

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; REQUIRING REPORTING ON THE IMPLEMENTATION OF
10 PAY INCREASES; AMENDING SECTIONS 2-18-303 AND 2-18-703, MCA; AND PROVIDING AN EFFECTIVE
11 DATE."12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:14
15 **Section 1.** Section 2-18-303, MCA, is amended to read:16 **"2-18-303. Procedures for administering broadband pay plan.** (1) On the first day of the first
17 complete pay period in fiscal year ~~2010~~ 2014, each employee is entitled to the amount of the employee's base
18 salary as it was on June 30, ~~2009~~ 2013.19 (2) An employee's base salary may be no less than the minimum salary of the pay band to which the
20 employee's position is allocated.21 (3) ~~All full-time employees whose base pay is \$45,000 or less annually will receive a one-time lump-sum~~
22 ~~payment of \$450 for the first full pay period after July 1, 2009. All part-time employees who are regularly~~
23 ~~scheduled to work 20 hours or more per week and whose base pay is \$21.635 per hour or less will receive a~~
24 ~~one-time lump-sum payment of \$225 for the first full pay period after July 1, 2009. Effective on the first day of the~~
25 ~~first complete pay period in July 2013, the base salary of each employee must be increased by 5%. Effective on~~
26 ~~the first day of the first complete pay period in July 2014, the base salary of each employee must be increased~~
27 ~~by 5%. FUNDS APPROPRIATED UNDER [SECTION 3(1)] MUST BE USED TO INCREASE THE BASE PAY FOR EACH EMPLOYEE.~~
28 THE BASE PAY OF EMPLOYEES MUST BE INCREASED AS DETERMINED BY THE EXECUTIVE BRANCH, INCLUDING THOSE
29 SUBJECT TO THE PROVISIONS OF TITLE 39, CHAPTER 31, WITH PARTICULAR ATTENTION TO THE LOWER PAY BANDS AND
30 THOSE WHO DID NOT RECEIVE A BASE PAY INCREASE DURING THE BIENNIUM BEGINNING JULY 1, 2011.

1 (4) (a) (i) A member of a bargaining unit may not receive the pay adjustment provided for in subsection
 2 (3) until the employer's collective bargaining representative receives written notice that the employee's collective
 3 bargaining unit has ratified a collective bargaining agreement.

4 (ii) If ratification of a collective bargaining agreement, as required by subsection (4)(a)(i), is not completed
 5 by the date on which a legislatively authorized pay increase is implemented, members of the bargaining unit must
 6 continue to receive the compensation that they were receiving until an agreement is ratified.

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

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

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

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

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

25

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

27 **"2-18-703. Contributions.** (1) Each agency, as defined in 2-18-601, and the state compensation
 28 insurance fund shall contribute the amount specified in this section toward the group benefits cost.

29 (2) For employees defined in 2-18-701 and for members of the legislature, the employer contribution for
 30 group benefits is ~~\$626~~ \$733 a month from January ~~2009~~ 2011 through December ~~2009~~ 2013, ~~\$679~~ \$806 a month

1 from January ~~2010~~ 2014 through December ~~2010~~ 2014, and ~~\$733~~ \$887 for January ~~2011~~ 2015 and for each
2 succeeding month. For employees of the Montana university system, the employer contribution for group benefits
3 is ~~\$626~~ \$806 a month from July ~~2008~~ 2013 through June ~~2009~~ 2014, ~~\$679~~ and \$887 a month from July ~~2009~~
4 2014 through June ~~2010~~, and ~~\$733~~ for July ~~2010~~ and for each succeeding month. If a state employee is
5 terminated to achieve a reduction in force, the continuation of contributions for group benefits beyond the
6 termination date is subject to negotiation under 39-31-305 and to the protections of 2-18-1205. Permanent
7 part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than
8 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by
9 a state-sponsored group benefit plan may not receive the state contribution. A portion of the employer contribution
10 for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII
11 of the Social Security Act, as amended, if the state group benefit plan is the secondary payer and medicare the
12 primary payer.

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

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

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

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

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

28 (iii) If a political subdivision has made contributions for group benefits but has not previously levied for
29 contributions in excess of the base contribution, the political subdivision's base is determined by multiplying the
30 average annual contribution for each employee at the beginning of the fiscal year immediately preceding the year

1 in which the levy will first be levied times the number of employees for whom the employer made contributions
 2 for group benefits under 2-9-212 in that fiscal year.

3 (5) Unused employer contributions for any state employee must be transferred to an account established
 4 for this purpose by the department of administration and upon transfer may be used to offset losses occurring
 5 to the group of which the employee is eligible to be a member.

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

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

12
 13 **NEW SECTION. Section 3. Appropriations.** (1) The following money for the indicated fiscal years is
 14 appropriated to the listed agencies to implement the adjustments provided in 2-18-303:

15 Fiscal Year 2014

	General Fund	State Special	Federal Special	Proprietary
16				
17	Legislative Branch			
18	\$531,539			
19	<u>\$397,735</u>	<u>\$52,500</u>		
20	Consumer Counsel			
21		\$29,719		
22		<u>\$18,922</u>		
23	Judicial Branch			
24	\$1,493,543	\$92,934	\$2,634	
25	<u>\$859,838</u>	<u>\$50,113</u>	<u>\$1,821</u>	
26	Executive Branch			
27	\$14,031,586	\$12,883,090	\$7,967,684	\$277,418
28	<u>\$9,060,825</u>	<u>\$7,918,525</u>	<u>\$5,737,675</u>	<u>\$2,049,016</u>
29	MUS			
30	\$7,979,703	\$4,487	\$192,532	\$3,042

1	<u>\$6,665,150</u>	<u>\$3,703</u>	<u>\$157,792</u>	<u>\$2,437</u>
2	Total			
3	<u>\$24,036,374</u>	<u>\$13,010,230</u>	<u>\$8,162,850</u>	<u>\$280,460</u>
4	<u>\$16,983,548</u>	<u>\$8,043,763</u>	<u>\$5,897,289</u>	<u>\$2,051,453</u>
5	Fiscal Year 2015			
6	General Fund	State Special	Federal Special	Proprietary
7	Legislative Branch			
8	<u>\$1,148,138</u>			
9	<u>\$808,775</u>	<u>\$142,820</u>		
10	Consumer Counsel			
11		<u>\$63,703</u>		
12		<u>\$51,293</u>		
13	Judicial Branch			
14	<u>\$3,263,710</u>	<u>\$203,469</u>	<u>\$5,768</u>	
15	<u>\$2,360,621</u>	<u>\$137,768</u>	<u>\$5,008</u>	
16	Executive Branch			
17	<u>\$31,125,256</u>	<u>\$28,365,742</u>	<u>\$17,584,374</u>	<u>\$613,371</u>
18	<u>\$20,939,617</u>	<u>\$19,036,495</u>	<u>\$14,600,371</u>	<u>\$5,265,622</u>
19	MUS			
20	<u>\$16,469,103</u>	<u>\$10,107</u>	<u>\$429,468</u>	<u>\$6,513</u>
21	<u>\$16,907,439</u>	<u>\$10,373</u>	<u>\$441,075</u>	<u>\$6,715</u>
22	Total			
23	<u>\$52,006,207</u>	<u>\$28,643,021</u>	<u>\$18,019,610</u>	<u>\$619,884</u>
24	<u>\$41,016,452</u>	<u>\$19,378,749</u>	<u>\$15,046,453</u>	<u>\$5,272,336</u>

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

28	General Fund	State Special	Federal Special	Proprietary
29	<u>\$4,000,000</u>	<u>\$2,400,000</u>	<u>\$500,000</u>	<u>\$100,000</u>
30	<u>\$1,000,000</u>	<u>\$600,000</u>	<u>\$125,000</u>	<u>\$25,000</u>

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

3 ~~Fiscal Year 2014~~—————~~General Fund~~

4 ~~Labor-Management Training Initiative~~—————~~\$75,000~~

5 (3) BY JUNE 30, 2015, ANY FUNDS NOT EXPENDED FOR THE PURPOSE OF INCREASING EMPLOYEE PAY PURSUANT
6 TO 2-18-303 MUST REVERT TO THE FUND FROM WHICH IT WAS APPROPRIATED.

7 (4) THE FOLLOWING MONEY IS APPROPRIATED FOR THE BIENNIUM BEGINNING JULY 1, 2013, TO THE LEGISLATIVE
8 SERVICES DIVISION TO BE USED WHEN RETIREMENT COSTS EXCEED AGENCY RESOURCES OR OTHER CONTINGENCIES
9 ARISE:

10 GENERAL FUND

11 \$100,000

12

13 NEW SECTION. SECTION 4. REPORTING OF IMPLEMENTATION OF PAY INCREASE. BY DECEMBER 31, 2013,
14 AND DECEMBER 31, 2014, EACH AGENCY SHALL SUBMIT TO THE LEGISLATIVE FINANCE COMMITTEE AND THE LEGISLATIVE
15 FISCAL ANALYST A REPORT IN AN ELECTRONIC FORMAT ON THE IMPLEMENTATION OF PAY INCREASES UNDER 2-18-303
16 AND THE IMPACTS OF THEM ON THE LOWER PAY BANDS.

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18 NEW SECTION. Section 5. Effective date. [This act] is effective July 1, 2013.

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