

1 SENATE BILL NO. 129

2 INTRODUCED BY D. LEWIS

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING COMPENSATION PAID TO CERTAIN STATE
5 EMPLOYEES AND REDUCING COMPENSATION PAID TO CERTAIN EXISTING STATE EMPLOYEES;
6 PROVIDING FOR EXCEPTIONS TO THE LIMITATION UNDER CERTAIN CIRCUMSTANCES; PROVIDING
7 THAT THE ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING SECTION
8 2-18-303, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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12 NEW SECTION. **Section 1. Limitation on compensation for state government employees --**

13 **exceptions -- rulemaking -- definitions.** (1) Except as provided in [sections 2 and 3], a state government
14 employee may not receive compensation that is in excess of 200% of the median household income in Montana.

15 (2) The department shall annually determine the median household income in Montana by using data
16 provided by the United States bureau of the census, the bureau of labor statistics of the United States department
17 of labor, or other available sources.

18 (3) The calculation required by subsection (2) must be completed at least 6 months before the start of
19 each regular legislative session.

20 (4) The department of administration may adopt rules necessary to complete the calculation required
21 in subsection (2).

22 (5) For the purposes of [sections 1 through 3], the following definitions apply:

23 (a) "Compensation" has the meaning provided in 2-18-101.

24 (b) "Employee" means any state employee other than an employee of the Montana university system or
25 a judge or employee of the judicial branch.

26 (c) "Household income" means all income earned by residents of a household who are over 18 years of
27 age and includes employer contributions to employee benefits, such as the state contribution to group benefits
28 under the provisions of 2-18-703 or similar benefits provided by a nonstate employer.

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30 NEW SECTION. **Section 2. Reduction of compensation for existing employees.** Except as provided

1 in [section 3] and 13-37-106, an employee who is subject to [section 1], who is currently employed by the state
 2 of Montana on [the effective date of this act], and who receives compensation in excess of the limitation provided
 3 in [section 1] may not continue to receive compensation in excess of the limitation after June 30, 2014.

4
 5 **NEW SECTION. Section 3. Salary exceptions -- procedure -- report.** (1) An exception to the salary
 6 limitation provided for in [sections 1 and 2] may be granted by:

7 (a) the governor for an employee of the executive branch; or

8 (b) the legislative council for an employee of the legislative branch.

9 (2) An exception granted pursuant to subsection (1) may be granted only for a documented recruitment
 10 or retention problem.

11 (3) (a) Upon granting an exception for an employee or a group of employees, the governor or the
 12 legislative council must report to the legislative finance committee the exception and reasons for the exception.

13 (b) Each year the governor and the legislative council shall report to the legislative finance committee
 14 all current exceptions to the limitation provided in [section 1], as well as the justification pursuant to subsection
 15 (2) of this section for the exception.

16
 17 **Section 4.** Section 2-18-303, MCA, is amended to read:

18 **"2-18-303. Procedures for administering broadband pay plan.** (1) ~~On~~ Except as provided in [sections
 19 1 through 3], on the first day of the first complete pay period in fiscal year 2010, each employee is entitled to the
 20 amount of the employee's base salary as it was on June 30, 2009.

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

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

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."

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22 **NEW SECTION. Section 5. Codification instruction.** [Sections 1 through 3] are intended to be codified
23 as an integral part of Title 2, chapter 18, and the provisions of Title 2, chapter 18, apply to [sections 1 through 3].

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25 **NEW SECTION. Section 6. Severability.** If a part of [this act] is invalid, all valid parts that are severable
26 from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part
27 remains in effect in all valid applications that are severable from the invalid applications.

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29 **NEW SECTION. Section 7. Effective date.** If approved by the electorate, [this act] is effective July 1,
30 2013.

