

HOUSE BILL NO. 249

1/18 Introduced
1/18 Referred to State Administration
1/29 Hearing
1/29 Committee Report-No Recommendation
1/29 Statement of Intent Attached
2/01 2nd Reading Do Not Pass
2/01 Bill Killed

1 HOUSE BILL NO. 249
2 INTRODUCED BY (Hawley)

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
5 DEPARTMENT OF ADMINISTRATION TO DEVELOP AND ADMINISTER A
6 PAY-FOR-PERFORMANCE BONUS PROGRAM FOR STATE EMPLOYEES."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Definitions. As used in [sections 1 through
10 5], the following definitions apply:

11 (1) "Agency head" means a director, commissioner, or
12 constitutional officer in charge of an executive,
13 legislative, or judicial branch agency or an agency of the
14 Montana university system.

15 (2) "Department" means the department of
16 administration provided for in 2-15-1001.

17 (3) "Employee" means an employee of the executive,
18 legislative, or judicial branch or the Montana university
19 system.

20 Section 2. Creation and purpose of program. The
21 department shall develop and administer a statewide employee
22 pay-for-performance bonus program to encourage productivity,
23 creativity, professionalism, and initiative among employees
24 and to appropriately recognize and reward, in a timely
25 manner, employees who have demonstrated consistently

1 superior job performance.

2 Section 3. Powers and duties of department. The
3 department shall:

4 (1) adopt rules to equitably administer the
5 pay-for-performance bonus program that:

6 (a) specify minimum standards for performance
7 appraisal and procedures for selection of
8 pay-for-performance bonus recipients;

9 (b) prohibit agencies from awarding monetary
10 performance bonuses unless they meet these minimum
11 standards;

12 (c) limit the size of the monetary bonus which an
13 employee may receive; and

14 (d) specify the percentage of eligible employees in
15 each agency who may receive a monetary bonus in any one
16 year;

17 (2) assist agencies in developing performance
18 evaluation and recipient selection procedures;

19 (3) prepare a biennial report to the legislature
20 containing a list of pay-for-performance bonuses granted by
21 participating agencies.

22 Section 4. Eligibility for monetary performance
23 awards. An employee may be eligible for a monetary
24 pay-for-performance bonus if:

25 (1) the department determines that the employee's



1 agency complies with the minimum standards established under
2 [section 3];

3 (2) the employee is not a member of a collective
4 bargaining unit or is a member of a unit that has agreed to
5 participate in the pay-for-performance bonus program; and

6 (3) the employee has exhibited a level of performance
7 exceeding normal job requirements over a significant period
8 of time or is responsible for a major one-time
9 accomplishment.

10 Section 5. Agency head to grant award. (1) Upon
11 written departmental certification that the agency's
12 performance appraisal and pay-for-performance bonus
13 procedures comply with minimum standards established under
14 [section 3], an agency head may grant monetary performance
15 awards to deserving employees in the form of a bonus that
16 may not be considered to be part of the employees' base
17 salaries.

18 (2) The agency head shall pay for awards from the
19 agency budget. Any monetary award that is granted is in
20 addition to a recipient's regular compensation.

21 Section 6. Codification instruction. Sections 1
22 through 5 are intended to be codified as an integral part of
23 Title 2, chapter 18, and the provisions of Title 2, chapter
24 18, apply to sections 1 through 5.

-End-

HB 0249/si
COMMITTEE
ON STATE ADMINISTRATION
WITHOUT RECOMMENDATION

STATEMENT OF INTENT

HOUSE BILL 249

House State Administration Committee

A statement of intent for this bill is necessary because section 3 grants the department of administration the authority to adopt rules to equitably administer the employee pay-for-performance bonus program.

It is contemplated that the rules will address the following:

(1) professional standards for equitable performance appraisal and recipient selection procedures which must be met before any agency may implement the bill;

(2) the maximum size of the monetary pay-for-performance bonus which an employee may receive. It is intended that the award be large enough to be of significance so that it will motivate employees but no larger than necessary to satisfy that purpose.

(3) the maximum percentage of eligible employees in each agency which may receive a bonus in 1 year. It is intended that this percentage reasonably reflect the percentage of state employees who exhibit superior performance--that it not be so large as to award average performance and that it not be so small as to be out of reach of an "average" employee who through extra effort

performs at an above average level. Initially it is intended that monetary awards will be limited to 5% of eligible employees.

(4) procedures for the review of employee concerns regarding the administration of the program;

(5) procedures to maintain the integrity of the program through the review of agency performance appraisal and performance awards procedures.

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