

1 HOUSE BILL NO. 13

2 INTRODUCED BY K. SWANSON

3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION AND THE OFFICE OF BUDGET AND
4 PROGRAM PLANNING5
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS GOVERNING STATE EMPLOYEE
7 COMPENSATION; CLARIFYING BENEFITS FOR LAID-OFF EMPLOYEES; APPROPRIATING FUNDS TO
8 IMPLEMENT PAY REVISIONS, FOR PERSONAL SERVICES CONTINGENCIES, AND FOR A
9 LABOR-MANAGEMENT TRAINING INITIATIVE; AMENDING SECTIONS 2-18-303 AND 2-18-703, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13
14 **Section 1.** Section 2-18-303, MCA, is amended to read:15 **"2-18-303. Procedures for administering broadband pay plan.** (1) On the first day of the first
16 complete pay period in fiscal year ~~2010~~ 2014, each employee is entitled to the amount of the employee's base
17 salary as it was on June 30, ~~2009~~ 2013.18 (2) An employee's base salary may be no less than the minimum salary of the pay band to which the
19 employee's position is allocated.20 ~~(3) All full-time employees whose base pay is \$45,000 or less annually will receive a one-time lump-sum~~
21 ~~payment of \$450 for the first full pay period after July 1, 2009. All part-time employees who are regularly~~
22 ~~scheduled to work 20 hours or more per week and whose base pay is \$21.635 per hour or less will receive a~~
23 ~~one-time lump-sum payment of \$225 for the first full pay period after July 1, 2009. Effective on the first day of the~~
24 ~~first complete pay period in July 2013, the base salary of each employee must be increased by 5%. Effective on~~
25 ~~the first day of the first complete pay period in July 2014, the base salary of each employee must be increased~~
26 ~~by 5%.~~27 (4) (a) (i) A member of a bargaining unit may not receive the pay adjustment provided for in subsection
28 (3) until the employer's collective bargaining representative receives written notice that the employee's collective
29 bargaining unit has ratified a collective bargaining agreement.

30 (ii) If ratification of a collective bargaining agreement, as required by subsection (4)(a)(i), is not completed

1 by the date on which a legislatively authorized pay increase is implemented, members of the bargaining unit must
2 continue to receive the compensation that they were receiving until an agreement is ratified.

3 (b) Methods of administration consistent with the purpose of this part and necessary to properly
4 implement the pay adjustments provided for in this section may be provided for in collective bargaining
5 agreements.

6 (5) (a) Montana highway patrol officer base salaries must be established through the broadband pay
7 plan. Before January 1 of each odd-numbered year, the department shall, after seeking the advice of the Montana
8 highway patrol, conduct a salary survey to be used in establishing the base salary for existing and entry-level
9 highway patrol officer positions. The county sheriff's offices in the following consolidated governments and
10 counties are the labor market for purposes of the survey: Butte-Silver Bow, Cascade, Yellowstone, Missoula,
11 Lewis and Clark, Gallatin, Flathead, and Dawson. The base salary for existing and entry-level highway patrol
12 officer positions must then be determined by the department of justice, using the results of the salary survey and
13 the department of justice pay plan guidelines. Base or biennial salary increases under this subsection are
14 exclusive of and not in addition to any increases otherwise awarded to other state employees after July 1, 2006.

15 (b) To the extent that the plan applies to employees within a collective bargaining unit, the
16 implementation of the plan is a negotiable subject under 39-31-305.

17 (c) The department of justice shall submit the salary survey to the office of budget and program planning
18 as a part of the information required by 17-7-111.

19 (d) The salary survey and plan must be completed at least 6 months before the start of each regular
20 legislative session."

21

22 **Section 2.** Section 2-18-703, MCA, is amended to read:

23 **"2-18-703. Contributions.** (1) Each agency, as defined in 2-18-601, and the state compensation
24 insurance fund shall contribute the amount specified in this section toward the group benefits cost.

25 (2) For employees defined in 2-18-701 and for members of the legislature, the employer contribution for
26 group benefits is ~~\$626~~ \$733 a month from January ~~2009~~ 2011 through December ~~2009~~ 2013, ~~\$679~~ \$806 a month
27 from January ~~2010~~ 2014 through December ~~2010~~ 2014, and ~~\$733~~ \$887 for January ~~2011~~ 2015 and for each
28 succeeding month. For employees of the Montana university system, the employer contribution for group benefits
29 is ~~\$626~~ \$806 a month from July ~~2008~~ 2013 through June ~~2009~~ 2014, ~~\$679~~ \$887 a month from July ~~2009~~
30 2014 through June ~~2010~~, and ~~\$733~~ for July ~~2010~~ and for each succeeding month. If a state employee is

1 terminated to achieve a reduction in force, the continuation of contributions for group benefits beyond the
2 termination date is subject to negotiation under 39-31-305 and to the protections of 2-18-1205. Permanent
3 part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than
4 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by
5 a state-sponsored group benefit plan may not receive the state contribution. A portion of the employer contribution
6 for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII
7 of the Social Security Act, as amended, if the state group benefit plan is the secondary payer and medicare the
8 primary payer.

9 (3) For employees of elementary and high school districts, the employer's contributions may exceed but
10 may not be less than \$10 a month.

11 (4) (a) For employees of political subdivisions, as defined in 2-9-101, except school districts, the
12 employer's contributions may exceed but may not be less than \$10 a month.

13 (b) Subject to the public hearing requirement provided in 2-9-212(2)(b), the amount in excess of the base
14 contribution of a local government's property tax levy for contributions for group benefits as determined in
15 subsection (4)(c) is not subject to the mill levy calculation limitation provided for in 15-10-420.

16 (c) (i) Subject to subsections (4)(c)(ii) and (4)(c)(iii), the base contribution is determined by multiplying
17 the average annual contribution for each employee on July 1, 1999, times the number of employees for whom
18 the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal year.

19 (ii) If a political subdivision did not make contributions for group benefits on or before July 1, 1999, and
20 subsequently does so, the base contribution is determined by multiplying the average annual contribution for each
21 employee in the first year the political subdivision provides contributions for group benefits times the number of
22 employees for whom the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal
23 year.

24 (iii) If a political subdivision has made contributions for group benefits but has not previously levied for
25 contributions in excess of the base contribution, the political subdivision's base is determined by multiplying the
26 average annual contribution for each employee at the beginning of the fiscal year immediately preceding the year
27 in which the levy will first be levied times the number of employees for whom the employer made contributions
28 for group benefits under 2-9-212 in that fiscal year.

29 (5) Unused employer contributions for any state employee must be transferred to an account established
30 for this purpose by the department of administration and upon transfer may be used to offset losses occurring

1 to the group of which the employee is eligible to be a member.

2 (6) Unused employer contributions for any government employee may be transferred to an account
 3 established for this purpose by a self-insured government and upon transfer may be used to offset losses
 4 occurring to the group of which the employee is eligible to be a member or to increase the reserves of the group.

5 (7) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona fide
 6 group insurance plans from providing greater or additional contributions for insurance benefits to employees with
 7 dependents than to employees without dependents or with fewer dependents."

8
 9 **NEW SECTION. Section 3. Appropriations.** (1) The following money for the indicated fiscal years is
 10 appropriated to the listed agencies to implement the adjustments provided in 2-18-303:

11 Fiscal Year 2014

	General Fund	State Special	Federal Special	Proprietary
12				
13	Legislative Branch			
14	\$531,539			
15	Consumer Counsel			
16		\$29,719		
17	Judicial Branch			
18	\$1,493,543	\$92,934	\$2,634	
19	Executive Branch			
20	\$14,031,586	\$12,883,090	\$7,967,684	\$277,418
21	MUS			
22	\$7,979,703	\$4,487	\$192,532	\$3,042
23	Total			
24	\$24,036,371	\$13,010,230	\$8,162,850	\$280,460

25 Fiscal Year 2015

	General Fund	State Special	Federal Special	Proprietary
26				
27	Legislative Branch			
28	\$1,148,138			
29	Consumer Counsel			
30		\$63,703		

1	Judicial Branch				
2		\$3,263,710	\$203,469	\$5,768	
3	Executive Branch				
4		\$31,125,256	\$28,365,742	\$17,584,374	\$613,371
5	MUS				
6		\$16,469,103	\$10,107	\$429,468	\$6,513
7	Total				
8		\$52,006,207	\$28,643,021	\$18,019,610	\$619,884

9 (2) The following money is appropriated for the biennium to the office of budget and program planning,
 10 from the designated state fund, to be distributed to agencies when personnel vacancies do not occur, retirement
 11 costs exceed agency resources, or other contingencies arise:

12	General Fund	State Special	Federal Special	Proprietary
13	\$4,000,000	\$2,400,000	\$500,000	\$100,000

14 (3) The following money is appropriated for the biennium to the department of administration for a
 15 labor-management training initiative:

16	Fiscal Year 2014	General Fund
17	Labor-Management Training Initiative	\$75,000

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19 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2013.

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