

Legislative Branch Pay Administration Rules for Fiscal Year 2016

These rules are adopted by the Executive Director of the Legislative Services Division, the Legislative Auditor of the Legislative Audit Division, and the Legislative Fiscal Analyst of the Legislative Fiscal Division under authority of the Legislative Branch pay plan adopted in June 2006 to guide implementation of the Legislative Branch pay plan for fiscal year 2015. The Branch adopted a Broadband pay plan with Occupational Wage Ranges (OWR) established for all positions.

Section 1. Definitions. As used in these rules, the following definitions apply:

- (1) "Anniversary date" means 1 year from the most recent pay for performance based salary adjustment as provided for in §4.
- (2) "Pay for performance" means the assessment by a supervisor through a process established for this purpose, of the degree to which an employee's performance merits a particular salary recommendation.
- (3) "Base Salary" means the amount of compensation paid to an employee, excluding: state contributions to group benefits; overtime; fringe benefits; and the longevity allowance.

Section 2. OWR/Salary Survey

The Legislative Branch salary survey used the Standard Occupational Classification (SOC) system to place jobs into occupations. The SOC is a national job classification system developed by the federal government, and allows a comparison of Branch occupations to similar occupations employed outside of Montana state government for pay purposes. The Legislative Branch uses a combination of SOC codes for its positions to ensure the various duties expected of its staff are considered. For the 2014 salary survey, the Legislative Branch expanded the number of surveys used to establish the median, using the SOC and examining the job descriptions outlining the skills, knowledge, and abilities required for each position. Salary data was collected from Occupational Employment Statistics (OES) - U.S. Bureau of Labor Statistics; Kenexa – a private company that centralizes third party benchmark job surveys online; salary survey of state legislatures in Idaho, Wyoming, North Dakota, South Dakota, Arizona, Colorado, Nevada, Oregon, Utah, and Washington.

Anchoring off the median salary obtained for each occupation, the occupational wage range (OWR) for each occupation within each pay band is established. The median becomes the market salary. Movement towards market is based on time

in the position, the incumbent's performance, and the occupation wage range for the position.

Section 3. Fiscal Year 2016 Implementation.

The three Division's budgets include funding authority from HB2 and SB 418 implementing HB 2. Although employees of the legislative branch are exempt under 2-18-103, SB 418 requires on the first day of the first complete pay period in fiscal year 2016; each employee is entitled to the amount of the employee's base salary as it was on June 30, 2015 and an employee's base salary may be no less than the minimum salary of the pay band to which the employee's position is allocated. On or after July 1, 2015, the three division directors are implementing the intent of SB 418 in a fair and equitable manner within the Branch and among the divisions. After July 1, 2015 adjustments may be made as outlined in Section 4.

For LSD and LFD, effective on the first day of the first complete pay period that includes January 15, 2016, the base salary of each employee will be increased by 50 cents an hour. LAD will continue to adjust salary based on performance using its SB 418 allocation.

Section 4. Pay adjustments.

(1a) Subject to the provisions of this section, a pay for performance salary adjustment, other than a promotion, may be made annually on an employee's anniversary date or later and must be based on merit as documented in a written evaluation of the employee's performance. A pay for performance salary adjustment will be the result of a recommendation of a supervisor designated by the division director, subject to the approval of the division director. An adjustment made within a level in the same position will not be awarded more often than once each year.

(1b) The amount of a pay for performance salary adjustment will be based on the quality of performance and depth of critical skills as it relates to the accomplishment of assigned responsibilities and performance expectations; current pay and position within occupational wage range; and availability of funds. A pay for performance adjustment cannot exceed 4% of the previous base pay. If the employee's performance has deteriorated from that documented at the time of the last salary adjustment, a salary decrease or probation may be recommended.

(2) Pay adjustments may be made in order to bring an employee's pay closer to target market ratio. A pay adjustment under this subsection may be made if a) a supervisor

recommends the adjustment; b) an employee performance meets or exceeds expectations; c) it maintains internal equity; and d) is within a division's budget.

(3) Promotions will be reviewed as appropriate based on the employee's demonstrated ability to perform the critical skills of the higher position and on the needs of the division, which include the need to maintain a career path for employees. If the results of a written evaluation document that the employee has demonstrated sustained performance of a sufficient portion of the critical elements of a position at a higher level than their current position and the division has a need for additional resources at that level, a supervisor designated by the division director, may recommend a promotion, subject to the approval of the division director. In order to properly acknowledge the increased skills and abilities of the employee, a recommendation for promotion should be accompanied by a recommended salary increase of at least the entry salary for the occupation wage range of the promoted-to position.

(4) The division director will use the guidelines outlined in this section whenever approving a pay adjustment. The Division director may, with proper documentation and support, grant an exception to these guidelines when the circumstances warrant.

(5) A pay adjustment may not be made if it will result in an employee exceeding the maximum salary for the employee's occupational wage range or a division exceeding its approved budget.

Section 5. Longevity and health insurance.

Legislative Branch employees will be awarded longevity pay and health insurance in the same manner as provided by law for Executive Branch employees. The employer contribution for group benefits is \$887 a month from January 2015 through December 2015, and \$976 for January 2016 through December 2016.

Susan Fox

Tori Hunthausen

Amy Carlson



Effective 7-01-15