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House BILL NO. 470

INTRODUCED BY HEAVY RUNNER
Rep DENNY Mculloch

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING SCHOOL DISTRICTS TO PROVIDE FOR CASH COMPENSATION IN LIEU OF ACCUMULATION OF VACATION LEAVE; AMENDING SECTION 2-18-617, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 2-18-617, MCA, is amended to read:

"2-18-617. Accumulation of leave -- cash for unused -- transfer. (1) (a) Except as provided in subsection (1)(b), annual vacation leave may be accumulated to a total not to exceed two times the maximum number of days earned annually as of the end of the first pay period of the next calendar year. Excess vacation time is not forfeited if taken within 90 calendar days from the last day of the calendar year in which the excess was accrued.

(b) It is the responsibility of the head of an employing agency to provide reasonable opportunity for an employee to use rather than forfeit accumulated vacation leave. If an employee makes a reasonable written request to use excess vacation leave before the excess vacation leave must be forfeited under subsection (1)(a) and the employing agency denies the request, the excess vacation leave is not forfeited and the employing agency shall ensure that the employee may use the excess vacation leave before the end of the calendar year in which the leave would have been forfeited under subsection (1)(a).

(2) An employee who terminates employment for a reason not reflecting discredit on the employee is entitled upon the date of termination to cash compensation for unused vacation leave, assuming that the employee has worked the qualifying period set forth in 2-18-611.

(3) However, if an employee transfers between agencies of the same jurisdiction, cash compensation may not be paid for unused vacation leave. In a transfer, the receiving agency assumes the liability for the accrued vacation credits transferred with the employee.

(4) This section does not prohibit a school district from providing cash compensation for unused vacation leave in lieu of the accumulation of the leave, either through a collective bargaining agreement or, in the absence of a collective bargaining agreement, through a policy."

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0470, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act allowing school districts to provide for cash compensation in lieu of accumulation of vacation leave.

ASSUMPTIONS:

1. Effective July 1, 1997, every school district must adopt a budget at least equal to the BASE budget of the district. The state does not participate in the over-BASE portion of the general fund budget. HB 470 will not affect direct state aid, state special education allocations, or guaranteed tax base aid.
2. In October 1996, in response to a question from the Sanders County Attorney, the Montana Attorney General issued an opinion stating that Montana law does not permit a public employer to offer a "cash out" benefit to employees whereby the unused accumulated vacation leave credits of a public employee who is not terminating employment are "bought back" by the employer.
3. HB 470 would permit a school district to provide cash compensation for unused vacation leave in lieu of the accumulation of the leave. The school district could make this commitment to its employees through a collective bargaining agreement or a school policy.
4. To the extent schools provide cash in lieu of compensation the funds would be paid out of the fund which pays the employees salary.

FISCAL IMPACT: No impact on the state general fund.


EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

To the extent this used by school districts the additional expenditures will budgeted.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

HB 470 expands the options of school districts in negotiating compensation agreements with its employees.

TECHNICAL NOTES:


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

GEORGE HEAVY RUNNER, SPONSOR DATE

Fiscal Note for HB0470, as introduced

HB 470

House BILL NO. *470*

INTRODUCED BY *HEAVY RUNNER*
Peck DENNY Mculloch

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in which the excess was accrued.

(b) It is the responsibility of the head of an employing agency to provide reasonable opportunity
for an employee to use rather than forfeit accumulated vacation leave. If an employee makes a reasonable
written request to use excess vacation leave before the excess vacation leave must be forfeited under
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(4) This section does not prohibit a school district from providing cash compensation for unused
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INTRODUCED BY *HEAVY RUNNER*
Rep DENNY McEllock

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House BILL NO. *470*

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INTRODUCED BY *HEAVY RUNNER*

3

Rep *DENNY McEllock*

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(4) This section does not prohibit a school district from providing cash compensation for unused
 29 vacation leave in lieu of the accumulation of the leave, either through a collective bargaining agreement or,
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1 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 1997.

2 -END-

1 HOUSE BILL NO. 470

2 INTRODUCED BY HEAVY RUNNER, PECK, DENNY, MCCULLOCH

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