

HOUSE BILL NO. 774

INTRODUCED BY DRISCOLL, SPAETH, KEENAN,
BRADLEY, KRUEGER, MILES, ADDY, QUILICI

IN THE HOUSE

February 11, 1985	Introduced and referred to Committee on State Administration. Fiscal Note requested.
February 16, 1985	Fiscal Note returned.
February 20, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.
February 22, 1985	Second reading, do pass. Considered correctly engrossed.
February 23, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 4, 1985	Introduced and referred to Committee on State Administration.
March 25, 1985	Committee recommend bill be concurrent in as amended. Report adopted.
March 28, 1985	Second reading, concurred in.

March 30, 1985

Third reading, concurred in.
Ayes, 49; Noes, 0.

Returned to House with
amendments.

IN THE HOUSE

March 30, 1985

Received from Senate.

April 8, 1985

Second reading, amendments
concurred in.

On motion, rules suspended and
bill placed on third reading
this day.

Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 774
 2 INTRODUCED BY Frank Aschell Keenan Bradley
 3 Kenneth Miles Sally Zuhri

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE METHOD FOR
 5 DETERMINING YEARS OF EMPLOYMENT FOR THE PURPOSE OF
 6 CALCULATING LONGEVITY ALLOWANCES AND VACATION LEAVE CREDITS
 7 FOR CERTAIN PUBLIC EMPLOYEES; AMENDING SECTIONS 2-18-304,
 8 2-18-611, AND 2-18-612, MCA."

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

11 Section 1. Section 2-18-304, MCA, is amended to read:

12 "2-18-304. Longevity allowance. (1) In addition to
 13 the compensation provided for in 2-18-311, 2-18-312,
 14 2-18-313, 2-18-314, or 2-18-315, each employee who has
 15 completed 5 years of uninterrupted state service shall
 16 receive the larger of \$10 a month or 10% of the difference
 17 between the base compensation for his grade and step (where
 18 applicable) and the base compensation for the next highest
 19 grade and corresponding step (where applicable) multiplied
 20 by the number of completed, contiguous 5-year periods of
 21 uninterrupted state service. Service to the state is not
 22 interrupted by authorized leaves of absence.

23 (2) For the purpose of determining years of service
 24 under this section, an employee must be credited with 1 year
 25 of service for each period of 12 uninterrupted calendar

1 months following his date of employment in which he was in a
 2 pay status, regardless of the number of hours of service in
 3 any one month."

4 Section 2. Section 2-18-611, MCA, is amended to read:

5 "2-18-611. Annual vacation leave. (1) Each permanent
 6 full-time employee shall earn annual vacation leave credits
 7 from the first day of employment. ~~For calculating vacation~~
 8 ~~leave credits, 2,080 hours (52 weeks x 40 hours) shall equal~~
 9 ~~1 year.~~ Vacation leave credits earned shall be credited at
 10 the end of each pay period. However, employees are not
 11 entitled to any vacation leave with pay until they have been
 12 continuously employed for a period of 6 calendar months.

13 (2) Seasonal employees shall earn vacation credits.
 14 However, such persons must be employed 6 qualifying months
 15 before they may use the vacation credits. In order to
 16 qualify, such employees must immediately report back for
 17 work when operations resume in order to avoid a break in
 18 service.

19 (3) Permanent part-time employees are entitled to
 20 prorated annual vacation benefits if they have worked the
 21 qualifying period.

22 (4) An employee may not accrue annual vacation leave
 23 credits while in a leave-without-pay status.

24 (5) Temporary employees do not earn vacation leave
 25 credits, except that a temporary employee who is



1 subsequently hired into a permanent position within the same
2 jurisdiction without a break in service and temporary
3 employees who are employed continuously longer than 6 months
4 may count as earned leave credits for the immediate term of
5 temporary employment."

6 Section 3. Section 2-18-612, MCA, is amended to read:

7 "2-18-612. Rate earned. (1) Vacation leave credits
8 are earned at a yearly rate calculated in accordance with
9 the following schedule, which applies to the total years of
10 an employee's employment with any agency whether the
11 employment is continuous or not:

Years of employment	Working days credit
1 day through 10 years	15
10 years through 15 years	18
15 years through 20 years	21
20 years on	24

17 (2) For the purpose of determining years of employment
18 under this section, an employee eligible to earn vacation
19 credits under 2-18-611 must be credited with 1 year of
20 employment for each period of 12 calendar months in which he
21 was in a pay status, regardless of the number of hours of
22 service in any one month."

23 NEW SECTION. Section 4. Extension of authority. Any
24 existing authority of the department of administration to
25 make rules on the subject of the provisions of this act is

1 extended to the provisions of this act.

-End-

STATE OF MONTANA

REQUEST NO. FNN397-85

FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, 19 85, there is hereby submitted a Fiscal Note for H.B. 774 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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:

To revise the method for determining years of employment for the purpose of calculating longevity allowance and vacation leave credits.

ASSUMPTIONS:

1. 307 part-time employees as of October 1984.
2. The majority of part-time employees have less than 5 years of state service.
3. Approximately 5% would become eligible for a longevity increment in any given year - 15 employees.
4. Part-time employees work an average of 20 hours per week.
5. The average grade of part-time employees is grade 9, step 6.
6. Approximately 1% would become eligible for accelerated leave in any given year.
7. There would be minor administrative cost to revise leave rules and distribute new policies and forms to the agencies.
8. Modifications to the automated payroll system would be required.
9. 61% of personal services costs are from the General Fund.

FISCAL IMPACT:

Personal Services cost would increase \$1,588 per year for executive branch agencies. For FY86, operating cost would be \$1,000 for rule changes and administrative expenses, and \$5,000 for program changes to the P.P.P. system. FY87 would be impacted only by the \$1,588 for personal services costs.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 16, 1985

FISCAL IMPACT continued:

<u>Expenditures:</u>	<u>FY1986</u>	<u>FY1987</u>
Total New Expenditures	\$7,588	\$1,588
General Fund Cost Increase	\$6,969	\$ 969
Other Fund Increase	\$ 619	\$ 619

TECHNICAL NOTE:

In FY85 the Attorney General ruled that leave be calculated by hours worked, and there were expenditures made to change from months to hours.

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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CALCULATING LONGEVITY ALLOWANCES AND VACATION LEAVE CREDITS
FOR CERTAIN PUBLIC EMPLOYEES; AMENDING SECTIONS 2-18-304,
2-18-611, AND 2-18-612, MCA; AND PROVIDING AN APPLICABILITY
DATE."

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

Section 1. Section 2-18-304, MCA, is amended to read:

"2-18-304. Longevity allowance. (1) In addition to
the compensation provided for in 2-18-311, 2-18-312,
2-18-313, 2-18-314, or 2-18-315, each employee who has
completed 5 years of uninterrupted state service shall
receive the larger of \$10 a month or 10% of the difference
between the base compensation for his grade and step (where
applicable) and the base compensation for the next highest
grade and corresponding step (where applicable) multiplied
by the number of completed, contiguous 5-year periods of
uninterrupted state service. Service to the state is not
interrupted by authorized leaves of absence.

(2) For the purpose of determining years of service

under this section, an employee must be credited with 1 year
of service for each period of 12 uninterrupted calendar
months following his date of employment in which he was in a
pay status, regardless of the number of hours of service in
any one month."

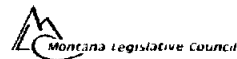
Section 2. Section 2-18-611, MCA, is amended to read:

"2-18-611. Annual vacation leave. (1) Each permanent
full-time employee shall earn annual vacation leave credits
from the first day of employment. ~~For calculating vacation
leave credits, 2,080 hours (52 weeks x 40 hours) shall equal
1 year.~~ Vacation leave credits earned shall be credited at
the end of each pay period. However, employees are not
entitled to any vacation leave with pay until they have been
continuously employed for a period of 6 calendar months.

(2) Seasonal employees shall earn vacation credits.
However, such persons must be employed 6 qualifying months
before they may use the vacation credits. In order to
qualify, such employees must immediately report back for
work when operations resume in order to avoid a break in
service.

(3) Permanent part-time employees are entitled to
prorated annual vacation benefits if they have worked the
qualifying period.

(4) An employee may not accrue annual vacation leave
credits while in a leave-without-pay status.



1 (5) Temporary employees do not earn vacation leave
 2 credits, except that a temporary employee who is
 3 subsequently hired into a permanent position within the same
 4 jurisdiction without a break in service and temporary
 5 employees who are employed continuously longer than 6 months
 6 may count as earned leave credits for the immediate term of
 7 temporary employment."

8 Section 3. Section 2-18-612, MCA, is amended to read:

9 "2-18-612. Rate earned. (1) Vacation leave credits
 10 are earned at a yearly rate calculated in accordance with
 11 the following schedule, which applies to the total years of
 12 an employee's employment with any agency whether the
 13 employment is continuous or not:

14 Years of employment	Working days credit
15 1 day through 10 years	15
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19 (2) For the purpose of determining years of employment
 20 under this section, an employee eligible to earn vacation
 21 credits under 2-18-611 must be credited with 1 year of
 22 employment for each period of 12 calendar months in which he
 23 was in a pay status, regardless of the number of hours of
 24 service in any one month."

25 NEW SECTION. Section 4. Extension of authority. Any

1 existing authority of the department of administration to
 2 make rules on the subject of the provisions of this act is
 3 extended to the provisions of this act.

4 NEW SECTION. SECTION 5. APPLICABILITY. THIS ACT
 5 APPLIES RETROACTIVELY, WITHIN THE MEANING OF 1-2-109, TO
 6 SERVICE PERFORMED AFTER JULY 31, 1984.

-End-

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STANDING COMMITTEE REPORT

SENATE

March 25, 19 85

March 25, 19 85

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE BILL No. 774

third reading copy (blue color)

(Senator Manning)

REVISING METHOD FOR DETERMINING YEARS OF EMPLOYMENT FOR PUBLIC EMPLOYEES

Respectfully report as follows: That HOUSE BILL No. 774

be amended as follows:

1. Page 2, line 2. Following: "period of" Insert: "(a)(i) 2,080 hours of service following his date of employment; an employee must be credited with 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in the pay period; or (ii)"

2. Page 2, line 4. Following: "status" Insert: "or on an authorized leave of absence without pay"

3. Page 2, line 5. Following: "month." Insert: "An employee of a school at a state institution or the university system must be credited with 1 year of service if he is employed for an entire academic year. (b) State agencies, other than the university system and a school at a state institution, shall use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

4. Page 3, line 22. Following: "period of" Insert: "(a)(i) 2,080 hours of service following his date of employment; an employee must be credited with 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in the pay period; or (ii)"

5. Page 3, line 23. Following: "status" Insert: "or on an authorized leave of absence without pay"

6. Page 3, line 24. Following: "month." Insert: "An employee of a school district, a school at a state institution, or the university system must be credited with 1 year of service if he is employed for an entire academic year. (b) State agencies, other than the university system and a school at a state institution, must use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

XXXXXXXX

XXXXXXXX

Go AND AS AMENDED BE CONCURRED IN

(Continued) J.A. Chairman

Jack Haffey

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INTRODUCED BY DRISCOLL, SPAETH, KEENAN,
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(2) (A) For the purpose of determining years of

service under this section, an employee must be credited with 1 year of service for each period of:

(I) 2,080 HOURS OF SERVICE FOLLOWING HIS DATE OF EMPLOYMENT; AN EMPLOYEE MUST BE CREDITED WITH 80 HOURS OF SERVICE FOR EACH BIWEEKLY PAY PERIOD IN WHICH HE IS IN A PAY STATUS OR ON AN AUTHORIZED LEAVE OF ABSENCE WITHOUT PAY, REGARDLESS OF THE NUMBER OF HOURS OF SERVICE IN THE PAY PERIOD; OR

(II) 12 uninterrupted calendar months following his date of employment in which he was in a pay status OR ON AN AUTHORIZED LEAVE OF ABSENCE WITHOUT PAY, regardless of the number of hours of service in any one month. AN EMPLOYEE OF A SCHOOL AT A STATE INSTITUTION OR THE UNIVERSITY SYSTEM MUST BE CREDITED WITH 1 YEAR OF SERVICE IF HE IS EMPLOYED FOR AN ENTIRE ACADEMIC YEAR.

(B) STATE AGENCIES, OTHER THAN THE UNIVERSITY SYSTEM AND A SCHOOL AT A STATE INSTITUTION, SHALL USE THE METHOD PROVIDED IN SUBSECTION (2)(A)(I) TO CALCULATE YEARS OF SERVICE UNDER THIS SECTION."

Section 2. Section 2-18-611, MCA, is amended to read:

"2-18-611. Annual vacation leave. (1) Each permanent full-time employee shall earn annual vacation leave credits from the first day of employment. ~~For calculating vacation leave credits, 2,080 hours (52 weeks x 40 hours) shall equal 1 year.~~ Vacation leave credits earned shall be credited at



1 the end of each pay period. However, employees are not
2 entitled to any vacation leave with pay until they have been
3 continuously employed for a period of 6 calendar months.

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14 SERVICE FOR EACH BIWEEKLY PAY PERIOD IN WHICH HE IS IN A PAY
15 STATUS OR ON AN AUTHORIZED LEAVE OF ABSENCE WITHOUT PAY,
16 REGARDLESS OF THE NUMBER OF HOURS OF SERVICE IN THE PAY
17 PERIOD; OR

18 (II) 12 calendar months in which he was in a pay status
19 OR ON AN AUTHORIZED LEAVE OF ABSENCE WITHOUT PAY, regardless
20 of the number of hours of service in any one month. AN
21 EMPLOYEE OF A SCHOOL DISTRICT, A SCHOOL AT A STATE
22 INSTITUTION, OR THE UNIVERSITY SYSTEM MUST BE CREDITED WITH
23 1 YEAR OF SERVICE IF HE IS EMPLOYED FOR AN ENTIRE ACADEMIC
24 YEAR.

25 (B) STATE AGENCIES, OTHER THAN THE UNIVERSITY SYSTEM

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