

April 18, 1977

The meeting of the Joint Select Committee on Employee Compensation was called to order at 11:00 a.m. in room 331 of the State Capitol Building by Senator Joe Roberts, Chairman. The roll call was taken and a quorum was present. (Representative Driscoll and Senator Stephens were not present for the meeting.) This meeting was called to hear House Bill 834, relating to the state pay plan.

Representative Carroll South, chief sponsor of House Bill 834, said that since this bill had been heard previously by this committee he would not give an explanation of its contents. He did propose two amendments concerning the dollar amounts in the bill. These changes are the result of savings experienced when the anniversary date for step increases was changed.

It was proposed that the bill be amended to deduct \$60,000 in general funds and \$140,000 in other funds in the first year of the biennium and \$60,000 in general funds and \$140,000 in other funds for the second year of the biennium. Representative South explained that \$200,000 is for the Department of Justice for the highway patrolmen, pursuant to actions taken in the conference committee on H.B. 145. The other \$200,000 would go into the university system to compensate for the loss in cattle funds. The executive will still have adequate money for the pay plan, Representative South stated.

Ernie Post, Staff Representative for the Montana State AFL-CIO, stood as neither an opponent or proponent to this bill. He said that he had met with the joint trades union, and they are concerned with the matrix as amended into the bill. They feel that those at step 13 will be in fact frozen at that step, which would mean that others will be coming up and meeting or exceeding them in their areas. This occurs mostly in the university system. Mr. Post stated that the 2.35 percent increase will be denied to those people; equal pay for equal work has not worked. In fairness, the provision should be made for these people to get the 2.35 percent increase just the same as all other people in state government. Just to say we are stopping at step 13 is a very arbitrary decision, Mr. Post felt. There should be some provision for workers at step 13.

Mike Billings, Director of the Office of Budget and Program Planning, distributed the amendments on the attached sheet to the committee. He said that it will clarify how an individual advances under this pay plan. What is not presently covered in House Bill 834 as it is now written, is an individual whose anniversary date is on July 1, 2 or 3; the date on the pay plan is July 4. These amendments make a provision for an individual whose anniversary date falls on July 1, 2 or 3 to receive his step increase on the first day of the first pay period. This will guarantee that everybody will be treated equally, he concluded.

Don Judge, Field Representative for the AFSCME, AFL-CIO, indicated that they would agree with the amendment proposed by Mr. Billings. He also concurred in the testimony of Mr. Post, adding that the pay plan should have been designed and intended to provide a cost of living

and step increase. The cost of living adjustment does not equal the actual cost of living increase, Mr. Judge felt.

Representative South moved that page 2, lines 12 and 16 be amended as set forth on the attached proposal from Mike Billings.

VOTE: The motion carried unanimously (7-0) by a voice vote.

Representative South moved that House Bill 834 be amended on page 14, section 9, as indicated on the attached proposed amendment, to deduct \$60,000 in general funds and \$140,000 in other funds for fiscal year ending June 30, 1978 and \$60,000 in general funds and \$140,000 in other funds for the fiscal year ending June 30, 1979.

Discussion: In response to a question from Senator Stephens, Representative South stated this amendment does not change the matrix at all.

Representative Fabrega asked about the people at step 13; Representative South stated that we have excluded the crafts and blue collar workers from this matrix and the university system has to work out their own matrix. He did not know if that is a tremendous problem or not.

There are already people at step 13, Mr. Post stated. This was because instead of going through the classifications, the Personnel Division of the Department of Administration has refused to negotiate grades so they established these people on the last step of the matrix. Under Senate Bill 80, Mr. Post added, they cannot change that grade. There are plumbers at grade 13, step 13 in the university system.

Representative South commented that that is one of the reasons that the situation exists, because the university system pays more than other areas of state government. But Mr. Post responded that there are, for example, many different types of carpenters and types of carpentry work and these need to be classified correspondingly. He feels that the classification system was set up wrong originally. Two years from now you won't be able to blame labor, because you will have Senate Bill 80. There will be no problems because there will be no bargaining.

In way of explanation, Mr. Billings said that there were a lot of people who were already above step 13 in their respective positions. Senator Roberts clarified that, and Mr. Billings concurred, there were some people getting a salary that was higher than step 13 in their grade under the classification system. Those individuals got the cost of living increase each year but did not advance a step.

Representative South stated that as this bill was introduced there would have been no problems with step 13. But it was found that there would be other problems; and it was, therefore, decided to go back to this system.

VOTE on the motion by Representative South to amend \$400,000 in the biennium out of this bill: The motion carried by a voice vote unanimously (7-0)

Roger Tippy, Staff Attorney for the Legislative Council, prepared the attached amendment for a new section for House Bill 834. Senator Roberts explained that the legislature is a component group and it would, therefore, take a vote of two-thirds of the members of that component group to approve any insurance policy. The effect of the amendment would be to do away with the two-thirds approval as regards state legislators. The reason for the approval, Senator Roberts explained, is that if we don't like the plan, we could go out on our own. But he did not think that would happen. It would be mechanically difficult to get the two-thirds requirement.

Senator Fasbender moved that the amendment proposed by Mr. Tippy be adopted.

VOTE: The motion carried unanimously by a voice vote.

Representative South moved that the bill be concurred in as amended.

ROLL CALL VOTE: The motion carried unanimously (7-0).

The meeting adjourned at 11:30 a.m.

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Senator Joe Roberts, Chairman

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