

HOUSE BILL 615

Introduced by Ewer, et al.

2/13	Introduced
2/13	Referred to State Administration
2/13	First Reading
2/13	Fiscal Note Requested
2/17	Hearing
2/18	Fiscal Note Received
2/19	Tabled in Committee
2/19	Fiscal Note Printed
3/13	Committee Report--Bill Passed as Amended
3/17	Taken from Engrossing and Rereferred to Appropriations
3/26	Missed Transmittal Deadline

1 House BILL NO. 615
 2 INTRODUCED BY James Hamilton
 3 James Hamilton B. B. Bankert Selge
 4 James Hamilton James Hamilton James Hamilton James Hamilton
 5 James Hamilton James Hamilton James Hamilton James Hamilton
 6 UNEMPLOYED BECAUSE OF A REDUCTION IN FORCE OCCURRING DURING
 7 THE 1993-95 BIENNIUM; REQUIRING ELIMINATION OF DEPARTMENTAL
 8 CONTRACT EMPLOYMENT PRIOR TO A REDUCTION IN FORCE; AMENDING
 9 SECTION 2-18-622, MCA; AND PROVIDING AN EFFECTIVE DATE, AN
 10 APPLICABILITY DATE, AND A TERMINATION DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 2-18-622, MCA, is amended to read:

14 "2-18-622. Reduction in force -- severance pay and
 15 retraining allowance required. (1) If a reduction in force
 16 is necessary, the state may shall provide severance pay, as
 17 provided in subsection (2), and a retraining allowance.
 18 Within a collective bargaining unit, severance pay and the
 19 retraining allowance are negotiable subjects under
 20 39-31-305.

21 (2) A state employee who becomes unemployed because of
 22 a reduction in force is entitled to 1 week of severance pay,
 23 not to exceed 10 weeks, for each year employed.

24 (3) A department employee who is paid with general fund
 25 money may not be terminated as a result of a reduction in

1 force until all contract employment within the department
 2 has been eliminated."

3 NEW SECTION. Section 2. Applicability. [This act]
 4 applies to contracts entered into or renewed on or after
 5 [the effective date of this act].

6 NEW SECTION. Section 3. Effective date. [This act] is
 7 effective July 1, 1993.

8 NEW SECTION. Section 4. Termination. [This act]
 9 terminates July 1, 1995.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0615, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act mandating severance pay, not to exceed 10 weeks, to a state employee who becomes unemployed because of a reduction in force occurring during the 1993-1995 biennium; requiring elimination of departmental contract employment prior to a reduction in force; and amending sections.

ASSUMPTIONS:

1. The state could be required to make reductions in force of 300 FTE.
2. The average salary for a RIF employee is estimated to be \$465 per week.
3. The average number of years employed is estimated at 5 years.
4. Although some RIFs could occur during FY93, for the purposes of this fiscal note, all are assumed to occur after the effective date of this act.
5. Benefits, including FICA, SUT, Retirement, and Workers' Compensation Insurance, averaging 16% would have to be paid on severance pay.
6. The mandatory retraining allowance is estimated at \$500 per FTE.
7. "Contract Employment" referred to in the act would not include services of medical professionals who provide services to DCHS under contract.
8. The general fund pays 75 percent of the costs created by HB615.

FISCAL IMPACT:**Expenditures:**

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Personal Services	0	809,100	809,100	0	0	0
Operating Expense-Retraining	0	150,000	150,000	0	0	0
Total	0	959,100	959,100	0	0	0

Funding:

General Fund	0	719,325	719,325
Other funds	0	239,775	239,775

(Continued)

Dave Lewis 2-18-93
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

2/19/93
 DAVID EWER, PRIMARY SPONSOR DATE

Fiscal Note for HB0615, as introduced

#13615

TECHNICAL NOTES:

1. No definition of "contract employment" is included in the act. DCHS is required to provide several services such as medical doctors, psychologists, registered nurses and pharmacy under contract to meet federal requirements under the medicaid and veterans programs. It would not be possible to eliminate these services in the department due to the federal requirements. Other agencies, such as SRS with its BDM and ConsulTech contracts, have entered into long-term service contracts that are legally binding. A definition of the term is needed to clarify intent and to provide certain exceptions as noted above.
2. Current law states that severance pay is a mandatory subject of collective bargaining. However, the severance pay levels set forth in the bill are also mandatory. Thus, the bill would require the state to bargain over severance pay, but would not permit an agreement other than that imposed by the bill.

HB 615

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 615

INTRODUCED BY EWER, LYNCH, DRISCOLL, PIPINICH,
HARRINGTON, REAM, BARNHART, SCHYE, HIBBARD,
DAILY, SQUIRES, BOHLINGER, DOHERTY, VAUGHN,
FRITZ, VAN VALKENBURG, RANEY, J. RICE, BARTLETT,
JACOBSON, HARPER, WILSON, WELDON, BECK,
YELLOWTAIL, JERGESON, MCCLERNAN

A BILL FOR AN ACT ENTITLED: "AN ACT MANDATING SEVERANCE
PAY, NOT TO EXCEED 10 2 WEEKS, TO A STATE EMPLOYEE WHO
BECOMES UNEMPLOYED BECAUSE OF A REDUCTION IN FORCE OCCURRING
DURING THE 1993-95 BIENNIUM; ~~REQUIRING--ELIMINATION--OF~~
~~DEPARTMENTAL--CONTRACT--EMPLOYMENT--PRIOR--TO--A--REDUCTION--IN~~
~~FORCE~~; AMENDING SECTION 2-18-622, MCA; AND PROVIDING AN
EFFECTIVE DATE, ~~AN--APPLICABILITY--DATE~~, AND A TERMINATION
DATE."

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allowance. Within a collective bargaining unit, severance
pay and the retraining allowance are negotiable subjects

under 39-31-305.

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a reduction in force is entitled to 1 week of severance pay,
not to exceed 10 2 weeks, for each year employed.

~~{3}--A department employee who is paid with general fund~~
~~money--may--not--be--terminated--as--a--result--of--a--reduction--in~~
~~force--until--all--contract--employment--within--the--department~~
~~has--been--eliminated--"~~

~~NEW SECTION. Section 2. Applicability. ---{This---act}~~
~~applies to contracts entered into or renewed on or after~~
~~{the effective date of this act}.~~

NEW SECTION. Section 2. Effective date. [This act] is
effective July 1, 1993.

NEW SECTION. Section 3. Termination. [This act]
terminates July 1, 1995.

-End-