

HOUSE BILL NO. 904

Introduced: 03/11/83

Referred to Committee on Labor & Employment Relations:

03/11/83

Hearing: 3/15/83

Died in Committee

1 *House* BILL NO. *904*
2 INTRODUCED BY *Trisell*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING STATE
5 EMPLOYEE PAY INCREASES FOR FISCAL YEARS 1984 AND 1985;
6 INCREASING THE EMPLOYER'S CONTRIBUTION FOR GROUP BENEFITS;
7 APPROPRIATING FUNDS THEREFOR; AMENDING SECTIONS 2-18-304 AND
8 2-18-703, MCA; AND PROVIDING AN EFFECTIVE DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 NEW SECTION. Section 1. Salary increases for fiscal
12 years 1984 and 1985 for certain state employees. (1) (a)
13 Beginning on the first day of the first full pay period in
14 fiscal year 1984, an employee covered by the adjusted pay
15 schedule adopted by executive order 7-81 and set forth under
16 2-18-312 is entitled to receive a 3 1/2% increase in
17 compensation excluding group benefits.
18 (b) In addition to the increase provided in subsection
19 (1)(a), an employee is entitled to receive an increase on
20 his anniversary date of employment equal to the percentage
21 difference between the amount corresponding to the step
22 occupied by the employee on June 30, 1983, and the amount
23 corresponding to the next succeeding step. However, if the
24 employee's anniversary date falls on or after July 1 but
25 before the first day of the first full pay period in fiscal

1 year 1984, he is entitled to receive the increase provided
2 in this subsection on the first day of the first full pay
3 period in fiscal year 1984.
4 (2) (a) Beginning on the first day of the first full
5 pay period in fiscal year 1985, an employee eligible for the
6 increases provided in subsection (1) is entitled to receive
7 a 3 1/2% increase in compensation excluding group benefits.
8 (b) In addition to the increase provided in subsection
9 (2)(a), an employee is entitled to receive an increase on
10 his anniversary date of employment equal to the percentage
11 amount received under subsection (1)(b). However, if the
12 employee's anniversary date falls on or after July 1 but
13 before the first day of the first full pay period in fiscal
14 year 1985, he is entitled to receive the increase provided
15 in this subsection on the first day of the first full pay
16 period in fiscal year 1985.
17 NEW SECTION. Section 2. Salary increases for fiscal
18 years 1984 and 1985 for institutional teachers. (1) (a)
19 Beginning on the first day of the first full pay period in
20 fiscal year 1984, an institutional teacher covered by the
21 fiscal year 1983 adjusted pay schedule adopted by executive
22 order 7-81 and set forth under 2-18-313 is entitled to
23 receive a 3 1/2% increase in compensation excluding group
24 benefits.
25 (b) In addition to the increase provided in subsection

1 (1)(a), a teacher is entitled to receive an increase on the
2 first day of the first full pay period in fiscal year 1984
3 equal to the percentage difference between the amount
4 corresponding to the step occupied by the teacher on June
5 30, 1983, and the amount corresponding to the next
6 succeeding step.

7 (2) (a) Beginning on the first day of the first full
8 pay period in fiscal year 1985, a teacher eligible for the
9 increases provided in subsection (1) is entitled to receive
10 a 3 1/2% increase in compensation excluding group benefits.

11 (b) In addition to the increase provided in subsection
12 (2)(a), a teacher is entitled to receive an increase on the
13 first day of the first full pay period in fiscal year 1985
14 equal to the percentage amount received under subsection
15 (1)(b).

16 NEW SECTION. Section 3. Salary increases for fiscal
17 years 1984 and 1985 for liquor store workers. (1) Beginning
18 on the first day of the first full pay period in fiscal year
19 1984, a liquor store worker covered by the fiscal year 1983
20 adjusted pay schedule adopted by executive order 7-81 and
21 set forth under 2-18-314 is entitled to receive a 5 1/2%
22 increase in compensation excluding group benefits.

23 (2) Beginning on the first day of the first full pay
24 period in fiscal year 1985, a worker eligible for the
25 increase provided in subsection (1) is entitled to receive a

1 5 1/2% increase in compensation excluding group benefits.

2 NEW SECTION. Section 4. Salary increases for fiscal
3 years 1984 and 1985 for blue-collar workers. (1) Beginning
4 on the first day of the first full pay period in fiscal year
5 1984, a blue-collar worker covered by the fiscal year 1983
6 adjusted pay schedule adopted by executive order 7-81 and
7 set forth under 2-18-315 is entitled to receive a 5 1/2%
8 increase in compensation excluding group benefits.

9 (2) Beginning on the first day of the first full pay
10 period in fiscal year 1985, a worker eligible for the
11 increase provided in subsection (1) is entitled to receive a
12 5 1/2% increase in compensation excluding group benefits.

13 Section 5. Section 2-18-304, MCA, is amended to read:

14 "2-18-304. Longevity allowance. In addition to the
15 compensation provided for in ~~[the adjusted schedules under]~~
16 ~~2-18-311, 2-18-312, 2-18-313, 2-18-314, or 2-18-315~~
17 ~~[sections 1 through 4]~~, each employee who has completed 5
18 years of uninterrupted state service shall receive the
19 ~~larger of \$10 a month or 10% of the difference between the~~
20 ~~base compensation for his grade and step (where applicable)~~
21 ~~and the base compensation for the next highest grade and~~
22 ~~corresponding step (where applicable)~~ multiplied by the
23 number of completed, contiguous 5-year periods of
24 uninterrupted state service. Service to the state is not
25 interrupted by authorized leaves of absence."

1 Section 6. Section 2-18-703, MCA, is amended to read:
 2 "2-18-703. Contributions. (1) Each agency as defined
 3 in 2-18-601 shall contribute the amount specified in this
 4 section towards the group benefits cost.

5 (2) For employees defined in 2-18-701 other than
 6 members of collective bargaining units, and for members of
 7 the legislature, the employer contribution for group
 8 benefits shall be ~~\$70~~ \$90 per month for the fiscal year
 9 ending June 30, 1982 ~~1984~~, and ~~\$80~~ \$100 per month for each
 10 fiscal year thereafter. Permanent part-time employees who
 11 are regularly scheduled to work less than 20 hours a week
 12 are not eligible for the group benefit contribution. An
 13 employee who elects not to be covered by a state-sponsored
 14 group benefit plan may not receive the state contribution as
 15 wages.

16 (3) For employees of elementary and high school
 17 districts and of local government units, the employer's
 18 premium contributions may exceed but may not be less than
 19 \$10 per month.

20 (4) Unused employer contributions for any state
 21 employee shall be transferred to an account established for
 22 this purpose by the department and upon such transfer may be
 23 used to offset losses occurring to the group of which the
 24 employee is eligible to be a member."

25 NEW SECTION. Section 7. Appropriation. (1) There is

1 appropriated to the state agencies described in this section
 2 the money necessary to implement the provisions of this act.
 3 The appropriation is subject to the limitations,
 4 definitions, and provisions contained in the General
 5 Appropriation Act of 1983. No agency may exceed the
 6 appropriation listed in this section when implementing the
 7 provisions of this act unless a budget amendment authorizing
 8 an expenditure has been approved by an appropriate
 9 authority. Vacancy savings incurred by an agency may not be
 10 used to fund any portion of the salary increases or
 11 increases in the group benefit contribution provided in this
 12 act.

13 (2) The following money is appropriated from the
 14 general fund to the listed agencies:

	Fiscal Year	Fiscal Year
	1984	1985
17 Legislative Auditor	\$_____	\$_____
18 Legislative Council	_____	_____
19 Legislative Fiscal Analyst	_____	_____
20 Environmental Quality Council	_____	_____
21 Totals	_____	_____

22 (3) There is appropriated to the office of budget and
 23 program planning \$_____ for the biennium ending June 30,
 24 1985, from the general fund to implement the provisions of
 25 this act as it pertains to judicial and executive branch

1 agencies not including vocational-technical centers and
2 community colleges. The office of budget and program
3 planning is authorized to increase the expenditure authority
4 of judicial and executive branch agencies, not including
5 vocational-technical centers and community colleges, by
6 \$_____ for the biennium ending June 30, 1985, from funds
7 other than the general fund which accrue under the
8 provisions of law to the respective agencies to implement
9 the provisions of this act.

10 NEW SECTION. Section 8. Codification instruction.
11 Sections 1 through 4 shall be codified as an integral part
12 of Title 2, chapter 18, part 3, and the provisions of Title
13 2, chapter 18, apply to sections 1 through 4.

14 NEW SECTION. Section 9. Effective date. This act is
15 effective July 9, 1983.

-End-

FISCAL NOTE

BD-15

In compliance with a written request received March 16, 19 83, there is hereby submitted a Fiscal Note for House Bill 904 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 904 establishes a state employee pay plan and benefit level for fiscal years 1984 and 1985 and appropriates funds for this purpose.

ASSUMPTIONS:

- 1) The pay plan cost estimates are based upon the FTE's and total salary costs as approved by the Appropriations Committee to-date. Therefore, these estimates are subject to change as further actions are taken by the legislature.
- 2) The pay plan cost estimates are based upon an increase in salaries of 3½% in FY 84 and 3½% in FY 85 plus 2% each year for the proposed step increase. No allowance has been made for the fact that some employees will not receive the step increase at the beginning of the fiscal year.
- 3) The employee benefit rate (15.5%) used in this cost estimate was developed from the salaries and benefits approved by the Appropriation Committee to-date.
- 4) The general fund cost of the pay plan is assumed to be approximately 60% of the total cost based upon FY 83 data.
- 5) The potential reduction in actual pay plan costs associated with employee turnover and vacancy savings have not been calculated as specified in this bill.
- 6) The changes proposed in the calculation of the longevity increment will produce a cost savings. It is assumed that 60% of the cost savings will be from the general fund.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>	<u>Total Bennium</u>
Funding Breakdown			
General Fund	\$ 11,722,705	\$ 24,171,034	\$ 35,893,739
Other Funds	7,815,136	16,114,022	23,929,158
Total	<u>\$ 19,537,841</u>	<u>\$ 40,285,056</u>	<u>\$ 59,822,897</u>

Cost Breakdown			
Salaries	\$ 15,440,070	\$ 31,878,594	\$ 47,318,664
Benefits	2,377,771	4,925,742	7,303,513
Health Insurance	1,720,000	3,480,720	5,200,720
Total	<u>\$ 19,537,841</u>	<u>\$ 40,285,056</u>	<u>\$ 59,822,897</u>

Longevity Cost Savings			
General Fund	\$ 408,000	\$ 408,000	\$ 816,000
Other Funds	272,000	272,000	544,000
Total	<u>\$ 680,000</u>	<u>\$ 680,000</u>	<u>\$ 1,360,000</u>

FISCAL NOTE 17: 071

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-18-83