

IN THE HOUSE

APRIL 16, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS NOT
CONCURRED IN.

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 21, 1987

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 21, 1987

ON MOTION, CONFERENCE COMMITTEE
DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 21, 1987

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 21, 1987

FREE CONFERENCE COMMITTEE REPORTED.

APRIL 22, 1987

SECOND READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE SENATE

APRIL 22, 1987

FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 22, 1987

SENT TO ENROLLING.

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INTRODUCED BY House BILL NO. 233
Bauland
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, 1987 1989, the:

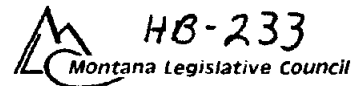
(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the 49th 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the 49th 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the 49th 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

INTRODUCED BILL



2

1 (4) The department may promulgate rules not inconsistent with the provisions of this part,
 2 collective bargaining statutes, or negotiated contracts to carry out the purposes of this part.

3 Section 2. Section 2-18-303, MCA, is amended to read:

4 "2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule
 5 provided in ~~2-18-311 and~~ 2-18-312 shall be implemented as follows:

6 (a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the
 7 fiscal year years ending June 30, ~~1986~~ 1988, and June 30, ~~1989~~, for each grade and step for
 8 positions classified under the provisions of part 2 of this chapter.

9 ~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal~~
 10 ~~year ending June 30, 1987, for each grade and step for positions classified under the provisions of~~
 11 ~~part 2 of this chapter.~~

12 (c)(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully
 13 completing 6 months of probationary service. The anniversary date of an employee shall be
 14 established at the end of the probationary period in accordance with rules promulgated by the
 15 department.

16 (d)(c) (i) The compensation of each employee on the first day of the first pay period in
 17 fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the
 18 last day of the preceding fiscal year of ~~1985~~ 1987.

19 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
 20 ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of
 21 the fiscal year ~~1985~~ 1988.

22 ~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his~~
 23 ~~anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the~~
 24 ~~employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay~~
 25 ~~period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

1 (2) The pay ~~schedules~~ schedule provided in ~~2-18-311~~ and 2-18-312 and the provisions of
2 subsection (1) of this section do not apply to those institutional teachers, liquor store
3 occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313,
4 2-18-314, or 2-18-315.

5 (3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as
6 follows:

7 (a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the
8 contracted school term for teachers employed by institutions under the authority of the department
9 of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

10 (ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~
11 1987, shall be that amount which corresponds to his level of academic achievement and the step
12 occupied on June 30, ~~1985~~ 1987.

13 (iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~
14 1988, shall be that amount which corresponds to his level of achievement and the step occupied on
15 June 30, ~~1985~~ 1987.

16 (b) (i) The pay ~~schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly
17 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees
18 in liquor store occupations who have collectively bargained separate classification and pay plans.

19 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
20 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
21 occupied on the last day of the preceding fiscal year.

22 (c) (i) The pay ~~schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly
23 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in
24 apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar
25 classification plan who are members of units that have collectively bargained separate

1 classification and pay plans.

2 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
3 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
4 occupied on the last day of the preceding fiscal year.

5 (4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective
6 pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he
7 is a member ratifies a completely integrated collective bargaining agreement covering the biennium
8 ending June 30, ~~1987~~ 1989.

9 (ii) In the event that negotiation and ratification of a completely integrated collective
10 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
11 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

12 (iii) In the event that negotiation and ratification of a completely integrated collective
13 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
14 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they
15 were receiving as of June 30, ~~1985~~ 1987.

16 (b) Methods of administration not inconsistent with the purpose of this part and necessary to
17 properly implement the pay schedules provided in ~~2-18-319~~ 2-18-312 through 2-18-315 may be provided
18 for in collective bargaining agreements.

19 (5) The current wage or salary of an employee shall not be reduced by the implementation of
20 the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

21 (6) The department may authorize a separate pay schedule for medical doctors if the rates
22 provided in ~~2-18-311~~ and 2-18-312 are not sufficient to attract and retain fully licensed and
23 qualified physicians at the state institutions.

24 (7) The department may develop programs which will enable the department to mitigate problems
25 associated with difficult recruitment, retention, transfer, or other exceptional circumstances.

1 Insofar as the program may apply to employees within a collective bargaining unit, it shall be a
 2 negotiable subject under 39-31-305."

3 Section 3. Section 2-18-304, MCA, is amended to read:

4 "2-18-304. Longevity allowance. (1) In addition to the compensation provided for in 2-18-311;
 5 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted
 6 state service shall receive the larger of \$10 a month or 10% of the difference between the base
 7 compensation for his grade and step (where applicable) and the base compensation for the next
 8 highest grade and corresponding step (where applicable) multiplied by the number of completed,
 9 contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted
 10 by authorized leaves of absence.

11 (2) (a) For the purpose of determining years of service under this section, an employee must
 12 be credited with 1 year of service for each period of:

13 (i) 2,080 hours of service following his date of employment; an employee must be credited with
 14 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized
 15 leave of absence without pay, regardless of the number of hours of service in the pay period; or

16 (ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay
 17 status or on an authorized leave of absence without pay, regardless of the number of hours of
 18 service in any one month. An employee of a school at a state institution or the university system
 19 must be credited with 1 year of service if he is employed for an entire academic year.

20 (b) State agencies, other than the university system and a school at a state institution,
 21 shall use the method provided in subsection (2)(a)(i) to calculate years of service under this
 22 section."

23 Section 4. Section 2-18-305, MCA, is amended to read:

24 "2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the
 25 respective pay schedules provided in 2-18-311; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the

1 case may be, represent the maximum amount allocated by the state for wages and group benefits,
 2 exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section,
 3 that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee
 4 who elects not to be covered by a state employee group benefit plan will receive as wages the amount
 5 shown in the appropriate pay schedule less the state contribution for group benefits as determined
 6 by 2-18-703.

7 (2) Employees may, through collective bargaining, determine the allocation of the amounts
 8 shown in the pay schedules provided in 2-18-311; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
 9 case may be, between wages and group benefits, except that in no case may the group benefits
 10 allocation be less than the amounts provided in 2-18-703."

11 Section 5. Section 2-18-312, MCA, is amended to read:

12 "2-18-312. Statewide pay schedule for fiscal year 1987 years 1988 and 1989. The statewide
 13 classification pay schedule for fiscal year 1987 years 1988 and 1989 is as follows:

14 Annual Hours -- 2080 Note: Includes Insurance
 15 Pay Matrix -- State Matrix Type -- Annual

16 STEP

17 GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
18 1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
19 2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
20 3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
21 4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
22 5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
23 6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
24 7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
25 8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933

1	9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
2	10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
3	11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
4	12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
5	13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
6	14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
7	15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
8	16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
9	17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
10	18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
11	19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
12	20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
13	21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
14	22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878
15	23	44,906	48,286	49,252	50,237	51,242	52,267	53,312	54,378	54,378	54,378	54,378	54,378	54,378
16	24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	58,158	58,158	58,158	58,158	58,158	58,158
17	25	53,471	57,496	58,646	59,819	61,015	62,235	62,235	62,235	62,235	62,235	62,235	62,235	62,235

Section 6. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. (a) The 12-month pay schedule for institutional teachers for fiscal year 1986 is as follows:

Annual Hours	2000	Note: includes insurance
Pay Matrix	Teachers	Matrix type
Term	Twelve Months	--
	Education Level	

YEARS-OF

1	4	+6,242	+6,881	+7,483	+7,881	+8,123	+8,725
2	5	+6,754	+7,445	+8,085	+8,438	+8,776	+9,416
3	6	+7,264	+8,007	+8,685	+9,057	+9,427	+20,185
4	7	+7,777	+8,571	+9,287	+9,685	20,881	20,797
5	8	+8,288	+9,133	+9,889	20,310	20,734	21,488
6	9	+8,800	+9,697	20,498	20,936	21,385	22,178
7	10	+9,313	20,259	21,091	21,565	22,038	22,869

(2)--(a)(1) The 12-month pay schedule for institutional teachers for fiscal year-1987 years
1988 and 1989 is as follows:

Annual Hours -- 2080

Note: Includes Insurance

Pay Matrix -- Teachers

Matrix Type -- Annual

Term -- Twelve Months

Education Level

14	YEARS OF						
15	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
16	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
17	0	18,976	19,568	20,176	20,473	20,769	21,377
18	1	19,673	20,333	20,995	21,325	21,656	22,316
19	2	20,368	21,098	21,811	22,179	22,543	23,257
20	3	21,065	21,865	22,629	23,030	23,431	24,196
21	4	21,760	22,629	23,447	23,881	24,318	25,137
22	5	22,457	23,396	24,266	24,736	25,206	26,077
23	6	23,151	24,160	25,082	25,588	26,092	27,014
24	7	23,848	24,927	25,902	26,442	26,981	27,955
25	8	24,543	25,691	26,720	27,293	27,869	28,894

1	9	25,240	26,458	27,538	28,145	28,754	29,834
2	10	25,937	27,223	28,355	28,999	29,643	30,773

3 (b)(2) The 9-month pay schedule for institutional teachers for fiscal year-1987 years 1988 and
 4 1989 is as follows:

5 Annual Hours -- 1480 Note: Includes Insurance
 6 Pay Matrix -- Teachers Matrix Type -- Annual
 7 Term -- Nine Months

		Education Level					
YEARS OF EXPERIENCE		BA	BA+1	BA+2	BA+3	MA	MA+1
(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)	
12	0	14,592	15,036	15,492	15,715	15,937	16,393
13	1	15,115	15,610	16,106	16,354	16,602	17,097
14	2	15,636	16,184	16,718	16,994	17,267	17,803
15	3	16,159	16,759	17,332	17,633	17,933	18,507
16	4	16,680	17,332	17,945	18,271	18,599	19,213
17	5	17,203	17,907	18,560	18,912	19,265	19,918
18	6	17,723	18,480	19,172	19,551	19,929	20,621
19	7	18,246	19,055	19,787	20,192	20,596	21,326
20	8	18,767	19,628	20,400	20,830	21,262	22,031
21	9	19,290	20,204	21,014	21,469	21,926	22,736
22	10	19,813	20,777	21,626	22,109	22,592	23,440"

23 Section 7. Section 2-18-314, MCA, is amended to read:

24 "2-18-314. Liquor store occupations pay ~~schedules~~ schedule. (†) The pay schedule for liquor
 25 store occupations for fiscal year-1986 years 1988 and 1989 is as follows:

1	Annual Hours --- 2080	Note: With Insurance
2	Pay Matrix --- Retail Clerk	Matrix Type --- Hourly
3	Grade	\$/Hour
4	-	W/Ins.
5	E1	6.866
6	E2	7.484
7	E3	7.984
8	E4	8.183
9	E5	8.474
10	E6	9.084
11	E7	9.748
12	E8	10.492

(2) -- The pay schedule for liquor store occupations for fiscal year 1987 is as follows:

14	Annual Hours -- 2080	Note: With Insurance
15	Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
16	Grade	\$/Hour
17		W/Ins.
18	L1	0.000
19	L2	7.683
20	L3	8.183
21	L4	8.463
22	L5	8.753
23	L6	9.363
24	L7	10.023
25	L8	10.773

1 Section 8. Section 2-18-315, MCA, is amended to read:

2 "2-18-315. Blue-collar pay ~~schedules~~ schedule. (1) The pay schedule for blue-collar workers
3 for fiscal year ~~1986~~ years 1988 and 1989 is as follows:

4	Annual Hours --- 2080	Note: With Insurance
5	Pay Matrix --- Blue-Collar	Matrix Type --- Hourly
6	Grade	\$/Hour
7	-	W/Ins.
8	B1-	-7.836
9	B2-	-8.236
10	B3-	-8.636
11	B4-	-9.036
12	B5-	-9.436
13	B6-	-9.836
14	B7-	+0.236
15	B8-	+0.636
16	B9-	+1.036
17	B10	+1.436
18	B11	+1.836
19	B12	+2.236
20	B00	+2.636

21 (2) ~~The pay schedule for blue-collar workers for fiscal year 1987 is as follows:~~

22	Annual Hours -- 2080	Note: With Insurance
23	Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
24	Grade	\$/Hour
25		W/Ins.

1	B1	8.153
2	B2	8.553
3	B3	8.953
4	B4	9.353
5	B5	9.753
6	B6	10.153
7	B7	10.553
8	B8	10.953
9	B9	11.353
10	B10	11.753
11	B11	12.153
12	B12	12.553
13	B00	12.953"

14 Section 9. Section 2-18-703, MCA, is amended to read:

15 "2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount
16 specified in this section towards the group benefits cost.

17 (2) For employees defined in 2-18-701, other than members of collective bargaining units, and
18 for members of the legislature, the employer contribution for group benefits shall be ~~\$105~~ \$115 per
19 month for the fiscal year ~~years~~ ending June 30, ~~1986~~ 1988, and June 30, 1989, and \$115 per month for
20 each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less
21 than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not
22 to be covered by a state-sponsored group benefit plan may not receive the state contribution as
23 wages. A portion of the employer contribution for group benefits may be applied to an employee's
24 costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965,
25 as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

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

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

6 NEW SECTION. Section 10. Repealer. Section 2-18-311, MCA, is repealed.

7 NEW SECTION. Section 11. Effective date. This act is effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB233, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing state employee compensation plans and benefit levels; providing pay schedules for fiscal years 1988 and 1989; amending Sections 2-18-301, 2-18-303 through 2-18-305, 2-18-312 through 2-18-315, and 2-18-703, MCA; repealing Section 2-18-311, MCA; and providing an immediate effective date.

ASSUMPTIONS:

1. Executive Budget FY88 and FY89 salary levels are at current FY87 level.

FISCAL IMPACT:

None.

David L. Hunter DATE 1/21/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Bardanoue DATE Jan 22
FRANCIS BARDANOUVE, PRIMARY SPONSOR
Fiscal Note for HB233, as introduced.

HB-233

APPROVED BY COMMITTEE
ON APPROPRIATIONS

INTRODUCED BY House Bill NO. 233
Bauland
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:


(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the 49th 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the 49th 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the 49th 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

SECOND READING

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2

1 (4) The department may promulgate rules not inconsistent with the provisions of this part,
 2 collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

3 Section 2. Section 2-18-303, MCA, is amended to read:

4 "2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule
 5 provided in ~~2-18-311 and 2-18-312~~ shall be implemented as follows:

6 (a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the
 7 fiscal year years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for
 8 positions classified under the provisions of part 2 of this chapter.

9 ~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal~~
 10 ~~year ending June 30, 1987, for each grade and step for positions classified under the provisions of~~
 11 ~~part 2 of this chapter.~~

12 ~~(c)(b)~~ Each new employee shall advance from step 1 to step 2 of a grade after successfully
 13 completing 6 months of probationary service. The anniversary date of an employee shall be
 14 established at the end of the probationary period in accordance with rules promulgated by the
 15 department.

16 ~~(d)(c)~~ (i) The compensation of each employee on the first day of the first pay period in
 17 fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the
 18 last day of the preceding fiscal year of ~~1985~~ 1987.

19 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
 20 ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of
 21 the fiscal year ~~1985~~ 1988.

22 ~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his~~
 23 ~~anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the~~
 24 ~~employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay~~
 25 ~~period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

1 (2) The pay schedules schedule provided in 2-18-311 and 2-18-312 and the provisions of
2 subsection (1) of this section do not apply to those institutional teachers, liquor store
3 occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313,
4 2-18-314, or 2-18-315.

5 (3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as
6 follows:

7 (a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the
8 contracted school term for teachers employed by institutions under the authority of the department
9 of institutions for fiscal years 1986 1988 and 1987 1989.

10 (ii) The compensation of each teacher on the first day of the first pay period in July, 1985
11 1987, shall be that amount which corresponds to his level of academic achievement and the step
12 occupied on June 30, 1985 1987.

13 (iii) The compensation of each teacher on the first day of the first pay period in July, 1986
14 1988, shall be that amount which corresponds to his level of achievement and the step occupied on
15 June 30, 1985 1987.

16 (b) (i) The pay schedules schedule provided in 2-18-314 indicate indicates the maximum hourly
17 compensation for fiscal years ending June 30, 1986 1988, and June 30, 1987 1989, for those employees
18 in liquor store occupations who have collectively bargained separate classification and pay plans.

19 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
20 1986 1988 or 1987 1989, as the case may be, shall be that amount which corresponds to that grade
21 occupied on the last day of the preceding fiscal year.

22 (c) (i) The pay schedules schedule provided in 2-18-315 indicate indicates the maximum hourly
23 compensation for fiscal years ending June 30, 1986 1988, and June 30, 1987 1989, for employees in
24 apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar
25 classification plan who are members of units that have collectively bargained separate

1 classification and pay plans.

2 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
 3 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
 4 occupied on the last day of the preceding fiscal year.

5 (4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective
 6 pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he
 7 is a member ratifies a completely integrated collective bargaining agreement covering the biennium
 8 ending June 30, ~~1987~~ 1989.

9 (ii) In the event that negotiation and ratification of a completely integrated collective
 10 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
 11 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

12 (iii) In the event that negotiation and ratification of a completely integrated collective
 13 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
 14 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they
 15 were receiving as of June 30, ~~1985~~ 1987.

16 (b) Methods of administration not inconsistent with the purpose of this part and necessary to
 17 properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided
 18 for in collective bargaining agreements.

19 (5) The current wage or salary of an employee shall not be reduced by the implementation of
 20 the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

21 (6) The department may authorize a separate pay schedule for medical doctors if the rates
 22 provided in ~~2-18-311~~ and 2-18-312 are not sufficient to attract and retain fully licensed and
 23 qualified physicians at the state institutions.

24 (7) The department may develop programs which will enable the department to mitigate problems
 25 associated with difficult recruitment, retention, transfer, or other exceptional circumstances.

1 Insofar as the program may apply to employees within a collective bargaining unit, it shall be a
2 negotiable subject under 39-31-305."

3 Section 3. Section 2-18-304, MCA, is amended to read:

4 "2-18-304. Longevity allowance. (1) In addition to the compensation provided for in 2-18-311;
5 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted
6 state service shall receive the larger of \$10 a month or 10% of the difference between the base
7 compensation for his grade and step (where applicable) and the base compensation for the next
8 highest grade and corresponding step (where applicable) multiplied by the number of completed,
9 contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted
10 by authorized leaves of absence.

11 (2) (a) For the purpose of determining years of service under this section, an employee must
12 be credited with 1 year of service for each period of:

13 (i) 2,080 hours of service following his date of employment; an employee must be credited with
14 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized
15 leave of absence without pay, regardless of the number of hours of service in the pay period; or

16 (ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay
17 status or on an authorized leave of absence without pay, regardless of the number of hours of
18 service in any one month. An employee of a school at a state institution or the university system
19 must be credited with 1 year of service if he is employed for an entire academic year.

20 (b) State agencies, other than the university system and a school at a state institution,
21 shall use the method provided in subsection (2)(a)(i) to calculate years of service under this
22 section."

23 Section 4. Section 2-18-305, MCA, is amended to read:

24 "2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the
25 respective pay schedules provided in 2-18-311; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the

1 case may be, represent the maximum amount allocated by the state for wages and group benefits,
 2 exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section,
 3 that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee
 4 who elects not to be covered by a state employee group benefit plan will receive as wages the amount
 5 shown in the appropriate pay schedule less the state contribution for group benefits as determined
 6 by 2-18-703.

7 (2) Employees may, through collective bargaining, determine the allocation of the amounts
 8 shown in the pay schedules provided in 2-18-311, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
 9 case may be, between wages and group benefits, except that in no case may the group benefits
 10 allocation be less than the amounts provided in 2-18-703."

11 Section 5. Section 2-18-312, MCA, is amended to read:

12 "2-18-312. Statewide pay schedule for fiscal year ~~1987~~ years 1988 and 1989. The statewide
 13 classification pay schedule for fiscal year ~~1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080		Note: Includes Insurance												
Pay Matrix -- State		Matrix Type -- Annual												
		STEP												
GRADE		1	2	3	4	5	6	7	8	9	10	11	12	13
18	1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
19	2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
20	3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
21	4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
22	5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
23	6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
24	7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
25	8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933

1	9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
2	10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
3	11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
4	12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
5	13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
6	14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
7	15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
8	16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
9	17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
10	18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
11	19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
12	20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
13	21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
14	22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878
15	23	44,906	48,286	49,252	50,237	51,242	52,267	53,312	54,378	54,378	54,378	54,378	54,378	54,378
16	24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	58,158	58,158	58,158	58,158	58,158	58,158
17	25	53,471	57,496	58,646	59,819	61,015	62,235	62,235	62,235	62,235	62,235	62,235	62,235	62,235"

Section 6. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. (1)-(a)-The--12-month--pay--schedule--for institutional teachers for fiscal year 1986 is as follows:

Annual Hours----	2088	Note--Includes--insurance
Pay Matrix----	Teachers	Matrix Type--- Annual
Term----	Twelve-Months	--
	Education Level	

YEARS-OF

1	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
2	{Step}	{Grade-1}	{Grade-2}	{Grade-3}	{Grade-4}	{Grade-5}	{Grade-6}
3	0	18,486	19,067	19,669	19,954	20,244	20,840
4	1	19,170	19,817	20,466	20,789	21,114	21,761
5	2	19,854	20,567	21,266	21,626	21,989	22,683
6	3	20,534	21,319	22,068	22,461	22,854	23,604
7	4	21,216	22,068	22,878	23,295	23,724	24,526
8	5	21,899	22,820	23,673	24,133	24,594	25,440
9	6	22,579	23,569	24,473	24,969	25,469	26,367
10	7	23,263	24,321	25,276	25,806	26,334	27,289
11	8	23,944	25,070	26,078	26,640	27,205	28,210
12	9	24,627	25,822	26,880	27,475	28,073	29,131
13	10	25,311	26,572	27,681	28,313	28,944	30,052

14 (b)--The 9-month pay schedule for institutional teachers for fiscal year 1986 is as follows:
 15 Annual Hours----1488 Note--includes insurance
 16 Pay Matrix----Teachers Matrix Type----Annual
 17 Term----Nine-Months --

18	Education Level						
19	YEARS-OF	-	-	-	-	-	-
20	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
21	{Step}	{Grade-1}	{Grade-2}	{Grade-3}	{Grade-4}	{Grade-5}	{Grade-6}
22	0	14,195	14,630	15,077	15,296	15,513	15,960
23	1	14,708	15,193	15,680	15,922	16,166	16,651
24	2	15,218	15,755	16,280	16,550	16,817	17,342
25	3	15,731	16,319	16,881	17,176	17,471	18,033

1	4	+6,242	+6,881	+7,483	+7,881	+8,123	+8,725
2	5	+6,754	+7,445	+8,085	+8,438	+8,776	+9,416
3	6	+7,264	+8,007	+8,685	+9,057	+9,427	+10,105
4	7	+7,777	+8,571	+9,287	+9,685	+10,081	+10,797
5	8	+8,288	+9,133	+9,889	+10,310	+10,734	+11,488
6	9	+8,800	+9,697	+10,498	+10,936	+11,385	+12,178
7	10	+9,313	+10,259	+11,091	+11,565	+12,038	+12,869

{2}--(a)(1) The 12-month pay schedule for institutional teachers for fiscal year 1987 years 1988 and 1989 is as follows:

Annual Hours -- 2080

Note: Includes Insurance

Pay Matrix -- Teachers

Matrix Type -- Annual

Term -- Twelve Months

Education Level

YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	18,976	19,568	20,176	20,473	20,769	21,377
1	19,673	20,333	20,995	21,325	21,656	22,316
2	20,368	21,098	21,811	22,179	22,543	23,257
3	21,065	21,865	22,629	23,030	23,431	24,196
4	21,760	22,629	23,447	23,881	24,318	25,137
5	22,457	23,396	24,266	24,736	25,206	26,077
6	23,151	24,160	25,082	25,588	26,092	27,014
7	23,848	24,927	25,902	26,442	26,981	27,955
8	24,543	25,691	26,720	27,293	27,869	28,894

1	9	25,240	26,458	27,538	28,145	28,754	29,834
2	10	25,937	27,223	28,355	28,999	29,643	30,773

3 (b)(2) The 9-month pay schedule for institutional teachers for fiscal year-1987 years 1988 and
 4 1989 is as follows:

5 Annual Hours -- 1480 Note: Includes Insurance
 6 Pay Matrix -- Teachers Matrix Type -- Annual
 7 Term -- Nine Months

		Education Level					
YEARS OF							
10	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
11	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
12	0	14,592	15,036	15,492	15,715	15,937	16,393
13	1	15,115	15,610	16,106	16,354	16,602	17,097
14	2	15,636	16,184	16,718	16,994	17,267	17,803
15	3	16,159	16,759	17,332	17,633	17,933	18,507
16	4	16,680	17,332	17,945	18,271	18,599	19,213
17	5	17,203	17,907	18,560	18,912	19,265	19,918
18	6	17,723	18,480	19,172	19,551	19,929	20,621
19	7	18,246	19,055	19,787	20,192	20,596	21,326
20	8	18,767	19,628	20,400	20,830	21,262	22,031
21	9	19,290	20,204	21,014	21,469	21,926	22,736
22	10	19,813	20,777	21,626	22,109	22,592	23,440

23 Section 7. Section 2-18-314, MCA, is amended to read:

24 "2-18-314. Liquor store occupations pay schedules schedule. (†) The pay schedule for liquor
 25 store occupations for fiscal year-1986 years 1988 and 1989 is as follows:

1	Annual Hours --- 2080	Note: With Insurance
2	Pay Matrix --- Retail Clerk	Matrix Type --- Hourly
3	Grade	\$/Hour
4	-	W/Ins.
5	E1	6.000
6	E2	7.404
7	E3	7.904
8	E4	8.183
9	E5	8.474
10	E6	9.004
11	E7	9.748
12	E8	10.492

{2}--The pay schedule for liquor store occupations for fiscal year 1987 is as follows:

14	Annual Hours -- 2080	Note: With Insurance
15	Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
16	Grade	\$/Hour
17		W/Ins.
18	L1	6.000
19	L2	7.683
20	L3	8.183
21	L4	8.463
22	L5	8.753
23	L6	9.363
24	L7	10.023
25	L8	10.773"

1 Section 8. Section 2-18-315, MCA, is amended to read:

2 "2-18-315. Blue-collar pay schedules schedule. (1) The pay schedule for blue-collar workers
 3 for fiscal year ~~1986~~ years 1988 and 1989 is as follows:

4	Annual Hours --- 2080	Note: With Insurance
5	Pay Matrix --- Blue-Collar	Matrix Type --- Hourly
6	Grade	\$/Hour
7	-	W/Ins.
8	B1-	-7:836
9	B2-	-8:236
10	B3-	-8:636
11	B4-	-9:836
12	B5-	-9:436
13	B6-	-9:836
14	B7-	+8:236
15	B8-	+8:636
16	B9-	+1:836
17	B10	+1:436
18	B11	+1:836
19	B12	+2:236
20	B00	+2:636

21 (2) ~~The pay schedule for blue-collar workers for fiscal year 1987 is as follows:~~

22	Annual Hours -- 2080	Note: With Insurance
23	Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
24	Grade	\$/Hour
25		W/Ins.

1	B1	8.153
2	B2	8.553
3	B3	8.953
4	B4	9.353
5	B5	9.753
6	B6	10.153
7	B7	10.553
8	B8	10.953
9	B9	11.353
10	B10	11.753
11	B11	12.153
12	B12	12.553
13	B00	12.953"

14 Section 9. Section 2-18-703, MCA, is amended to read:

15 "2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount
16 specified in this section towards the group benefits cost.

17 (2) For employees defined in 2-18-701, other than members of collective bargaining units, and
18 for members of the legislature, the employer contribution for group benefits shall be ~~\$105~~ \$115 per
19 month for the fiscal year years ending June 30, ~~1986 1988, and June 30, 1989,~~ and \$115 per month for
20 each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less
21 than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not
22 to be covered by a state-sponsored group benefit plan may not receive the state contribution as
23 wages. A portion of the employer contribution for group benefits may be applied to an employee's
24 costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965,
25 as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

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

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

6 NEW SECTION. Section 10. Repealer. Section 2-18-311, M.C.A., is repealed.

7 NEW SECTION. Section 11. Effective date. This act is effective on passage and approval.

-End-

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INTRODUCED BY Barlow ^{HOUSE BILL NO. 233}
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:


(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~49th~~ 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~49th~~ 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~49th~~ 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

THIRD READING

 **HB-233**
Montana Legislative Council

2

1 (4) The department may promulgate rules not inconsistent with the provisions of this part,
 2 collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

3 Section 2. Section 2-18-303, MCA, is amended to read:

4 "2-18-303. Procedures for utilizing pay schedules schedule. (1) The pay schedules schedule
 5 provided in 2-18-311 and 2-18-312 shall be implemented as follows:

6 (a) The pay schedule provided in 2-18-311 2-18-312 indicates the annual compensation for the
 7 fiscal year years ending June 30, 1986 1988, and June 30, 1989, for each grade and step for
 8 positions classified under the provisions of part 2 of this chapter.

9 ~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal~~
 10 ~~year ending June 30, 1987, for each grade and step for positions classified under the provisions of~~
 11 ~~part 2 of this chapter.~~

12 ~~(c)(b)~~ Each new employee shall advance from step 1 to step 2 of a grade after successfully
 13 completing 6 months of probationary service. The anniversary date of an employee shall be
 14 established at the end of the probationary period in accordance with rules promulgated by the
 15 department.

16 ~~(d)(c)~~ (i) The compensation of each employee on the first day of the first pay period in
 17 fiscal year 1986 1988 shall be that amount which corresponds to the grade and step occupied on the
 18 last day of the preceding fiscal year of 1985 1987.

19 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
 20 1987 1989 shall be that amount which corresponds to the grade and step occupied on the last day of
 21 the fiscal year 1985 1988.

22 ~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his~~
 23 ~~anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the~~
 24 ~~employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay~~
 25 ~~period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

1 (2) The pay schedules schedule provided in ~~2-18-311~~ and 2-18-312 and the provisions of
2 subsection (1) of this section do not apply to those institutional teachers, liquor store
3 occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313,
4 2-18-314, or 2-18-315.

5 (3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as
6 follows:

7 (a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the
8 contracted school term for teachers employed by institutions under the authority of the department
9 of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

10 (ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~
11 1987, shall be that amount which corresponds to his level of academic achievement and the step
12 occupied on June 30, ~~1985~~ 1987.

13 (iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~
14 1988, shall be that amount which corresponds to his level of achievement and the step occupied on
15 June 30, ~~1985~~ 1987.

16 (b) (i) The pay schedules schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly
17 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees
18 in liquor store occupations who have collectively bargained separate classification and pay plans.

19 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
20 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
21 occupied on the last day of the preceding fiscal year.

22 (c) (i) The pay schedules schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly
23 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in
24 apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar
25 classification plan who are members of units that have collectively bargained separate

1 classification and pay plans.

2 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
3 1986 1988 or 1987 1989, as the case may be, shall be that amount which corresponds to that grade
4 occupied on the last day of the preceding fiscal year.

5 (4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective
6 pay schedules provided in 2-18-311 2-18-312 through 2-18-315 until the bargaining unit of which he
7 is a member ratifies a completely integrated collective bargaining agreement covering the biennium
8 ending June 30, 1987 1989.

9 (ii) In the event that negotiation and ratification of a completely integrated collective
10 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
11 1, 1985 1987, retroactivity to that date may be negotiated.

12 (iii) In the event that negotiation and ratification of a completely integrated collective
13 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
14 1, 1985 1987, members of the bargaining unit involved will continue to receive the compensation they
15 were receiving as of June 30, 1985 1987.

16 (b) Methods of administration not inconsistent with the purpose of this part and necessary to
17 properly implement the pay schedules provided in 2-18-313 2-18-312 through 2-18-315 may be provided
18 for in collective bargaining agreements.

19 (5) The current wage or salary of an employee shall not be reduced by the implementation of
20 the pay schedules provided for in 2-18-311 2-18-312 through 2-18-315.

21 (6) The department may authorize a separate pay schedule for medical doctors if the rates
22 provided in 2-18-311--and 2-18-312 are not sufficient to attract and retain fully licensed and
23 qualified physicians at the state institutions.

24 (7) The department may develop programs which will enable the department to mitigate problems
25 associated with difficult recruitment, retention, transfer, or other exceptional circumstances.

1 Insofar as the program may apply to employees within a collective bargaining unit, it shall be a
2 negotiable subject under 39-31-305."

3 Section 3. Section 2-18-304, MCA, is amended to read:

4 "2-18-304. Longevity allowance. (1) In addition to the compensation provided for in 2-18-311;
5 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted
6 state service shall receive the larger of \$10 a month or 10% of the difference between the base
7 compensation for his grade and step (where applicable) and the base compensation for the next
8 highest grade and corresponding step (where applicable) multiplied by the number of completed,
9 contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted
10 by authorized leaves of absence.

11 (2) (a) For the purpose of determining years of service under this section, an employee must
12 be credited with 1 year of service for each period of:

13 (i) 2,080 hours of service following his date of employment; an employee must be credited with
14 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized
15 leave of absence without pay, regardless of the number of hours of service in the pay period; or

16 (ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay
17 status or on an authorized leave of absence without pay, regardless of the number of hours of
18 service in any one month. An employee of a school at a state institution or the university system
19 must be credited with 1 year of service if he is employed for an entire academic year.

20 (b) State agencies, other than the university system and a school at a state institution,
21 shall use the method provided in subsection (2)(a)(i) to calculate years of service under this
22 section."

23 Section 4. Section 2-18-305, MCA, is amended to read:

24 "2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the
25 respective pay schedules provided in 2-18-311; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the

1 case may be, represent the maximum amount allocated by the state for wages and group benefits,
 2 exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section,
 3 that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee
 4 who elects not to be covered by a state employee group benefit plan will receive as wages the amount
 5 shown in the appropriate pay schedule less the state contribution for group benefits as determined
 6 by 2-18-703.

7 (2) Employees may, through collective bargaining, determine the allocation of the amounts
 8 shown in the pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
 9 case may be, between wages and group benefits, except that in no case may the group benefits
 10 allocation be less than the amounts provided in 2-18-703."

11 Section 5. Section 2-18-312, MCA, is amended to read:

12 "2-18-312. Statewide pay schedule for fiscal ~~year-1987~~ years 1988 and 1989. The statewide
 13 classification pay schedule for fiscal ~~year-1987~~ years 1988 and 1989 is as follows:

14 Annual Hours -- 2080

Note: Includes Insurance

15 Pay Matrix -- State

Matrix Type -- Annual

16 STEP

17 GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
18 1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
19 2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
20 3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
21 4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
22 5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
23 6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
24 7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
25 8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933

1	9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
2	10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
3	11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
4	12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
5	13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
6	14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
7	15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
8	16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
9	17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
10	18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
11	19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
12	20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
13	21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
14	22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878
15	23	44,906	48,286	49,252	50,237	51,242	52,267	53,312	54,378	54,378	54,378	54,378	54,378	54,378
16	24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	58,158	58,158	58,158	58,158	58,158	58,158
17	25	53,471	57,496	58,646	59,819	61,015	62,235	62,235	62,235	62,235	62,235	62,235	62,235	62,235"

Section 6. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. ~~(+) (a) The 12-month pay schedule for institutional teachers for fiscal year 1986 is as follows:~~

Annual Hours --- 2088	Note: Includes insurance
Pay Matrix --- Teachers	Matrix Type --- Annual
Term --- Twelve Months	--

Education Level

YEARS-OF

1	4	16,242	16,881	17,483	17,881	18,123	18,725
2	5	16,754	17,445	18,085	18,438	18,776	19,416
3	6	17,264	18,007	18,685	19,057	19,427	20,105
4	7	17,777	18,571	19,287	19,685	20,081	20,797
5	8	18,288	19,133	19,889	20,318	20,734	21,488
6	9	18,800	19,697	20,498	20,936	21,385	22,178
7	10	19,313	20,259	21,091	21,565	22,038	22,869

(2)--(a)(1) The 12-month pay schedule for institutional teachers for fiscal year-1987 years
 1988 and 1989 is as follows:

Annual Hours -- 2080

Note: Includes Insurance

Pay Matrix -- Teachers

Matrix Type -- Annual

Term -- Twelve Months

Education Level

14	YEARS OF	Education Level					
15	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
16	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
17	0	18,976	19,568	20,176	20,473	20,769	21,377
18	1	19,673	20,333	20,995	21,325	21,656	22,316
19	2	20,368	21,098	21,811	22,179	22,543	23,257
20	3	21,065	21,865	22,629	23,030	23,431	24,196
21	4	21,760	22,629	23,447	23,881	24,318	25,137
22	5	22,457	23,396	24,266	24,736	25,206	26,077
23	6	23,151	24,160	25,082	25,588	26,092	27,014
24	7	23,848	24,927	25,902	26,442	26,981	27,955
25	8	24,543	25,691	26,720	27,293	27,869	28,894

1	9	25,240	26,458	27,538	28,145	28,754	29,834
2	10	25,937	27,223	28,355	28,999	29,643	30,773

3 (b)(2) The 9-month pay schedule for institutional teachers for fiscal year-1987 years 1988 and
 4 1989 is as follows:

5 Annual Hours -- 1480 Note: Includes Insurance
 6 Pay Matrix -- Teachers Matrix Type -- Annual
 7 Term -- Nine Months

9	YEARS OF	Education Level					
10	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
11	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
12	0	14,592	15,036	15,492	15,715	15,937	16,393
13	1	15,115	15,610	16,106	16,354	16,602	17,097
14	2	15,636	16,184	16,718	16,994	17,267	17,803
15	3	16,159	16,759	17,332	17,633	17,933	18,507
16	4	16,680	17,332	17,945	18,271	18,599	19,213
17	5	17,203	17,907	18,560	18,912	19,265	19,918
18	6	17,723	18,480	19,172	19,551	19,929	20,621
19	7	18,246	19,055	19,787	20,192	20,596	21,326
20	8	18,767	19,628	20,400	20,830	21,262	22,031
21	9	19,290	20,204	21,014	21,469	21,926	22,736
22	10	19,813	20,777	21,626	22,109	22,592	23,440"

23 Section 7. Section 2-18-314, MCA, is amended to read:

24 "2-18-314. Liquor store occupations pay schedates schedule. (†) The pay schedule for liquor
 25 store occupations for fiscal year-1986 years 1988 and 1989 is as follows:

1	Annual Hours --- 2080	Note: With Insurance
2	Pay Matrix --- Retail Clerk	Matrix Type --- Hourly
3	Grade	\$/Hour
4	-	W/Ins:
5	E1	6.000
6	E2	7.404
7	E3	7.984
8	E4	8.183
9	E5	8.474
10	E6	9.084
11	E7	9.748
12	E8	10.492

(2) -- The pay schedule for liquor store occupations for fiscal year 1987 is as follows:

14	Annual Hours -- 2080	Note: With Insurance
15	Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
16	Grade	\$/Hour
17		W/Ins.
18	L1	6.000
19	L2	7.683
20	L3	8.183
21	L4	8.463
22	L5	8.753
23	L6	9.363
24	L7	10.023
25	L8	10.773"

1 Section 8. Section 2-18-315, MCA, is amended to read:

2 "2-18-315. Blue-collar pay schedules schedule. (1) The pay schedule for blue-collar workers
3 for fiscal year-1986 years 1988 and 1989 is as follows:

4	Annual-Hours----2080	Note:--With-Insurance
5	Pay-Matrix----Blue-Collar	Matrix-Type----Hourly
6	Grade	\$/Hour
7	-	W/ins-
8	B1-	-7-836
9	B2-	-8-236
10	B3-	-8-636
11	B4-	-9-836
12	B5-	-9-436
13	B6-	-9-836
14	B7-	+0-236
15	B8-	+0-636
16	B9-	+1-836
17	B10	+1-436
18	B11	+1-836
19	B12	+2-236
20	B00	+2-636

21 (2)--The-pay-schedule-for-blue-collar-workers-for-fiscal-year-1987-is-as-follows:

22	Annual Hours -- 2080	Note: With Insurance
23	Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
24	Grade	\$/Hour
25		W/Ins.

1	B1	8.153
2	B2	8.553
3	B3	8.953
4	B4	9.353
5	B5	9.753
6	B6	10.153
7	B7	10.553
8	B8	10.953
9	B9	11.353
10	B10	11.753
11	B11	12.153
12	B12	12.553
13	B00	12.953"

14 Section 9. Section 2-18-703, MCA, is amended to read:

15 "2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount
16 specified in this section towards the group benefits cost.

17 (2) For employees defined in 2-18-701, other than members of collective bargaining units, and
18 for members of the legislature, the employer contribution for group benefits shall be ~~\$185~~ \$115 per
19 month for the fiscal year years ending June 30, ~~1986~~ 1988, and June 30, 1989, and \$115 per month for
20 each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less
21 than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not
22 to be covered by a state-sponsored group benefit plan may not receive the state contribution as
23 wages. A portion of the employer contribution for group benefits may be applied to an employee's
24 costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965,
25 as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

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

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

6 NEW SECTION. Section 10. Repealer. Section 2-18-311, MCA, is repealed.

7 NEW SECTION. Section 11. Effective date. This act is effective on passage and approval.

-End-

1 HOUSE BILL NO. 233

2 INTRODUCED BY BARDANOUE

3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT
6 LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-104,
7 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION
8 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:11 SECTION 1. SECTION 2-18-104, MCA, IS AMENDED TO READ:

12 "2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in
13 subsections (2) and (3), members of a personal staff are exempt from the application of 2-18-204,
14 2-18-205, 2-18-207, and 2-18-1011 through 2-18-1013.

15 (2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise
16 approved by the department according to criteria developed by the department. Under no circumstances
17 may the total exemptions of each elected official exceed 15.

18 (3) The number of members of the personal staff of the public service commission who are
19 exempted by subsection (1) may not exceed 10.

20 (4) A person occupying an exempt position under 2-18-103 or this section may not receive an
21 increase in compensation in fiscal year 1988 or 1989."

22 Section 2. Section 2-18-301, MCA, is amended to read:

23 "2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the
24 compensation necessary to attract and retain competent and qualified employees in order to perform
25 the services the state is required to provide to its citizens.



REFERENCE BILL

1 (2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:

2 (a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan
3 or systems established through collective bargaining after the adjournment of the ~~49th~~ 50th
4 legislature;

5 (b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through
6 collective bargaining after adjournment of the ~~49th~~ 50th legislature; and

7 (c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312
8 through 2-18-315 for any employee group or bargaining unit may not be increased through collective
9 bargaining over the amount appropriated by the ~~49th~~ 50th legislature.

10 (3) The department shall administer the pay program established by the legislature on the
11 basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

12 (4) The department may promulgate rules not inconsistent with the provisions of this part,
13 collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

14 Section 3. Section 2-18-303, MCA, is amended to read:

15 "2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule
16 provided in ~~2-18-311~~ and 2-18-312 shall be implemented as follows:

17 (a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the
18 fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for
19 positions classified under the provisions of part 2 of this chapter.

20 ~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal~~
21 ~~year ending June 30, 1987, for each grade and step for positions classified under the provisions of~~
22 ~~part 2 of this chapter.~~

23 ~~(c)~~(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully
24 completing 6 months of probationary service. The anniversary date of an employee shall be
25 established at the end of the probationary period in accordance with rules promulgated by the

1 department.

2 ~~(d)~~(c) (i) The compensation of each employee on the first day of the first pay period in
3 fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the
4 last day of the preceding fiscal year of ~~1985~~ 1987.

5 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
6 ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of
7 the fiscal year ~~1985~~ 1988.

8 ~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his~~
9 ~~anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the~~
10 ~~employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay~~
11 ~~period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

12 (2) The pay schedules schedule provided in ~~2-18-311~~ and 2-18-312 and the provisions of
13 subsection (1) of this section do not apply to those institutional teachers, liquor store
14 occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313,
15 2-18-314, or 2-18-315.

16 (3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as
17 follows:

18 (a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the
19 contracted school term for teachers employed by institutions under the authority of the department
20 of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

21 (ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~
22 1987, shall be that amount which corresponds to his level of academic achievement and the step
23 occupied on June 30, ~~1985~~ 1987.

24 (iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~
25 1988, shall be that amount which corresponds to his level of achievement and the step occupied on

1 June 30, ~~1985~~ 1987.

2 (b) (i) The ~~pay schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly
3 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees
4 in liquor store occupations who have collectively bargained separate classification and pay plans.

5 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
6 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
7 occupied on the last day of the preceding fiscal year.

8 (c) (i) The ~~pay schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly
9 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in
10 apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar
11 classification plan who are members of units that have collectively bargained separate
12 classification and pay plans.

13 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
14 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
15 occupied on the last day of the preceding fiscal year.

16 (4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective
17 pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he
18 is a member ratifies a completely integrated collective bargaining agreement covering the biennium
19 ending June 30, ~~1987~~ 1989.

20 (ii) In the event that negotiation and ratification of a completely integrated collective
21 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
22 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

23 (iii) In the event that negotiation and ratification of a completely integrated collective
24 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
25 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they

1 were receiving as of June 30, ~~1985~~ 1987.

2 (b) Methods of administration not inconsistent with the purpose of this part and necessary to
3 properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided
4 for in collective bargaining agreements.

5 (5) The current wage or salary of an employee shall not be reduced by the implementation of
6 the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

7 (6) The department may authorize a separate pay schedule for medical doctors if the rates
8 provided in ~~2-18-311~~ and 2-18-312 are not sufficient to attract and retain fully licensed and
9 qualified physicians at the state institutions.

10 (7) The department may develop programs which will enable the department to mitigate problems
11 associated with difficult recruitment, retention, transfer, or other exceptional circumstances.
12 Insofar as the program may apply to employees within a collective bargaining unit, it shall be a
13 negotiable subject under 39-31-305."

14 Section 4. Section 2-18-304, MCA, is amended to read:

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

22 (2) (a) For the purpose of determining years of service under this section, an employee must
23 be credited with 1 year of service for each period of:

24 (i) 2,080 hours of service following his date of employment; an employee must be credited with
25 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized

1 leave of absence without pay, regardless of the number of hours of service in the pay period; or

2 (ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay
3 status or on an authorized leave of absence without pay, regardless of the number of hours of
4 service in any one month. An employee of a school at a state institution or the university system
5 must be credited with 1 year of service if he is employed for an entire academic year.

6 (b) State agencies, other than the university system and a school at a state institution,
7 shall use the method provided in subsection (2)(a)(i) to calculate years of service under this
8 section."

9 Section 5. Section 2-18-305, MCA, is amended to read:

10 "2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the
11 respective pay schedules provided in ~~2-18-311~~; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
12 case may be, represent the maximum amount allocated by the state for wages and group benefits,
13 exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section,
14 that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee
15 who elects not to be covered by a state employee group benefit plan will receive as wages the amount
16 shown in the appropriate pay schedule less the state contribution for group benefits as determined
17 by 2-18-703.

18 (2) Employees may, through collective bargaining, determine the allocation of the amounts
19 shown in the pay schedules provided in ~~2-18-311~~; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
20 case may be, between wages and group benefits, except that in no case may the group benefits
21 allocation be less than the amounts provided in 2-18-703."

22 Section 6. Section 2-18-312, MCA, is amended to read:

23 "2-18-312. Statewide pay schedule for fiscal ~~year-1987~~ years 1988 and 1989. The statewide
24 classification pay schedule for fiscal ~~year-1987~~ years 1988 and 1989 is as follows:

25 Annual Hours -- 2080

Note: Includes Insurance

1	Pay Matrix -- State													Matrix Type -- Annual
2		STEP												
3	GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
4	1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
5	2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
6	3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
7	4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
8	5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
9	6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
10	7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
11	8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933
12	9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
13	10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
14	11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
15	12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
16	13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
17	14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
18	15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
19	16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
20	17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
21	18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
22	19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
23	20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
24	21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
25	22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878

1 Annual Hours --- 1488 Note: -- includes Insurance
 2 Pay Matrix --- Teachers Matrix Type --- Annual
 3 Term --- Nine Months --
 4 Education Level

5 YEARS OF	6 BA	6 BA+1	6 BA+2	6 BA+3	6 MA	6 MA+1
7 (Step)	7 (Grade-1)	7 (Grade-2)	7 (Grade-3)	7 (Grade-4)	7 (Grade-5)	7 (Grade-6)
8 0	14,195	14,630	15,077	15,296	15,513	15,960
9 1	14,788	15,199	15,680	15,922	16,166	16,651
10 2	15,218	15,755	16,280	16,550	16,817	17,342
11 3	15,731	16,319	16,881	17,176	17,471	18,033
12 4	16,242	16,881	17,483	17,801	18,123	18,725
13 5	16,754	17,445	18,085	18,430	18,776	19,416
14 6	17,264	18,087	18,685	19,057	19,427	20,185
15 7	17,777	18,571	19,287	19,685	20,081	20,797
16 8	18,288	19,133	19,889	20,310	20,734	21,488
17 9	18,800	19,697	20,490	20,936	21,385	22,178
18 10	19,313	20,259	21,091	21,565	22,038	22,869

19 (2) -- (a)(1) The 12-month pay schedule for institutional teachers for fiscal year 1987 years
 20 1988 and 1989 is as follows:

21 Annual Hours -- 2080 Note: Includes Insurance
 22 Pay Matrix -- Teachers Matrix Type -- Annual
 23 Term -- Twelve Months
 24 Education Level

25 YEARS OF

1	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
2	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
3	0	18,976	19,568	20,176	20,473	20,769	21,377
4	1	19,673	20,333	20,995	21,325	21,656	22,316
5	2	20,368	21,098	21,811	22,179	22,543	23,257
6	3	21,065	21,865	22,629	23,030	23,431	24,196
7	4	21,760	22,629	23,447	23,881	24,318	25,137
8	5	22,457	23,396	24,266	24,736	25,206	26,077
9	6	23,151	24,160	25,082	25,588	26,092	27,014
10	7	23,848	24,927	25,902	26,442	26,981	27,955
11	8	24,543	25,691	26,720	27,293	27,869	28,894
12	9	25,240	26,458	27,538	28,145	28,754	29,834
13	10	25,937	27,223	28,355	28,999	29,643	30,773

14 (b)(2) The 9-month pay schedule for institutional teachers for fiscal year-1987 years 1988 and
 15 1989 is as follows:

16 Annual Hours -- 1480 Note: Includes Insurance
 17 Pay Matrix -- Teachers Matrix Type -- Annual
 18 Term -- Nine Months

19 Education Level

20	YEARS OF	Education Level					
21	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
22	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
23	0	14,592	15,036	15,492	15,715	15,937	16,393
24	1	15,115	15,610	16,106	16,354	16,602	17,097
25	2	15,636	16,184	16,718	16,994	17,267	17,803

1	3	16,159	16,759	17,332	17,633	17,933	18,507
2	4	16,680	17,332	17,945	18,271	18,599	19,213
3	5	17,203	17,907	18,560	18,912	19,265	19,918
4	6	17,723	18,480	19,172	19,551	19,929	20,621
5	7	18,246	19,055	19,787	20,192	20,596	21,326
6	8	18,767	19,628	20,400	20,830	21,262	22,031
7	9	19,290	20,204	21,014	21,469	21,926	22,736
8	10	19,813	20,777	21,626	22,109	22,592	23,440"

Section 8. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay ~~schedules~~ schedule. (†) The pay schedule for liquor store occupations for fiscal year ~~1986~~ years 1988 and 1989 is as follows:

Annual Hours --- 2080	Note: With Insurance
Pay Matrix --- Retail Clerk	Matrix Type --- Hourly
Grade	\$/Hour
-	W/ins:
E1	-8,000
E2	-7,484
E3	-7,964
E4	-8,183
E5	-8,474
E6	-9,004
E7	-9,748
E8	+8,492

(2) -- The pay schedule for liquor store occupations for fiscal year 1987 is as follows:

Annual Hours -- 2080	Note: With Insurance
----------------------	----------------------

1	Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
2	Grade	\$/Hour
3		W/Ins.
4	L1	0.000
5	L2	7.683
6	L3	8.183
7	L4	8.463
8	L5	8.753
9	L6	9.363
10	L7	10.023
11	L8	10.773"

12 Section 9. Section 2-18-315, MCA, is amended to read:

13 "2-18-315. Blue-collar pay schedules schedule. (†) The pay schedule for blue-collar workers
 14 for fiscal year †1986 years 1988 and 1989 is as follows:

15	Annual-Hours----2080	Note:-With-Insurance
16	Pay-Matrix----Blue-Collar	Matrix-Type----Hourly
17	Grade	\$/Hour
18	-	W/ins:-
19	B1-	-7.836
20	B2-	-8.236
21	B3-	-8.636
22	B4-	-9.036
23	B5-	-9.436
24	B6-	-9.836
25	B7-	†8.236

1	B8-	†0-636
2	B9-	†1-036
3	B†0	†1-436
4	B††	†1-636
5	B†2	†2-236
6	B00	†2-636

~~(2) -- The pay schedule for blue-collar workers for fiscal year 1987 is as follows:~~

8	Annual Hours -- 2080	Note: With Insurance
9	Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
10	Grade	\$/Hour
11		W/Ins.
12	B1	8.153
13	B2	8.553
14	B3	8.953
15	B4	9.353
16	B5	9.753
17	B6	10.153
18	B7	10.553
19	B8	10.953
20	B9	11.353
21	B10	11.753
22	B11	12.153
23	B12	12.553
24	B00	12.953"

25 Section 10. Section 2-18-703, MCA, is amended to read:

1 "2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount
2 specified in this section towards the group benefits cost.

3 (2) For employees defined in 2-18-701, other than members of collective bargaining units, and
4 for members of the legislature, the employer contribution for group benefits shall be ~~\$105~~ \$115 per
5 month for the fiscal year years ending June 30, ~~1986~~ 1988, and June 30, 1989, and \$115 per month for
6 each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less
7 than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not
8 to be covered by a state-sponsored group benefit plan may not receive the state contribution as
9 wages. A portion of the employer contribution for group benefits may be applied to an employee's
10 costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965,
11 as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

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

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

17 NEW SECTION. Section 11. Repealer. Section 2-18-311, MCA, is repealed.

18 NEW SECTION. Section 12. Effective date. This act is effective on passage and approval.

-End-

4-14-87

DATE

2:33

TIME

233

SENATE

MR. CHAIRMAN: I MOVE TO AMEND House Bill No. _____

third reading copy (blue) as follows:
Color

1. Title, line 6.
Following: "SECTIONS"
Insert: "2-18-104,"

2. Page 1, following line 10.
Insert: "Section 1. Section 2-18-104, MCA, is amended to read:

2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in subsections (2) and (3), members of a personal staff are exempt from the application of 2-18-204, 2-18-205, 2-18-207, and 2-18-1011 through 2-18-1013.

(2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise approved by the department according to criteria developed by the department. Under no circumstances may the total exemptions of each elected official exceed 15.

(3) The number of members of the personal staff of the public service commission who are exempted by subsection (1) may not exceed 10.

(4) A person occupying an exempt position under 2-18-103 or this section may not receive an increase in compensation in fiscal year 1988 or 1989."

Renumber: subsequent sections

CAB
ADOPT
REJECT

Senator Walker

CONFERENCE COMMITTEE REPORT

Report No...1.....

April..21,..... 1987.....

MR. SPEAKER

We, your FREE Conference Committee on

House Bill 233

met and considered House Bill 233 in its entirety.

We recommend as follows:

THAT HOUSE BILL 233, reference copy salmon, BE AMENDED AS FOLLOWS:

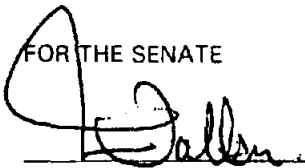
1. Page 1, line 21.

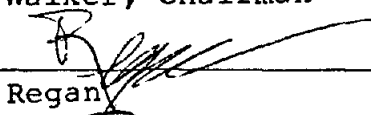
Following: "compensation"

Insert: "unless the person changes positions or successfully completes a probationary period"

And that this Conference Committee report be adopted.

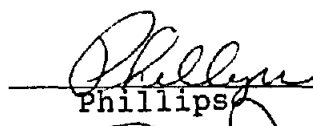
FOR THE SENATE

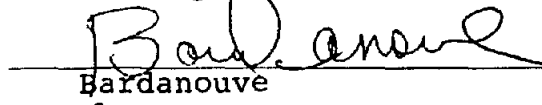

Walker, Chairman

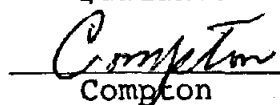

Regan


Rasmussen

FOR THE HOUSE


Phillips


Bardanouve


Compton

HOUSE BILL NO. 233
INTRODUCED BY BARDANOUVE
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-104, 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

SECTION 1. SECTION 2-18-104, MCA, IS AMENDED TO READ:

"2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in subsections (2) and (3), members of a personal staff are exempt from the application of 2-18-204, 2-18-205, 2-18-207, and 2-18-1011 through 2-18-1013.

(2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise approved by the department according to criteria developed by the department. Under no circumstances may the total exemptions of each elected official exceed 15.

(3) The number of members of the personal staff of the public service commission who are exempted by subsection (1) may not exceed 10.

(4) A person occupying an exempt position under 2-18-103 or this section may not receive an increase in compensation UNLESS THE PERSON CHANGES POSITIONS OR SUCCESSFULLY COMPLETES A PROBATIONARY PERIOD in fiscal year 1988 or 1989."

Section 2. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform



Includes free conference committee report dated 4-21-87

1 the services the state is required to provide to its citizens.

2 (2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:

3 (a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan
4 or systems established through collective bargaining after the adjournment of the 49th 50th
5 legislature;

6 (b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through
7 collective bargaining after adjournment of the 49th 50th legislature; and

8 (c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312
9 through 2-18-315 for any employee group or bargaining unit may not be increased through collective
10 bargaining over the amount appropriated by the ~~4~~ th 50th legislature.

11 (3) The department shall administer the pay program established by the legislature on the
12 basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

13 (4) The department may promulgate rules not inconsistent with the provisions of this part,
14 collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

15 Section 3. Section 2-18-303, MCA, is amended to read:

16 "2-18-303. Procedures for utilizing pay schedules schedule. (1) The pay schedules schedule
17 provided in ~~2-18-311~~ and 2-18-312 shall be implemented as follows:

18 (a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the
19 fiscal year years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for
20 positions classified under the provisions of part 2 of this chapter.

21 ~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal~~
22 ~~year ending June 30, 1987, for each grade and step for positions classified under the provisions of~~
23 ~~part 2 of this chapter;~~

24 ~~(c)~~ (b) Each new employee shall advance from step 1 to step 2 of a grade after successfully
25 completing 6 months of probationary service. The anniversary date of an employee shall be

1 established at the end of the probationary period in accordance with rules promulgated by the
2 department.

3 ~~(d)~~(c) (i) The compensation of each employee on the first day of the first pay period in
4 fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the
5 last day of the preceding fiscal year of ~~1985~~ 1987.

6 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
7 ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of
8 the fiscal year ~~1985~~ 1988.

9 ~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his~~
10 ~~anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the~~
11 ~~employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay~~
12 ~~period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

13 (2) The pay schedules schedule provided in ~~2-18-311~~ and 2-18-312 and the provisions of
14 subsection (1) of this section do not apply to those institutional teachers, liquor store
15 occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313,
16 2-18-314, or 2-18-315.

17 (3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as
18 follows:

19 (a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the
20 contracted school term for teachers employed by institutions under the authority of the department
21 of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

22 (ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~
23 1987, shall be that amount which corresponds to his level of academic achievement and the step
24 occupied on June 30, ~~1985~~ 1987.

25 (iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~

1 1988, shall be that amount which corresponds to his level of achievement and the step occupied on
 2 June 30, ~~1985~~ 1987.

3 (b) (i) The pay ~~schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly
 4 compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees
 5 in liquor store occupations who have collectively bargained separate classification and pay plans.

6 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
 7 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
 8 occupied on the last day of the preceding fiscal year.

9 (c) (i) The pay ~~schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly
 10 compensation for fiscal years ending June 30 ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in
 11 apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar
 12 classification plan who are members of units that have collectively bargained separate
 13 classification and pay plans.

14 (ii) The compensation of each employee on the first day of the first pay period in fiscal year
 15 ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade
 16 occupied on the last day of the preceding fiscal year.

17 (4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective
 18 pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he
 19 is a member ratifies a completely integrated collective bargaining agreement covering the biennium
 20 ending June 30, ~~1987~~ 1989.

21 (ii) In the event that negotiation and ratification of a completely integrated collective
 22 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July
 23 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

24 (iii) In the event that negotiation and ratification of a completely integrated collective
 25 bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July

1 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they
 2 were receiving as of June 30, ~~1985~~ 1987.

3 (b) Methods of administration not inconsistent with the purpose of this part and necessary to
 4 properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided
 5 for in collective bargaining agreements.

6 (5) The current wage or salary of an employee shall not be reduced by the implementation of
 7 the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

8 (6) The department may authorize a separate pay schedule for medical doctors if the rates
 9 provided in ~~2-18-311~~ and 2-18-312 are not sufficient to attract and retain fully licensed and
 10 qualified physicians at the state institutions.

11 (7) The department may develop programs which will enable the department to mitigate problems
 12 associated with difficult recruitment, retention, transfer, or other exceptional circumstances.
 13 Insofar as the program may apply to employees within a collective bargaining unit, it shall be a
 14 negotiable subject under 39-31-305."

15 Section 4. Section 2-18-304, MCA, is amended to read:

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

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

25 (i) 2,080 hours of service following his date of employment; an employee must be credited with

1 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized
 2 leave of absence without pay, regardless of the number of hours of service in the pay period; or

3 (ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay
 4 status or on an authorized leave of absence without pay, regardless of the number of hours of
 5 service in any one month. An employee of a school at a state institution or the university system
 6 must be credited with 1 year of service if he is employed for an entire academic year.

7 (b) State agencies, other than the university system and a school at a state institution,
 8 shall use the method provided in subsection (2)(a)(i) to calculate years of service under this
 9 section."

10 Section 5. Section 2-18-305, MCA, is amended to read:

11 "2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the
 12 respective pay schedules provided in ~~2-18-311~~; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
 13 case may be, represent the maximum amount allocated by the state for wages and group benefits,
 14 exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section,
 15 that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee
 16 who elects not to be covered by a state employee group benefit plan will receive as wages the amount
 17 shown in the appropriate pay schedule less the state contribution for group benefits as determined
 18 by 2-18-703.

19 (2) Employees may, through collective bargaining, determine the allocation of the amounts
 20 shown in the pay schedules provided in ~~2-18-311~~; 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the
 21 case may be, between wages and group benefits, except that in no case may the group benefits
 22 allocation be less than the amounts provided in 2-18-703."

23 Section 6. Section 2-18-312, MCA, is amended to read:

24 "2-18-312. Statewide pay schedule for fiscal ~~year-1987~~ years 1988 and 1989. The statewide
 25 classification pay schedule for fiscal ~~year-1987~~ years 1988 and 1989 is as follows:

1		Annual Hours -- 2080												Note: Includes Insurance
2		Pay Matrix -- State												Matrix Type -- Annual
3		STEP												
4	GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
5	1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
6	2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
7	3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
8	4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
9	5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
10	6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
11	7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
12	8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933
13	9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
14	10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
15	11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
16	12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
17	13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
18	14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
19	15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
20	16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
21	17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
22	18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
23	19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
24	20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
25	21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617

1	YEARS OF						
2	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
3	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
4	0	18,976	19,568	20,176	20,473	20,769	21,377
5	1	19,673	20,333	20,995	21,325	21,656	22,316
6	2	20,368	21,098	21,811	22,179	22,543	23,257
7	3	21,065	21,865	22,629	23,030	23,431	24,196
8	4	21,760	22,629	23,447	23,881	24,318	25,137
9	5	22,457	23,396	24,266	24,736	25,206	26,077
10	6	23,151	24,160	5,082	25,588	26,092	27,014
11	7	23,848	24,927	25,902	26,442	26,981	27,955
12	8	24,543	25,691	26,720	27,293	27,869	28,894
13	9	25,240	26,458	27,538	28,145	28,754	29,834
14	10	25,937	27,223	28,355	28,999	29,643	30,773

15 (b)(2) The 9-month pay schedule for institutional teachers for fiscal year-1987 years 1988 and
 16 1989 is as follows:

17 Annual Hours -- 1480 Note: Includes Insurance
 18 Pay Matrix -- Teachers Matrix Type -- Annual
 19 Term -- Nine Months

20 Education Level

21	YEARS OF						
22	EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
23	(Step)	(Grade 1)	(Grade 2)	(Grade 3)	(Grade 4)	(Grade 5)	(Grade 6)
24	0	14,592	15,036	15,492	15,715	15,937	16,393
25	1	15,115	15,610	16,106	16,354	16,602	17,097

1	2	15,636	16,184	16,718	16,994	17,267	17,803
2	3	16,159	16,759	17,332	17,633	17,933	18,507
3	4	16,680	17,332	17,945	18,271	18,599	19,213
4	5	17,203	17,907	18,560	18,912	19,265	19,918
5	6	17,723	18,480	19,172	19,551	19,929	20,621
6	7	18,246	19,055	19,787	20,192	20,596	21,326
7	8	18,767	19,628	20,400	20,830	21,262	22,031
8	9	19,290	20,204	21,014	21,469	21,926	22,736
9	10	19,813	20,777	21,626	22,109	22,592	23,440"

10 Section 8. Section 2-18-314, MCA, is amended to read:

11 "2-18-314. Liquor store occupations pay ~~schedules~~ schedule. (1) The pay schedule for liquor
 12 store occupations for fiscal year ~~1986~~ years 1988 and 1989 is as follows:

13	Annual-Hours----2088	Note:-with-insurance
14	Pay-Matrix----Retail-Clerk	Matrix-Type----Hourly
15	Grade	\$/Hour
16	-	w/ins:
17	E1	-8.000
18	E2	-7.464
19	E3	-7.964
20	E4	-8.183
21	E5	-8.474
22	E6	-9.084
23	E7	-9.748
24	E8	10.492

25 (2) --The pay schedule for liquor store occupations for fiscal year 1987 is as follows:

1	Annual Hours -- 2080	Note: With Insurance
2	Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
3	Grade	\$/Hour
4		W/Ins.
5	L1	0.000
6	L2	7.683
7	L3	8.183
8	L4	8.463
9	L5	8.753
10	L6	9.363
11	L7	10.023
12	L8	10.773"

13 Section 9. Section 2-18-315, MCA, is amended to read:
 14 "2-18-315. Blue-collar pay schedotes schedule. (†) The pay schedule for blue-collar workers
 15 for fiscal year-1986 years 1988 and 1989 is as follows:

16	Annual-Hours----2080	Note:-With-Insurance
17	Pay-Matrix----Blue-Collar	Matrix-Type----Hourly
18	Grade	\$/Hour
19	-	W/Ins:
20	B1-	-7.836
21	B2-	-8.236
22	B3-	-8.636
23	B4-	-9.036
24	B5-	-9.436
25	B6-	-9.836

1	B7-	10-236
2	B8-	10-636
3	B9-	11-036
4	B10	11-436
5	B11	11-836
6	B12	12-236
7	B00	12-636

(2) -- The pay schedule for blue-collar workers for fiscal year 1987 is as follows:

Annual Hours -- 2080		Note: With Insurance
Pay Matrix -- Blue-Collar	Grade	Matrix Type -- Hourly
		\$/Hour
		W/Ins.
	B1	8.153
	B2	8.553
	B3	8.953
	B4	9.353
	B5	9.753
	B6	10.153
	B7	10.553
	B8	10.953
	B9	11.353
	B10	11.753
	B11	12.153
	B12	12.553
	B00	12.953"

1 Section 10. Section 2-18-703, MCA, is amended to read:

2 "2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount
3 specified in this section towards the group benefits cost.

4 (2) For employees defined in 2-18-701, other than members of collective bargaining units, and
5 for members of the legislature, the employer contribution for group benefits shall be ~~\$+05~~ \$115 per
6 month for the fiscal year years ending June 30, ~~1986~~ 1988, and June 30, 1989, and \$115 per month for
7 each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less
8 than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not
9 to be covered by a state-sponsored group benefit plan may not receive the state contribution as
10 wages. A portion of the employer contribution for group benefits may be applied to an employee's
11 costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965,
12 as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

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

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

18 NEW SECTION. Section 11. Repealer. Section 2-18-311, MCA, is repealed.

19 NEW SECTION. Section 12. Effective date. This act is effective on passage and approval.

-End-