform to agencies' pay plan rules.
2. Agencies are required by law to negotiate pay adjustments with employees' exclusive representatives.
3. Agencies cannot exceed their budgetary appropriations as a result of these pay adjustments.

What's happening now?

- ▶ State Human Resources surveyed 26 executive branch agency HR managers:

| | |
|--|----|
| No. agencies responding | 21 |
| No. agencies that have implemented broadband pay adjustments | 13 |
| No. agencies that <i>may</i> provide broadband pay adjustments | 5 |
| No. agencies that <i>will not</i> be providing broadband pay adjustments | 3 |

Number of Employees Receiving Pay Adjustments by Band March 9, 2012



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