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HOUSE BILL NO. 13
INTRODUCED BY J. FITZPATRICK
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS GOVERNING STATE EMPLOYEE COMPENSATION; APPROPRIATING FUNDS TO IMPLEMENT PAY REVISIONS AND PER DIEM ADJUSTMENTS; REVISING STATE EMPLOYEE PER DIEM RATES; PROVIDING THAT STATE EXECUTIVE BRANCH OFFICES ARE OPEN ON STATE GENERAL ELECTION DAYS; ELIMINATING STATE GENERAL ELECTION DAY AS A HOLIDAY FOR STATE EMPLOYEES; PROVIDING FOR AN ANNUAL FLOATING HOLIDAY FOR STATE EMPLOYEES; AMENDING SECTIONS 2-16-117, 2-18-303, 2-18-501, 2-18-601, AND 2-18-603, MCA; AND PROVIDING EFFECTIVE DATES."

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

Section 1. Section 2-16-117, MCA, is amended to read:

"2-16-117. Office hours. (1) Unless otherwise provided by law, state executive branch offices must be open for the transaction of business continuously from 8 a.m. until 5 p.m. each day except on Saturdays, Sundays, and the holidays specified in 1-1-216(1)(a) through (1)(k). State executive branch offices must be open on state general election day. Each office must also be open at other times as the accommodation of the public or the proper transaction of business requires.

(2) The state treasurer may, in the interest of safekeeping funds, securities, and records, close the state treasurer's office from noon to 1 p.m. each day.

(3) The Montana historical society, established in 22-3-101, may be open for public visitation at hours other than those prescribed in this section, including hours during evenings and weekends.

(4) The department of revenue may establish alternative office hours for its offices located in the various counties if:

(a) the office is staffed by four or fewer full-time employees;

(b) the department holds a public hearing on the alternative office hours in the county seat after

- 1 providing public notice in a newspaper of general circulation published in the county at least 2 weeks prior to
2 the hearing;
- 3 (c) the county commissioners of a county in which the department employees are located in a
4 county building approve the proposed alternative office hours if the alternative hours are outside of the county's
5 normal business hours;
- 6 (d) the alternative office hours are adopted by administrative rule; and
- 7 (e) the office hours adopted pursuant to subsection (4)(d) are published at least two times a year
8 in a newspaper of general circulation published in the county where the office is located."
- 9

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

11 **"2-18-303. Procedures for administering broadband pay plan.** (1) On the first day of the first
12 complete pay period in fiscal year ~~2022~~ 2024, each employee is entitled to the amount of the employee's base
13 salary as it was on June 30, ~~2024~~ 2023.

14 (2) To the extent that the plan applies to employees within a collective bargaining unit, the
15 implementation of the plan is a negotiable subject under 39-31-305.

16 (3) Effective on the first day of the first complete pay period that includes ~~November 15, 2022~~ July
17 1, 2023, the base salary of each employee must be increased by ~~55 cents~~ \$1.50 an hour or by 4%, whichever
18 is greater. Effective on the first day of the first complete pay period that includes July 1, 2024, the base salary of
19 each employee must be increased by \$1.50 an hour or by 4%, whichever is greater. All full-time employees
20 must receive a one-time, lump-sum payment of \$1,040 in the first full pay period after [the effective date of this
21 act]. All employees who are regularly scheduled to work 20 hours or more a week but less than 40 hours a
22 week must receive a one-time, lump-sum payment of \$780 in the first full pay period after [the effective date of
23 this act]. All employees who are regularly scheduled to work less than 20 hours a week must receive a one-
24 time, lump-sum payment of \$520 in the first full pay period after [the effective date of this act]. These payments
25 are applicable for fiscal year 2023 only.

26 (4) (a) (i) A member of a bargaining unit may not receive the pay adjustment provided for in
27 subsection (3) until the employer's collective bargaining representative receives written notice that the
28 employee's collective bargaining unit has ratified a collective bargaining agreement.

1 (ii) If ratification of a collective bargaining agreement, as required by subsection (4)(a)(i), is not
2 completed by the date on which a legislatively authorized pay increase is implemented, members of the
3 bargaining unit must continue to receive the compensation that they were receiving until an agreement is
4 ratified.

5 (b) Methods of administration consistent with the purpose of this part and necessary to properly
6 implement the pay adjustments provided for in this section may be provided for in collective bargaining
7 agreements.

8 (5) (a) Montana highway patrol officer base salaries must be established through the broadband
9 pay plan. Before January 1 of each odd-numbered year, the department shall, after seeking the advice of the
10 Montana highway patrol, conduct a salary survey to be used in establishing the base salary for existing and
11 entry-level highway patrol officer positions. The county sheriff's offices and the city police departments located
12 within the county seats of the following consolidated governments and counties are the labor market for
13 purposes of the survey: Butte-Silver Bow, Cascade, Yellowstone, Missoula, Lewis and Clark, Gallatin, Flathead,
14 and Dawson. The base salary for existing and entry-level highway patrol officer positions must then be
15 determined by the department of justice, using the results of the salary survey and the department of justice
16 pay plan guidelines. Base or biennial salary increases under this subsection are exclusive of and not in addition
17 to any increases otherwise awarded to other state employees after July 1, 2006.

18 (b) To the extent that the plan applies to employees within a collective bargaining unit, the
19 implementation of the plan is a negotiable subject under 39-31-305.

20 (c) The department of justice shall submit the salary survey to the office of budget and program
21 planning as a part of the information required by 17-7-111.

22 (d) The salary survey and plan must be completed at least 6 months before the start of each
23 regular legislative session."
24

25 **Section 3.** Section 2-18-501, MCA, is amended to read:

26 **"2-18-501. Meals, lodging, and transportation of persons in state service.** All elected state
27 officials, appointed members of boards, commissions, or councils, department directors, and all other state
28 employees must be reimbursed for meals and lodging while away from the person's designated headquarters

1 and engaged in official state business in accordance with the following provisions:

2 (1) Except as provided under subsection (3), for travel within the state of Montana, lodging must be
3 authorized at the actual cost of lodging and taxes on the allowable cost of lodging, except as provided in
4 subsection (3), plus ~~\$7.50~~ \$8.25 for the morning meal, ~~\$8.50~~ \$9.25 for the midday meal, and ~~\$14.50~~ \$16.00 for
5 the evening meal except as provided in subsection ~~(4)~~ (9). All claims for lodging expense reimbursement
6 allowed under this section must be documented by an appropriate receipt.

7 (2) Except as provided in subsection (3), for travel outside the state of Montana ~~and within the~~
8 ~~United States~~ including foreign travel, the following provisions apply:

9 (a) Lodging must be reimbursed at actual cost, not to exceed the prescribed maximum standard
10 federal rate per day for the location involved plus taxes on the allowable cost.

11 (b) Meal reimbursement may not exceed the prescribed maximum standard federal rate per meal.

12 (3) Except as provided in subsection ~~(4)~~ (9), the department of administration shall designate the
13 locations and circumstances under which the governor, other elected state officials, appointed members of
14 boards, commissions, or councils, department directors, and all other state employees may be authorized the
15 actual cost of the following:

16 (a) meals, not including alcoholic beverages, when the actual cost exceeds the maximum
17 established in subsection ~~(4)(a)~~ (2)(b); and

18 (b) lodging when the actual cost exceeds the maximum established in subsection (2)(a) ~~or (4)(a)~~.

19 ~~(4) Except as provided in subsection (3), for travel to a foreign country, the following provisions apply:~~

20 ~~(a) All elected state officials, all appointed members of boards, commissions, and councils, all~~
21 ~~department directors, and all other state employees must be reimbursed as follows:~~

22 ~~(i) \$7 for the morning meal, \$11 for the midday meal, and \$18 for the evening meal; and~~

23 ~~(ii) \$155 per night for lodging.~~

24 ~~(b) All claims for meal and lodging reimbursement allowed under this subsection (4) must be~~
25 ~~documented by an appropriate receipt.~~

26 ~~(5)(4)~~ When other than commercial, nonreceiptable lodging facilities are used by a state official or
27 employee while conducting official state business in a travel status, the amount of \$12 is authorized for lodging
28 expenses for each day in which travel involves an overnight stay in lieu of the amount authorized in subsection

1 (1) or (2)(a). However, when overnight accommodations are provided at the expense of a government entity,
2 reimbursement may not be claimed for lodging.

3 ~~(6)(5)~~ The actual cost of reasonable transportation expenses and other necessary business
4 expenses incurred by a state official or employee while in an official travel status is subject to reimbursement.

5 ~~(7)(6)~~ The provisions of this section may not be construed as affecting the validity of 5-2-301.

6 ~~(8)(7)~~ The department of administration shall establish policies necessary to effectively administer
7 this section for state government.

8 ~~(9)(8)~~ All commercial air travel must be by the least expensive class service available.

9 ~~(10)(9)~~ When the actual cost of meals exceeds the maximum standard allowed pursuant to subsection
10 (1), the department of administration may authorize the actual cost of meals for firefighters.

11 ~~(11)(10)~~ For the purposes of implementing subsection ~~(10)~~ (9), the following definitions apply:

12 (a) "Firefighter" means a firefighter who is employed by the department of natural resources and
13 conservation and who is directly involved in the suppression of a wildfire in Montana.

14 (b) "Wildfire" means an unplanned, unwanted fire burning uncontrolled and consuming vegetative
15 fuels."

16

17 **Section 4.** Section 2-18-601, MCA, is amended to read:

18 **"2-18-601. (Temporary) Definitions.** For the purpose of this part, the following definitions apply:

19 (1) (a) "Accident" means an unexpected traumatic incident or unusual strain that is identifiable by
20 time and place of occurrence and caused by a specific event on a single day or during a single work shift.

21 (b) The term does not include an employee's suicide.

22 (2) (a) "Agency" means any legally constituted department, board, or commission of state, county,
23 or city government or any political subdivision of the state.

24 (b) The term does not mean the state compensation insurance fund.

25 (3) "Break in service" means a period of time in excess of 5 working days when the person is not
26 employed and that severs continuous employment.

27 (4) "Common association" means an association of employees established pursuant to 2-18-1310
28 for the purposes of employer and employee participation in the plan.

1 (5) "Continuous employment" means working within the same jurisdiction without a break in
2 service of more than 5 working days or without a continuous absence without pay of more than 15 working
3 days.

4 (6) "Contracting employer" means an employer who, pursuant to 2-18-1310, has contracted with
5 the department of administration to participate in the plan.

6 (7) "Employee" means any person employed by an agency except elected state, county, and city
7 officials, schoolteachers, members of the instructional or scientific staff of a community college, persons
8 contracted as independent contractors or hired under personal services contracts, and student interns.

9 (8) "Full-time employee" means an employee who normally works 40 hours a week.

10 (9) "Holiday" means a scheduled day off with pay to observe a legal holiday, as specified in 1-1-
11 216 or 20-1-305, except Sundays.

12 (10) "Member" means an employee who belongs to a voluntary employees' beneficiary association
13 established under 2-18-1310.

14 (11) "Part-time employee" means an employee who normally works less than 40 hours a week.

15 (12) "Permanent employee" means a permanent employee as defined in 2-18-101.

16 (13) "Plan" means the employee welfare benefit plan established under Internal Revenue Code
17 section 501(c)(9) pursuant to 2-18-1304.

18 (14) "Seasonal employee" means a seasonal employee as defined in 2-18-101.

19 (15) "Short-term worker" means:

20 (a) for the executive and judicial branches, a short-term worker as defined in 2-18-101; or

21 (b) for the legislative branch, an individual who:

22 (i) may be hired by a legislative agency without using a competitive process for an hourly wage
23 established by the agency;

24 (ii) may not work for the agency for more than 6 months in a continuous 12-month period;

25 (iii) is not eligible for permanent status;

26 (iv) may not be hired into a permanent position by the agency without a competitive selection
27 process;

28 (v) is not eligible to earn the leave and holiday benefits provided in this part; and

- 1 (vi) may be discharged without cause.
- 2 (16) "Sick leave" means a leave of absence with pay for:
- 3 (a) a sickness suffered by an employee or a member of the employee's immediate family; or
- 4 (b) the time that an employee is unable to perform job duties because of:
- 5 (i) a physical or mental illness, injury, or disability;
- 6 (ii) maternity or pregnancy-related disability or treatment, including prenatal care, birth, or medical
- 7 care for the employee or the employee's child;
- 8 (iii) parental leave for a permanent employee as provided in 2-18-606;
- 9 (iv) quarantine resulting from exposure to a contagious disease;
- 10 (v) examination or treatment by a licensed health care provider;
- 11 (vi) short-term attendance, in an agency's discretion, to care for a relative or household member
- 12 not covered by subsection (16)(a) until other care can reasonably be obtained;
- 13 (vii) necessary care for a spouse, child, or parent with a serious health condition, as defined in the
- 14 Family and Medical Leave Act of 1993; or
- 15 (viii) death or funeral attendance of an immediate family member or, at an agency's discretion,
- 16 another person.
- 17 (17) "Student intern" means a student intern as defined in 2-18-101.
- 18 (18) "Temporary employee" means a temporary employee as defined in 2-18-101.
- 19 (19) "Transfer" means a change of employment from one agency to another agency in the same
- 20 jurisdiction without a break in service.
- 21 (20) "Vacation leave" means a leave of absence with pay for the purpose of rest, relaxation, or
- 22 personal business at the request of the employee and with the concurrence of the employer. (Terminates June
- 23 30, 2023--sec. 10, Ch. 167, L. 2019.)
- 24 **2-18-601. (Effective July 1, 2023) Definitions.** For the purpose of this part, the following definitions
- 25 apply:
- 26 (1) (a) "Agency" means any legally constituted department, board, or commission of state, county,
- 27 or city government or any political subdivision of the state.
- 28 (b) The term does not mean the state compensation insurance fund.

1 (2) "Break in service" means a period of time in excess of 5 working days when the person is not
2 employed and that severs continuous employment.

3 (3) "Common association" means an association of employees established pursuant to 2-18-1310
4 for the purposes of employer and employee participation in the plan.

5 (4) "Continuous employment" means working within the same jurisdiction without a break in
6 service of more than 5 working days or without a continuous absence without pay of more than 15 working
7 days.

8 (5) "Contracting employer" means an employer who, pursuant to 2-18-1310, has contracted with
9 the department of administration to participate in the plan.

10 (6) "Employee" means any person employed by an agency except elected state, county, and city
11 officials, schoolteachers, members of the instructional or scientific staff of a community college, persons
12 contracted as independent contractors or hired under personal services contracts, and student interns.

13 (7) "Floating holiday" means an annual scheduled day off with pay as provided for in 2-18-603(3)
14 for an employee of an agency specified in 2-18-101(1).

15 ~~(7)(8)~~ "Full-time employee" means an employee who normally works 40 hours a week.

16 ~~(8)(9)~~ "Holiday" means:

17 (a) for employees of an agency specified in 2-18-101(1), a scheduled day off with pay to observe a
18 legal holiday, as specified in 1-1-216(1)(a) through (1)(k), except Sundays; or

19 (b) for all other employees, a scheduled day off with pay to observe a legal holiday, as specified in
20 1-1-216 or 20-1-305, except Sundays.

21 ~~(9)(10)~~ "Member" means an employee who belongs to a voluntary employees' beneficiary association
22 established under 2-18-1310.

23 ~~(10)(11)~~ "Part-time employee" means an employee who normally works less than 40 hours a week.

24 ~~(11)(12)~~ "Permanent employee" means a permanent employee as defined in 2-18-101.

25 ~~(12)(13)~~ "Plan" means the employee welfare benefit plan established under Internal Revenue Code
26 section 501(c)(9) pursuant to 2-18-1304.

27 ~~(13)(14)~~ "Seasonal employee" means a seasonal employee as defined in 2-18-101.

28 ~~(14)(15)~~ "Short-term worker" means:

- 1 (a) for the executive and judicial branches, a short-term worker as defined in 2-18-101; or
- 2 (b) for the legislative branch, an individual who:
- 3 (i) may be hired by a legislative agency without using a competitive process for an hourly wage
- 4 established by the agency;
- 5 (ii) may not work for the agency for more than 6 months in a continuous 12-month period;
- 6 (iii) is not eligible for permanent status;
- 7 (iv) may not be hired into a permanent position by the agency without a competitive selection
- 8 process;
- 9 (v) is not eligible to earn the leave and holiday benefits provided in this part; and
- 10 (vi) may be discharged without cause.
- 11 ~~(15)~~(16) "Sick leave" means a leave of absence with pay for:
- 12 (a) a sickness suffered by an employee or a member of the employee's immediate family; or
- 13 (b) the time that an employee is unable to perform job duties because of:
- 14 (i) a physical or mental illness, injury, or disability;
- 15 (ii) maternity or pregnancy-related disability or treatment, including prenatal care, birth, or medical
- 16 care for the employee or the employee's child;
- 17 (iii) parental leave for a permanent employee as provided in 2-18-606;
- 18 (iv) quarantine resulting from exposure to a contagious disease;
- 19 (v) examination or treatment by a licensed health care provider;
- 20 (vi) short-term attendance, in an agency's discretion, to care for a relative or household member
- 21 not covered by subsection ~~(15)(a)~~ (16)(a) until other care can reasonably be obtained;
- 22 (vii) necessary care for a spouse, child, or parent with a serious health condition, as defined in the
- 23 Family and Medical Leave Act of 1993; or
- 24 (viii) death or funeral attendance of an immediate family member or, at an agency's discretion,
- 25 another person.
- 26 ~~(16)~~(17) "Student intern" means a student intern as defined in 2-18-101.
- 27 ~~(17)~~(18) "Temporary employee" means a temporary employee as defined in 2-18-101.
- 28 ~~(18)~~(19) "Transfer" means a change of employment from one agency to another agency in the same

1 jurisdiction without a break in service.

2 ~~(19)~~(20) "Vacation leave" means a leave of absence with pay for the purpose of rest, relaxation, or
3 personal business at the request of the employee and with the concurrence of the employer."
4

5 **Section 5.** Section 2-18-603, MCA, is amended to read:

6 **"2-18-603. Holidays -- observance when falling on employee's day off -- floating holiday.** (1) (a)

7 A full-time employee who is scheduled for a day off on a day that is observed as a legal holiday, except
8 Sundays, is entitled to receive a day off with pay either on the day preceding the holiday or on another day
9 following the holiday in the same pay period or as scheduled by the employee and the employee's supervisor,
10 whichever allows a day off in addition to the employee's regularly scheduled days off, provided the employee is
11 in a pay status on the employee's last regularly scheduled working day immediately before the holiday or on the
12 employee's first regularly scheduled working day immediately after the holiday.

13 (b) Part-time employees receive pay for the holiday on a prorated basis according to rules adopted
14 by the department of administration or appropriate administrative officer under 2-18-604.

15 (c) A short-term worker or student intern may not receive holiday pay.

16 (2) For purposes of this section, the term "employee" does not include nonteaching school district
17 employees.

18 (3) According to policies adopted by the department of administration:

19 (a) each full-time employee of an agency specified in 2-18-101(1) is entitled to one floating holiday
20 each calendar year;

21 (b) each part-time employee of an agency specified in 2-18-101(1) is entitled to one floating
22 holiday each calendar year that must be calculated proportionately to the floating holiday allowed to a full-time
23 employee;

24 (c) unused floating holiday leave expires at the end of each calendar year, does not accrue, and is
25 not paid out to employees on termination of employment; and

26 (d) a short-term worker or student intern may not receive a floating holiday."
27

28 **NEW SECTION. Section 6. Appropriations.** (1) The following money for the indicated fiscal years is

1	appropriated to the listed agencies to implement the adjustments provided in 2-18-303:			
2	Fiscal Year 2023 -- One-Time-Only			
3	General Fund	State Special	Federal Special	Proprietary
4	Legislative Branch			
5	202,199	27,594		
6	Consumer Counsel			
7		5,324		
8	Judicial Branch			
9	477,315	19,892	287	
10	Executive Branch			
11	5,318,037	5,601,004	1,863,596	111,402
12	Montana University System			
13	31,809	456	25,657	
14	Total			
15	6,029,360	5,654,270	1,889,541	111,402
16			<u>1,889,540</u>	
17	Fiscal Year 2024			
18	General Fund	State Special	Federal Special	Proprietary
19	Legislative Branch			
20	607,991	94,703		
21	Consumer Counsel			
22		19,274		
23	Judicial Branch			
24	1,500,404	62,549	1,213	
25	Executive Branch			
26	16,287,213	15,761,090	7,069,902	360,858
27	Montana University System			
28	151,863	2,829	87,890	

1	Total				
2		19,087,470	15,940,446	7,159,005	360,858
3		<u>18,547,391</u>	<u>15,940,445</u>		
4	Fiscal Year 2025				
5		General Fund	State Special	Federal Special	Proprietary
6	Legislative Branch				
7		1,234,471	191,918		
8	Consumer Counsel				
9			39,322		
10	Judicial Branch				
11		3,016,529	126,222	2,436	
12	Executive Branch				
13		34,028,318	31,855,010	14,300,816	726,453
14	Montana University System				
15		309,821	5,793	177,071	
16	Total				
17		38,589,138	32,218,266	14,480,323	726,453

18 (2) The following money for the indicated fiscal years is appropriated to the listed agencies to
 19 implement the adjustments provided in 2-18-501:

20	Fiscal Year 2024 and Fiscal Year 2025				
21		General Fund	State Special	Federal Special	Proprietary
22	Legislative Branch				
23		3,332	493		
24	Consumer Counsel				
25			35		
26	Judicial Branch				
27		2,720	294		
28	Executive Branch				

1		63,452	137,403	73,570	1,605
2	Montana University System				
3		167		328	
4	Total	69,671	138,225	73,898	1,605

5 (3) The following money for the indicated fiscal year is appropriated to the Montana university
6 system for the sole purpose of increasing employee pay.

7 Fiscal Year 2023 -- One-Time-Only

8	General Fund	State Special	Federal Special	Proprietary
9	3,227,045			

10 Fiscal Year 2024

11	General Fund	State Special	Federal Special	Proprietary
12	10,323,927			

13 Fiscal Year 2025

14	General Fund	State Special	Federal Special	Proprietary
15	27,958,218			
16	<u>21,598,218</u>			

17 (4) The following money is appropriated for the biennium beginning July 1, 2023, from the
18 designated state fund to the office of budget and program planning to be distributed to agencies when
19 personnel vacancies do not occur, retirement costs exceed agency resources, or other contingencies arise:

20	General Fund	\$1,000,000
21	State Special Revenue	\$500,000
22	Federal Special Revenue	\$250,000
23	Proprietary Funds	\$50,000

24 (5) For the biennium beginning July 1, 2023, there is appropriated \$75,000 from the general fund
25 to the department of administration for a labor-management training initiative.

26
27 **NEW SECTION. Section 7. Effective dates.** (1) Except as provided in subsection (2), [this act] is
28 effective on passage and approval.

