

1 HOUSE BILL NO. 209

2 INTRODUCED BY J. O'NEIL

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING THE IMPLEMENTATION OF PAY INCREASES FOR
5 A STATE EMPLOYEE IF THE RETIREMENT SYSTEM TO WHICH THE EMPLOYEE BELONGS IS
6 ACTUARIALLY UNSOUND; AMENDING SECTIONS 2-18-302 AND 2-18-303, MCA; AND PROVIDING AN
7 IMMEDIATE EFFECTIVE DATE."

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

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11 **Section 1.** Section 2-18-302, MCA, is amended to read:12 **"2-18-302. Salary schedules maintained by department -- pay increases prohibited under certain**

13 **conditions.** (1) The department shall maintain a schedule of all salaries paid to personnel of civil executive state
14 offices and shall only approve payroll claims agreeing with that schedule.

15 (2) All changes in personnel or salary status ~~shall~~ must be authorized as provided by law, and the
16 department shall alter the schedule accordingly when notified by the authorizing agency. However, no changes
17 in personnel or salary status may be authorized that will cause an agency to exceed its appropriation or that will
18 result in a deficiency or supplemental appropriation request to the legislature.

19 (3) A state employee may not receive a pay increase under 2-18-303 if the retirement system to which
20 the employee belongs under Title 19 is considered actuarially unsound as of the latest actuarial valuation of the
21 retirement system. For purposes of this subsection, "actuarially unsound" means that the system's unfunded
22 liabilities are not projected to amortize in 30 years or less."

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24 **Section 2.** Section 2-18-303, MCA, is amended to read:

25 **"2-18-303. Procedures for administering broadband pay plan.** Except as provided in 2-18-302(3),
26 the following provisions apply:

27 (1) On the first day of the first complete pay period in fiscal year 2010, each employee is entitled to the
28 amount of the employee's base salary as it was on June 30, 2009.

29 (2) An employee's base salary may be no less than the minimum salary of the pay band to which the
30 employee's position is allocated.

1 (3) All full-time employees whose base pay is \$45,000 or less annually will receive a one-time lump-sum
2 payment of \$450 for the first full pay period after July 1, 2009. All part-time employees who are regularly
3 scheduled to work 20 hours or more per week and whose base pay is \$21.635 per hour or less will receive a
4 one-time lump-sum payment of \$225 for the first full pay period after July 1, 2009.

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

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

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

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

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

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

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

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30 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

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