

STATE OF MONTANA

Employee Profile

JANUARY - DECEMBER 2014



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OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA McLEAN
LT. GOVERNOR

February 2015

I am pleased to introduce this year's Employee Profile, compiled by the State Human Resources Division of the Department of Administration. This annual report provides information about state employees in the executive branch – including demographics, diversity, benefits and other useful data.

Taken as a whole, Montana is blessed to have the best collection of state employees anywhere. Through our efforts, we ensure Montanans have safe roads on which to travel, wondrous state lands and state parks to recreate and rejuvenate in, and assist and encourage tourists from all over the world who are planning daily for a trip of a lifetime to Montana. We also ensure public safety, promote and provide health services, recruit and support new businesses from both inside and outside Montana, help Montanans train for, and acquire jobs, and provide a world-class education for future generations of Montanans.

As Governor, my priorities are effective government, a world-class system of education, and creating more jobs that allow Montanans to enjoy all our state has to offer. None of those goals would be attainable without the commitment of our state employees. My partner in this endeavor, Lieutenant Governor Angela McLean, is doing her part to help us make our goals a reality.

Like last year, I encourage you to pass along any feedback concerning the Employee Profile to the State Human Resources Division of the Department of Administration. They can be reached at 444-3871.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Bullock".

STEVE BULLOCK
Governor

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INTRODUCTION

The State Human Resources Division publishes the Employee Profile annually. The profile reports information about the executive branch workforce excluding elected officials and their exempt personal staff, university system employees, and Montana State Fund employees.

Montana State Government's ability to meet its vision, mission, and goals depends upon the quality of its workforce. The State Human Resources Division, Department of Administration, functions to assist the State of Montana to become an "employer of choice," -- a competitive recruiter and a long-term employer of successful employees.

An in-depth look at the executive branch workforce is included. The 2014 annual data referenced represents the period from January 1, 2014 through December 31, 2014, unless otherwise noted. The report includes information about employee demographics, benefits, leave use and accrual, and compensation. Diversity statistics and information about state government's organized workers are also provided.

The report is organized into chapters. Each chapter includes a summary of the information contained in the charts and graphs.

For additional information or questions concerning this report, please contact Tracey Thennis at (406) 444-3749, e-mail TThennis2@mt.gov, or Therese Simpson at (406) 444-3852, email tsimpson@mt.gov, or mail to:

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CHAPTER 1 - EXECUTIVE BRANCH EMPLOYEES

At the close of calendar year 2014, there were 11,779 regular, full-time and part-time employees in the executive branch. This is an increase of 141 employees from last year's profile. A normal variance occurs due to the number of vacant positions at any given time.

On average, executive branch employees are 46 years old, have worked for state government for 12 years, and earned \$48,084 annually in 2014. Since 2013, the average age has decreased slightly from 47 years old while the years of service has remained relatively the same. The average annual salary increased by \$2,615 from the last profile.

In the broadband pay plan, 70 percent of employees hold positions requiring a bachelor's degree or equivalent education and experience.¹ In contrast, only about 17 percent of Montana's jobs require a bachelor's degree or higher-level education.²

¹ Department of Administration, State Human Resources Division, Human Resources Policy & Programs Bureau.

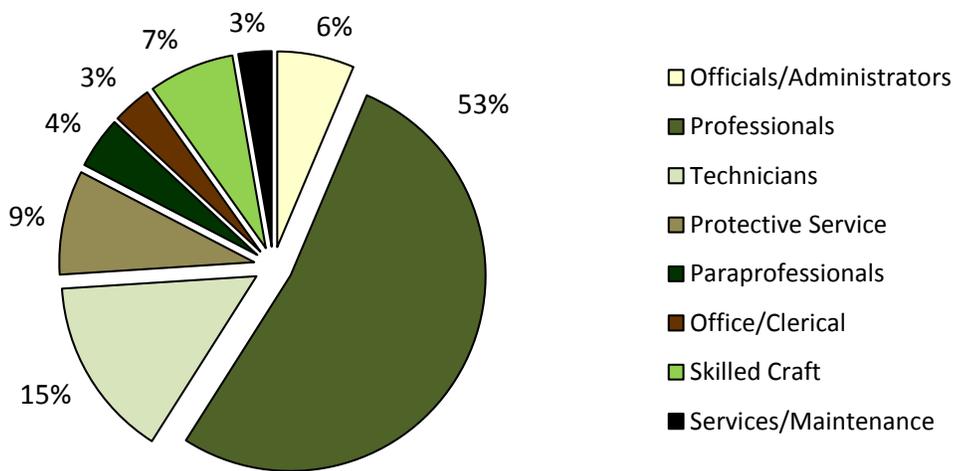
² Department of Labor and Industry, Research and Analysis Bureau.

OCCUPATIONAL GROUPS

Figure 1 illustrates the breakdown of the executive branch workforce by occupational group. Professional-level positions constitute the largest occupational group, representing 53 percent of the workforce. This group represents positions requiring a minimum of a college degree or equivalent education and experience.

Professionals, technicians, and protective services represent 77 percent of the workforce. Skilled crafts, officials and administrators, administrative support, paraprofessionals, and service and maintenance workers comprise the remaining 23 percent.

FIGURE 1
PERCENT OF EMPLOYEES BY OCCUPATION
CALENDAR YEAR 2014 EMPLOYEE PROFILE



Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

GENERATIONAL MAKEUP

The generational makeup of the executive branch continues to remain concentrated in the baby boomer generation (1946-1964) and generation X (1965-1981) at 45 percent and 39 percent respectively. Generation Y (1982-2000) represents 15.2 percent of state government’s workforce. In contrast, 31.9 percent of Montana’s labor force is generation Y. The silent generation (1925 - 1945) represents the least amount of employees. Figure 2 illustrates the comparison between the executive branch and the Montana labor force.

FIGURE 2
GENERATIONS OF EXECUTIVE BRANCH EMPLOYEES
CALENDAR YEAR 2014 EMPLOYEE PROFILE

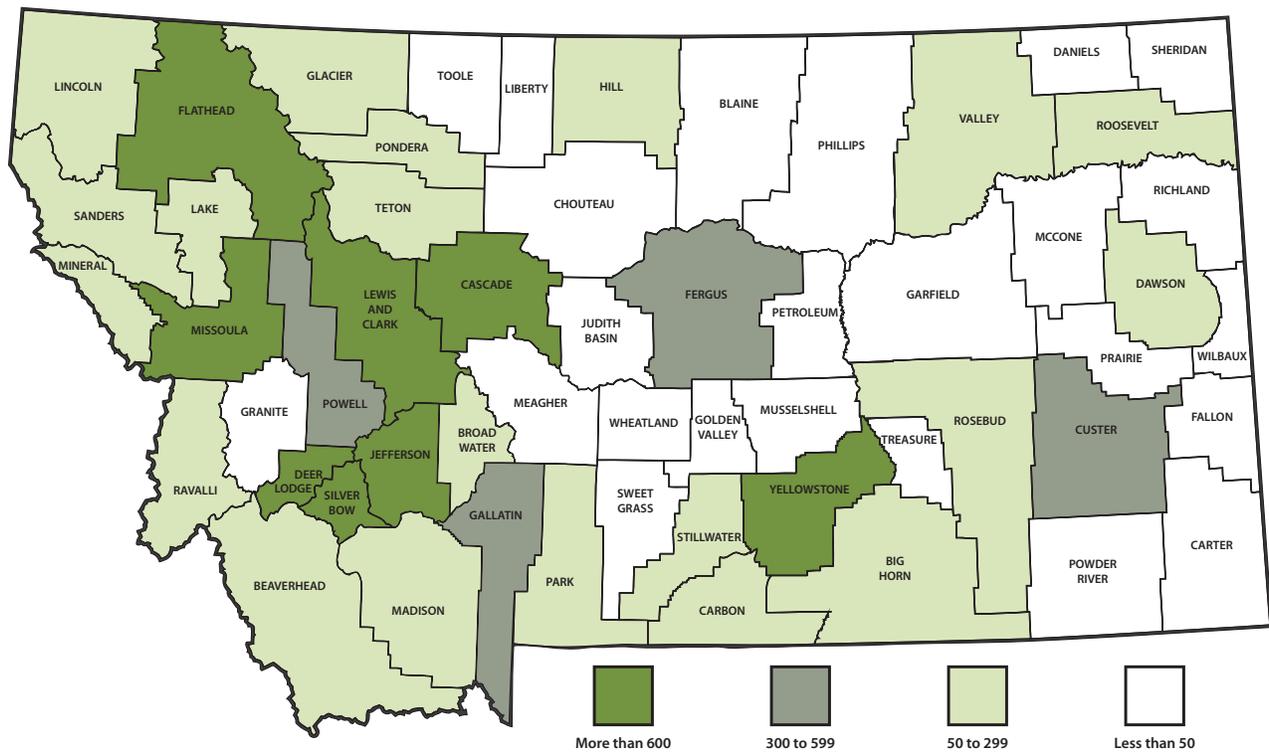


Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS), and Department of Labor and Industry, Research and Analysis Bureau

COUNTIES OF RESIDENCE

Executive branch employees work and live in every county of Montana. The largest representation is in Lewis and Clark County. Figure 3 displays the state employee population by county. Figure 4 shows the current number of employees and the total payroll dollars for each county for calendar year 2014.

FIGURE 3
EXECUTIVE BRANCH EMPLOYEES BY COUNTY OF RESIDENCE
CALENDAR YEAR 2014 EMPLOYEE PROFILE



Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

FIGURE 4
ANNUAL PAYROLL FOR EXECUTIVE BRANCH EMPLOYEES
BY COUNTY OF RESIDENCE
CALENDAR YEAR 2014 EMPLOYEE PROFILE

County	Resident Employees	Annual Payroll	County	Resident Employees	Annual Payroll
BEAVERHEAD	165	\$4,880,416	MCCONE	14	\$439,239
BIG HORN	53	\$1,871,412	MEAGHER	20	\$678,291
BLAINE	32	\$928,411	MINERAL	66	\$2,320,140
BROADWATER	149	\$6,211,590	MISSOULA	947	\$34,607,901
CARBON	75	\$2,273,785	MUSSELSHELL	32	\$1,199,945
CARTER	14	\$202,622	PARK	75	\$2,817,118
CASCADE	802	\$31,041,512	PETROLEUM	6	\$139,411
CHOUTEAU	30	\$950,441	PHILLIPS	20	\$723,008
CUSTER	320	\$12,733,754	PONDERA	52	\$2,194,812
DANIELS	16	\$462,482	POWDER RIVER	16	\$488,270
DAWSON	155	\$5,724,883	POWELL	530	\$19,418,782
DEER LODGE	871	\$26,274,534	PRAIRIE	15	\$622,931
FALLON	14	\$415,940	RAVALLI	229	\$8,393,215
FERGUS	376	\$11,737,270	RICHLAND	49	\$1,389,237
FLATHEAD	872	\$28,763,928	ROOSEVELT	87	\$3,243,804
GALLATIN	546	\$18,180,527	ROSEBUD	55	\$1,742,802
GARFIELD	30	\$485,804	SANDERS	103	\$2,858,181
GLACIER	66	\$2,208,323	SHERIDAN	22	\$861,824
GOLDEN VALLEY	9	\$418,662	SILVER BOW	817	\$30,691,535
GRANITE	47	\$1,540,113	STILLWATER	52	\$1,680,278
HILL	123	\$4,722,520	SWEET GRASS	24	\$1,069,854
JEFFERSON	834	\$34,621,665	TETON	57	\$1,890,787
JUDITH BASIN	28	\$800,489	TOOLE	37	\$1,379,453
LAKE	157	\$4,818,027	TREASURE	10	\$241,947
LEWIS AND CLARK	5,348	\$254,297,365	VALLEY	125	\$4,611,463
LIBERTY	10	\$402,337	WHEATLAND	15	\$628,887
LINCOLN	166	\$4,840,207	WIBAUX	9	\$381,540
MADISON	84	\$2,321,300	YELLOWSTONE	981	\$37,709,353



More than 600



300 to 599



50 to 299



Less than 50

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

STATEWIDE EMPLOYEE TURNOVER RATE

The statewide turnover rate is the number of employees who terminated divided by the current executive branch workforce. It does not include employees who transferred from one agency to another.

For more information regarding agency-specific turnover and their associated calculations, see Appendix B.

Employee turnover increased slightly from 12.92 percent in 2013 to 13.24 percent in 2014. Figure 5 illustrates turnover data for the past five years.

FIGURE 5
TURNOVER RATE
BY YEAR

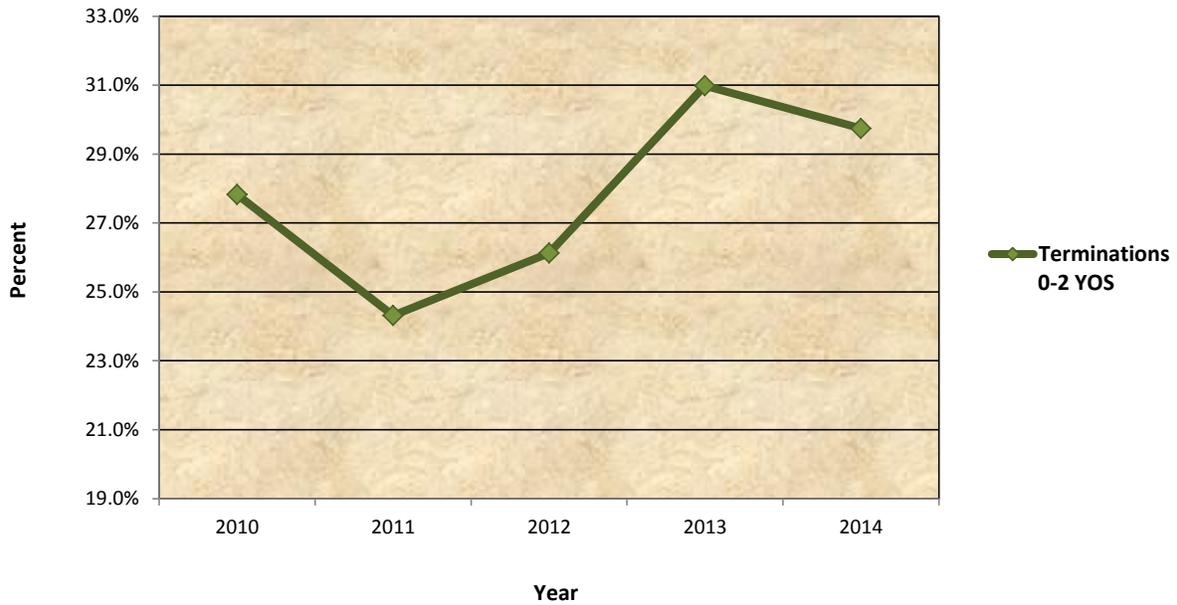


Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

TERMINATIONS

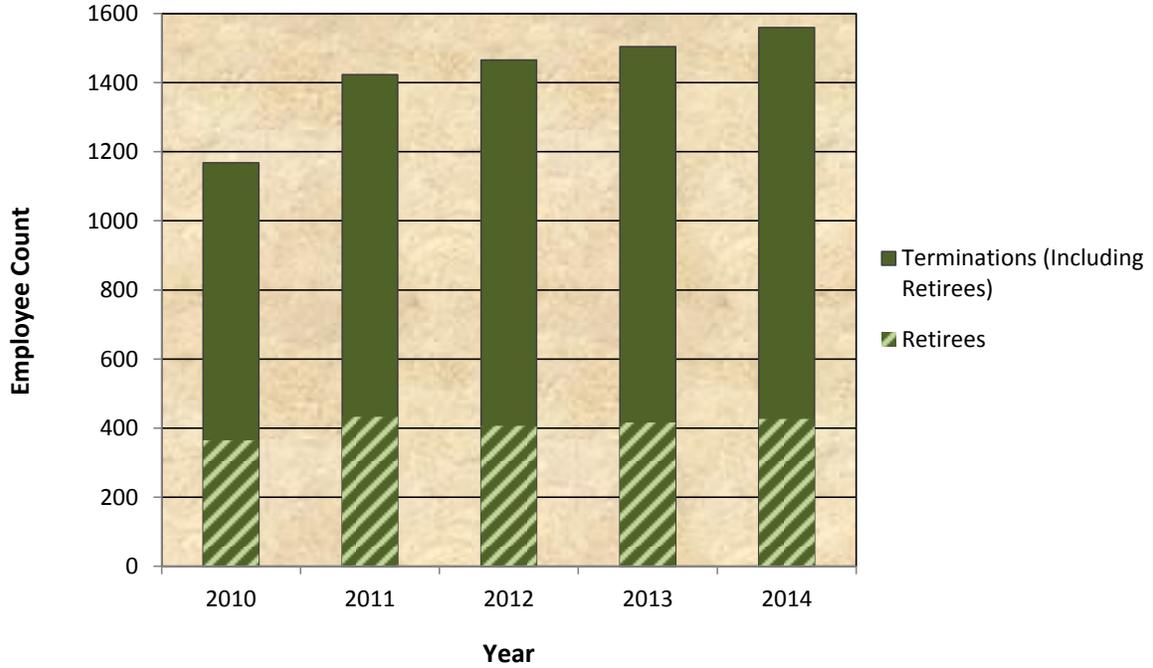
The number of employees leaving state government with less than two years of service decreased slightly to 29.7 percent. Figure 6 illustrates terminations within the first two years of service for the past five years. Retirees from state government have increased slightly from 416 in 2013 to 427 in 2014. Figure 7 illustrates termination and retirement data for the past five years. Agency-specific turnover information for 2014 can be found in Appendix B.

FIGURE 6
TERMINATIONS WITH 0-2 YEARS OF SERVICE (YOS)
BY YEAR



Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

**FIGURE 7
TOTAL TERMINATIONS AND RETIREMENTS
BY YEAR**



Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

**The total termination count for 2012 published in the 2013 Employee Profile did not include the retirees. In 2012 there were 1,466 total terminations, including retirees.*

AGENCY TRANSFERS

State employees may leave one agency and be hired into another agency. Executive branch employees who transfer from one agency to another without a break in service of more than five days retain their longevity, leave, and other benefits. In 2014, 175 employees transferred without a break in service longer than five days.

Figure 8 provides details about employees who transferred from one agency to another. More information about agency transfers as part of overall hire and turnover rates can be found in Appendix B.

FIGURE 8
TRANSFERS TO AND FROM
EXECUTIVE BRANCH AGENCIES
CALENDAR YEAR 2014 EMPLOYEE PROFILE

Agency	Transfers To	Transfers From	NET Gain/Loss
Administration	36	17	19
Agriculture	2	4	-2
Board of Public Education	0	0	0
Commerce	9	6	3
Corrections	19	15	4
Environmental Quality	8	15	-7
Fish, Wildlife, & Parks	4	6	-2
Governor's Office	1	0	1
Justice	8	18	-10
Labor & Industry	12	18	-6
Livestock	4	2	2
Military Affairs	2	4	-2
Montana Arts Council	0	0	0
Montana Historical Society	0	0	0
Montana State Library	0	1	-1
Natural Resources & Conservation	8	3	5
Office of Public Instruction	3	3	0
Office of the Public Defender	2	5	-3
Political Practices	0	0	0
Public Health & Human Services	29	29	0
Public Service Commission	0	2	-2
Revenue	11	13	-2
School for Deaf and Blind	0	1	-1
Secretary of State	0	0	0
State Auditor	3	4	-1
Transportation	26	9	17

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

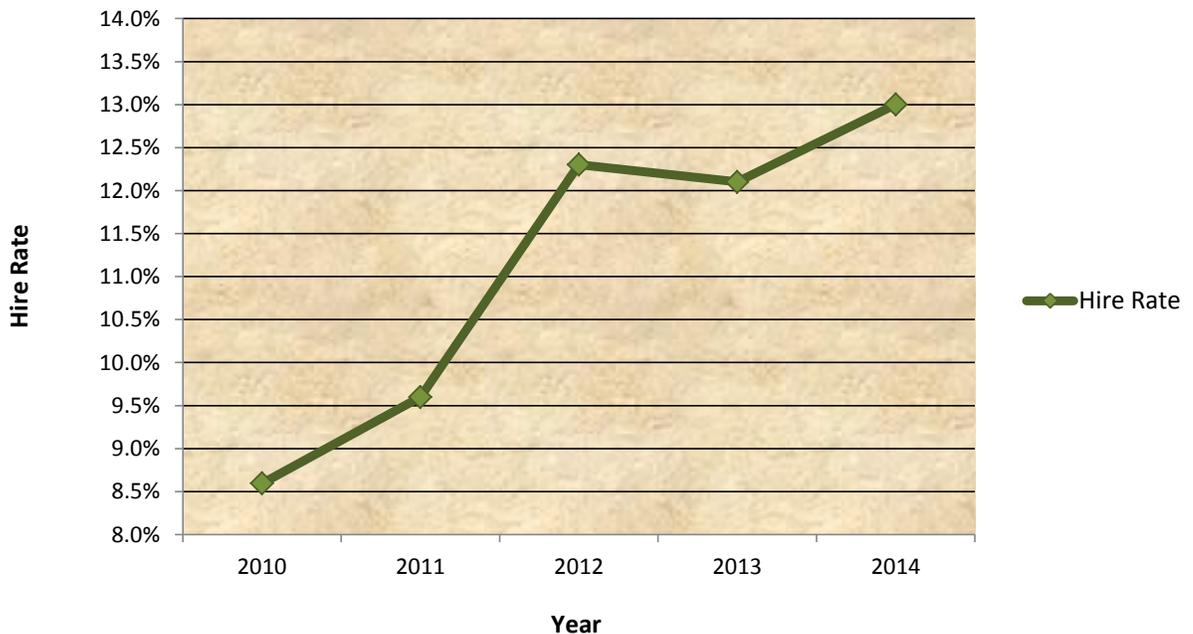
Transfers To includes any employee who transferred to a position in the broadband or blue-collar pay plan. Transfers From includes any employee who transferred from a position in the broadband or blue-collar pay plan.

STATEWIDE HIRE RATES

The statewide hire rate includes all employees hired or rehired by executive branch agencies divided by the total workforce. It does not include transfers from other agencies.

The total hire rate for 2014 was 13 percent. Figures 9 and 10 illustrate the hire rate and the total number of new hires and rehires for the past five calendar years. Agency-specific hire rates can be found in Appendix B.

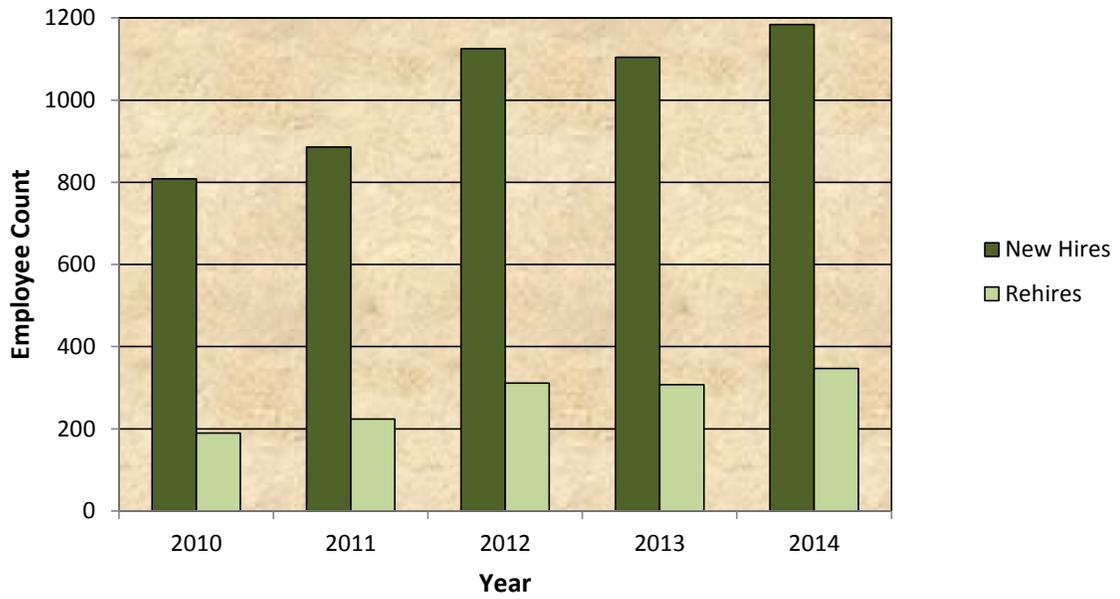
FIGURE 9
HIRE RATE BY YEAR



Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS).

**The total hire rate for 2013 published in the CY2013 Employee Profile inadvertently included transfers from other agencies in the statewide hire rate calculation. The statewide hire rate was reported as 13.4%, but in fact was 12.1%. The above chart has been corrected to reflect the accurate hire rate for 2013.*

FIGURE 10
NEW HIRES AND REHIRS
BY YEAR



Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

ONLINE EMPLOYMENT SYSTEM

The State of Montana Employment Information website <http://statecareers.mt.gov> is one of the most frequently visited websites in Montana State Government. Figure 11 shows the agency-specific job listing and application numbers.

FIGURE 11
AVERAGE APPLICANT POOL BY AGENCY
FOR CALENDAR YEAR 2014

Agency	Job Listings	Job Applications	Application Pool Average
Administration	150	3,205	21
Agriculture	31	444	14
Board of Public Education	1	9	9
Commerce	40	1,087	27
Corrections	180	4,409	24
Environmental Quality	72	1,535	21
Fish, Wildlife and Parks	133	3,659	28
Governor's Office	6	93	16
Justice	99	2,948	30
Labor and Industry	149	2,791	19
Livestock	18	212	12
Military Affairs	33	551	17
Montana Arts Council	-	-	-
Montana Historical Society	11	236	21
Montana State Library	2	2	1
Natural Resources & Conservation	111	1,891	17
Political Practices	-	-	-
Office of Public Instruction	49	505	10
Office of State Public Defender	35	614	18
Public Health and Human Services	596	12,279	21
Public Service Commission	5	115	23
Revenue	176	3,662	21
School for the Deaf and Blind	5	16	3
Secretary of State	10	181	18
State Auditor	5	90	18
Transportation	348	5,358	15
Total	2,265	45,892	20

Source: Department of Administration, State Human Resources Division, Online Employment System

RECRUITMENT AND RETENTION FORECAST

The Montana Department of Labor and Industry predicts that roughly 8,300 more Montana jobs will be created annually in 2014 and 2015, corresponding with an annual growth rate of 1.7 percent. This will slow between 2016 and 2022 when only 6,700 jobs will be added each year. In total, roughly 63,500 jobs will be created between 2014 and 2022. This growth rate is above the long-term average since 1976 of about 1.0 percent, but slower than the growth during the bubble years of 2001 to 2007. About 80 percent of those jobs will be in the service sector.³ The following are examples of service occupations:

- administrative workers
- maintenance workers
- health care/social service workers
- lawyers
- computer services
- education workers

The aging of Montana's workforce is expected to cause significant tightening of Montana's labor force. The U.S. Census Bureau's population projections indicate that the working age population decreases that started in 2013 in Montana (ages 18-65) will continue, leaving businesses with fewer candidates for job openings. The higher unemployment and delayed retirements caused by the 2007 recession has reduced the urgency posed by the changing demographics of Montana's workforce. However, as our economy recovers, Montana's older workers will be leaving the workforce. Agency managers need to plan for the loss of the knowledge and experience held by these workers and for the potential of a tight labor market in the future.

³ Department of Labor and Industry, Research and Analysis Bureau.

CHAPTER 2 - EXECUTIVE BRANCH EMPLOYEE PAY

This chapter covers the two primary pay plans in the executive branch: the broadband pay plan and the blue-collar pay plan. At the close of calendar year 2014, there were 11,104 employees in the broadband pay plan, and 675 employees in the blue-collar pay plan.

PAY PLANS FOR EXECUTIVE BRANCH EMPLOYEES

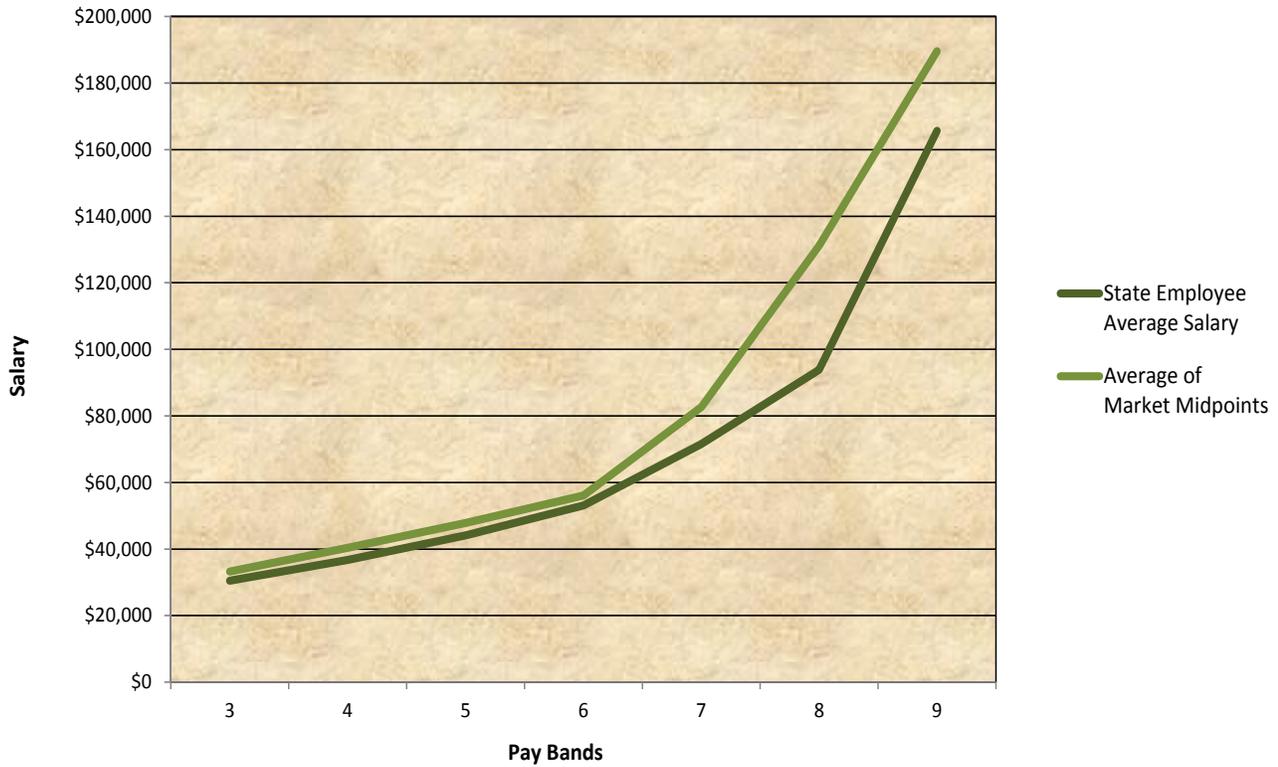
Broadband Pay Plan - The broadband pay plan became the primary pay plan July 1, 2007. It is an enterprise-wide plan allowing state agencies flexibility to develop their own pay plan rules within broad statutory and policy parameters and within authorized funding levels. Employees in this plan earned an average annual base salary of \$48,425 in 2014. This is a \$2,653 increase from 2013, when the average annual base salary was \$45,772.

Salaries for employees whose positions are in the broadband pay plan are determined, in part, by a biennial market analysis. The department conducts and publishes this analysis in even-numbered years during the biennial executive budgeting process. This analysis includes base salaries paid to workers in the same occupations by public or private employers in Montana and the four surrounding states.

The department identifies the median salary for surveyed workers by occupation to determine market midpoints. In other words, half the surveyed workers receive base salaries above the market midpoint and half receive base salaries below the market midpoint.

Figure 12 illustrates the difference in base salary between state employee salaries and market midpoints. Pay bands seven and eight lag the farthest behind the market midpoint. Figure 13 depicts the data for each pay band.

FIGURE 12
MARKET MIDPOINTS COMPARED TO
PAY RATES BY PAY BAND
CALENDAR YEAR 2014 EMPLOYEE PROFILE



Source: 2014 Market Analysis conducted by the Human Resources Policy and Programs (HRPP) Bureau, State Human Resources Division

FIGURE 13
STATE EMPLOYEE AVERAGE BASE SALARY
COMPARED TO THE AVERAGE OF MARKET SALARY
BY PAY BAND
CALENDAR YEAR 2014 EMPLOYEE PROFILE

Band	Number of Employees	State Employee Average Salary	Average of Market Midpoints	Amount Compared to Market	Percent Compared to Market
1	1	\$23,159	\$24,967	-\$1,808	-7.24%
2	313	\$24,188	\$26,268	-\$2,079	-7.92%
3	1780	\$30,513	\$33,238	-\$2,725	-8.20%
4	1232	\$36,770	\$40,377	-\$3,607	-8.93%
5	2543	\$44,080	\$47,854	-\$3,774	-7.89%
6	3479	\$53,122	\$56,070	-\$2,949	-5.26%
7	1500	\$71,565	\$82,683	-\$11,118	-13.45%
8	225	\$93,839	\$131,145	-\$37,305	-28.45%
9	31	\$165,656	\$189,551	-\$23,895	-12.61%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

Blue-Collar Pay Plan - The blue-collar pay plan is a single rate plan for 675 skilled and unskilled trade and craft positions (heavy equipment operators, laborers, carpenters, painters, etc.) in collective bargaining units. All aspects of the plan are determined through collective bargaining. The plan consists of 14 grades, each with a corresponding hourly wage. The plan was approved by the legislature in 1979. At the end of calendar year 2014, full-time employees covered under the blue-collar plan received an average base annual salary of \$42,474.

LONGEVITY

Eligible employees in the broadband and blue-collar pay plans receive a longevity allowance defined in 2-18-304, MCA. State law provides for longevity increments of 1.5 to 2 percent of the employee's base salary for each continuous five years of state service. Figure 14 shows longevity pay increments outlined in statute, the cumulative total multiplier, and the number of employees receiving each increment for the past two years.

FIGURE 14
LONGEVITY PAY INCREMENTS AND
EMPLOYEES RECEIVING LONGEVITY PAY
CALENDAR YEAR 2013 AND 2014 EMPLOYEE PROFILES

Longevity Increments	Years of Service	Percent Increase	Total	2013 Employees	2014 Employees
First Increment	5	1.5%	1.5%	2,980	2,706
Second Increment	10	2.0%	3.5%	1,667	1,699
Third Increment	15	2.0%	5.5%	1,147	1,150
Fourth Increment	20	2.0%	7.5%	970	940
Fifth Increment	25	1.5%	9.0%	610	622
Sixth Increment	30	1.5%	10.5%	289	287
Seventh Increment	35	1.5%	12.0%	135	148
Eighth Increment	40	1.5%	13.5%	24	29
Ninth Increment	45	1.5%	15.0%	1	0
Tenth Increment	50	1.5%	16.5%	1	1
Total				7,824	7,582

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

CHAPTER 3 - BENEFITS

This chapter describes the major components of the state's benefit package including membership in a group benefit and retirement plan. The chapter also includes information regarding the statutory holiday, vacation, and sick-leave benefits provided to eligible state employees.

GROUP BENEFITS

During 2014, the state's benefit plan offered a comprehensive package:

- two medical plan choices;
- dental and prescription drug coverage;
- group term life insurance coverage;
- routine vision exams for all members covered on the Health Plan;
- optional coverage for vision hardware and long-term disability coverage;
- four no member cost counseling visits;
- wellness programs and clinical management programs;
- availability of a pre-tax plan for Medical, Dental, Vision Hardware, Basic Life and Optional Employee Life (up to \$50k), Accidental Death and Dismemberment, Flexible Spending Accounts, and Long Term Disability benefits; and
- participation in medical or dependent care flexible spending accounts.

Montana State Government has offered a group benefits package since 1979.⁴ The Department of Administration, in consultation with an advisory council, is responsible for designing and administering the group benefits package and its operations (2-18-810 - 811, MCA).

The employer contribution to the group benefit package is part of the economic package negotiated during collective bargaining. The legislature then sets the employer contribution by statute (2-18-703, MCA). The amount is the same for every employee regardless of the family members covered. During 2014, the state contribution was \$806 per month.

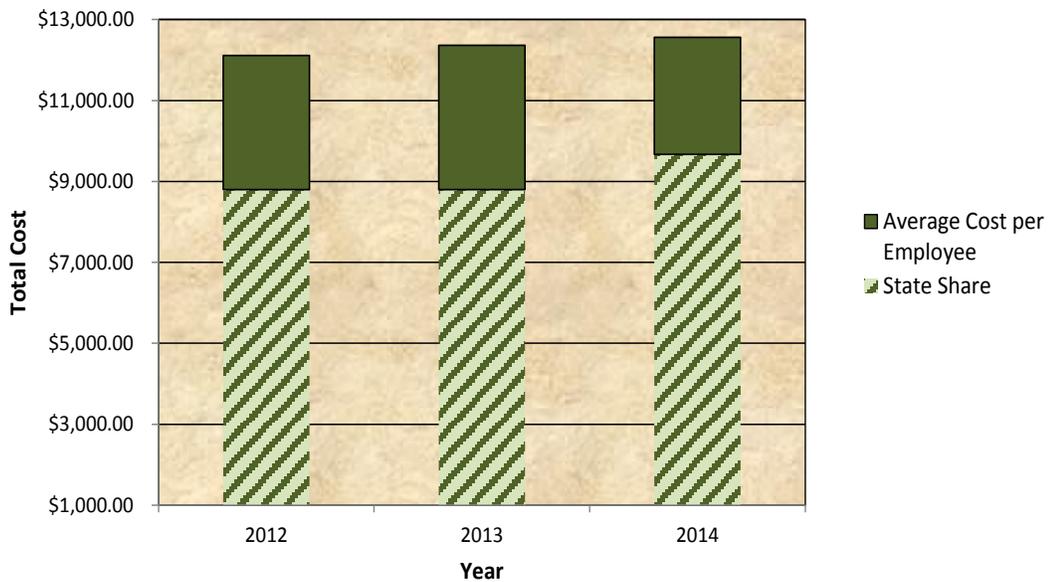
Retirees do not receive a contribution from the state. Medicare-eligible and non-Medicare-eligible retirees pay the full contribution for their coverage through the state plan. Once a retiree becomes Medicare eligible, the contribution is reduced.

⁴ Prior to 1979, agencies individually offered group benefits to their employees.

Over the past 20 years, the state’s contribution, the plan cost sharing (deductibles, coinsurance, copayments), and the cost of family coverage under the state’s plan have risen at comparable rates. The cost of rising health care has been shared between Montana State Government, participating employees, and the employees and family members who use the benefits.

In 2012 the average cost of health benefits per state employee was \$12,127 and \$3,331 was paid by the employee. In 2013, the average total benefit cost was \$12,364 and \$3,568 was paid by the employee. In 2014, the average total benefit cost was \$12,563 and \$2,891 was paid by the employee. Figure 15 depicts the rising cost of health care coverage during the last three years.

FIGURE 15
AVERAGE TOTAL BENEFIT COST
PER EMPLOYEE
BY YEAR



Source: Department of Administration, Health Care and Benefits Division

PAID LEAVE

Annual Leave - Annual leave is also known as vacation leave. Montana's executive branch employees earn 15 vacation days or more per year, depending upon their total years of public employment (2-18-612, MCA). Part-time employees earn vacation leave on a prorated basis. In 2014, executive branch employees maintained an average balance of 18 days of vacation leave. Executive branch employees used an average of 14 days of vacation leave in 2014. This is the same average amount as in 2013 and 2012.

Vacation leave may be accumulated up to a total not exceeding two times the maximum number of days earned annually. Upon termination, an employee is entitled to a lump-sum payment for the employee's unused vacation leave based on the employee's salary at the time of termination.

Figure 16 shows the annual leave earned based on years of employment.

FIGURE 16
ANNUAL LEAVE ACCRUAL RATES FOR
PUBLIC EMPLOYEES

Years of Employment	Days Earned
1 day through 9 years	15
10 years through 14 years	18
15 years through 19 years	21
20 years on	24

Source: MOM - Annual Vacation Leave Policy

Sick Leave - Full-time employees earn 12 days of sick leave per year. Part-time employees earn sick leave on a prorated basis (2-18-618, MCA). In 2014, executive branch employees maintained an average balance of 34 days of sick leave. Executive branch employees used an average of eight days of sick leave in 2014. This is the same average amount as in 2013 and 2012.

There is no restriction on the amount of sick leave an employee can earn. Upon termination, an employee is entitled to a lump-sum payment equal to one-fourth of the employee's unused-sick leave based on the employee's salary at the time of termination.

Employees may receive additional sick leave by participating in a sick leave fund or by receiving direct grants of sick leave from other employees. No funds are attached to donated or received sick leave. The department employing the recipient of granted sick leave must pay the costs associated with the use of the sick leave.

Holiday Leave - Executive branch employees receive 10 paid holidays in odd-numbered years and 11 paid holidays in even-numbered years (1-1-216, MCA). Figure 17 lists these holidays.

FIGURE 17
HOLIDAYS FOR STATE EMPLOYEES

Holiday	Observed
New Year's Day	January 1
Martin Luther King, Jr., Day	Third Monday in January
Presidents' Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25
State General Election Day	First Tuesday after first Monday in November of even-numbered years.

STATE RETIREMENT PLANS

Most executive branch employees are enrolled in one of seven retirement plans.⁵ The plans and the number of participating state employees are listed in Figure 18.

FIGURE 18
STATE RETIREMENT PLANS

State Retirement Plans	Participants
Public Employees' Retirement System (PERS) Defined Benefit Retirement Plan	10,739
PERS Defined Contribution Retirement Plan	1,023
Highway Patrol Officers' Retirement System	229
Game Wardens' and Peace Officers' Retirement System	912
Sheriffs' Retirement System	61
Firefighters' Unified Retirement System	17
Teachers' Retirement System	161

The Montana Public Employee Retirement Administration (MPERA) administers all but the Teachers' Retirement System (TRS).

The Highway Patrol Officers' Retirement System, Game Wardens' and Peace Officers' Retirement System, Sheriffs' Retirement System, and Teachers' Retirement System are defined benefit plans. The Public Employees' Retirement System offers employees a one-time choice between participating in the defined benefit retirement plan or the defined contribution retirement plan. Retirement benefits under the defined benefit retirement plan are determined by a formula based on a factor, service credits, and salary. The employer assumes the risk under the defined benefit retirement plan.

In contrast, the benefit of defined contribution retirement plans depends on how much is contributed to the plans. The defined contribution retirement plan does not specify the benefit. The employee invests in selected options offered within the plan and assumes the risk.

⁵ Montana Public Employee Retirement Administration (MPERA) and Teachers' Retirement Administration

Although each of these retirement plans has its own unique features, they have these in common:

- With few exceptions, employee participation is compulsory.
- Both employees and state government must contribute to the plans based on a percentage amount of the employee's salary.
- Each plan provides service, disability, and death benefits.
- Service credits are portable among the plans, permitting credits earned in one system to be transferred to another.
- All plans are subject to annual actuarial valuations to determine the financial status of the funds.

DEFERRED COMPENSATION PLAN

The State of Montana offers employees a deferred compensation program, as authorized under Section 457 of the federal Internal Revenue Code, and has done so since 1974. On June 30, 2014, 4,096 state employees were participating in the program.⁶ Under this program, administered by the Montana Public Employees Retirement Administration, employees may defer a portion of their salary through pre-tax payroll deductions to be invested in a fixed or variable investment option selected by the Montana Public Employees Retirement Board.

The Deferred Compensation Plan has a designated ROTH contribution, with the contribution taken out after taxes (post-taxes) and is not taxed at the time that the funds are used. This was put into place during the 2013 Legislative Session and began on July 1, 2013. Therefore, the contributions in the Deferred Compensation Plan are either pre-tax deferrals or designated ROTH contributions.

The deferred funds and investment earnings are exempt from state and federal taxes until they are paid to the program participant. Payouts are available only upon termination, retirement, death, or unforeseeable emergency. The state contributes no money on behalf of employees who choose to participate in this plan.

⁶ Montana Public Employee Retirement Administration

CHAPTER 4 - DIVERSITY

This chapter compares the race, ethnicity, and gender composition of the executive branch workforce to the Montana state labor force. The Census 2010 Special Equal Employment Opportunity Tabulation serves as the primary benchmark for comparing the race, ethnicity, and gender composition of an organization's internal workforce to the external labor market by geographic location and job category.⁷

RACE AND ETHNICITY

Census 2010 contains demographic data on race and ethnicity according to the minimum standards established by the U.S. Office of Management and Budget (OMB). These standards include a minimum of five racial categories:

- American Indian or Alaska Native (AIAN)
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

DEMOGRAPHIC HIGHLIGHTS

Overall, there was little change in executive branch demographics between 2013 and 2014. Ninety-six percent of executive branch employees specified a race. Below are the highlights of the 2014 diversity statistics:

- The percent of women in the executive branch is 3.1 percent higher than the Montana labor force.
- There are 3.66 percent fewer American Indian or Alaska Native employees in state government than in the Montana labor force.
- There are 1.79 percent fewer other minority group employees in state government than the Montana labor force.

⁷ U.S. Census Bureau, Census 2010 Special Equal Employment Opportunity Tabulation

GENDER

The executive branch workforce includes nearly equal numbers of women and men. Seventy-eight percent of the female workforce is in professional and technical occupations. Figure 19 shows the executive branch by gender.

FIGURE 19
EXECUTIVE BRANCH BY GENDER
CALENDAR YEAR 2014 EMPLOYEE PROFILE

EEO Category	Total	Women	Percent	Men	Percent
Officials and Administrators	753	323	42.90%	430	57.10%
Professionals	6,199	3,411	55.03%	2,788	44.97%
Technicians	1,763	1,223	69.37%	540	30.63%
Protective Service	1,016	149	14.67%	867	85.33%
Paraprofessionals	505	325	64.36%	180	35.64%
Administrative Support	382	315	82.46%	67	17.54%
Skilled Craft	838	29	3.46%	809	96.54%
Service Maintenance	323	132	40.87%	191	59.13%
Total	11,779	5,907	50.15%	5,872	49.85%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

The U.S. Department of Labor defines the labor force as "all persons age 16 and over who are working or looking for work." Appendix A includes tables illustrating comparisons of the Montana labor force to the executive branch workforce by EEO category based on race and gender.

Our demographic data is based on gender and the following race categories: White, American Indian or Alaska Native, and other minorities.

EMPLOYEES WITH DISABILITIES

According to the U.S. Census Bureau's 2013 American Community Survey, 15.8 percent of the total Montana civilian non-institutionalized population age 16 and older have a disability. Of those individuals, 26 percent were employed in the Montana labor force.

Montana State Government, which includes all branches of state government and the university system, employs 6.6 percent, or 2,187, of the people with disabilities employed in Montana. However, only 94 executive branch employees reported having a disability to their employer. The difference between these two numbers indicates employees with disabilities choose not to self-identify their disability status to employers.

CHAPTER 5 - COLLECTIVE BARGAINING

Sixty-one percent of Montana's executive branch employees are unionized. The Collective Bargaining for Public Employees Act covers the State of Montana and its political subdivisions (39-31-101, et.seq., MCA).

This chapter provides:

- the process by which mandatory subjects of collective bargaining (wages, hours, fringe benefits, and other conditions of employment) are negotiated; and
- the extent of current unionization in state government.

PROCESS OF COLLECTIVE BARGAINING

The Chief of the State Office of Labor Relations is designated by Executive Order No. 40-2008 to represent the State of Montana in collective bargaining with representatives of certified collective bargaining units.

The State Office of Labor Relations begins pay and benefit negotiations with major state employee unions during the year-long executive planning process preceding each regular legislative session. State labor negotiators meet either simultaneously or jointly with these unions. The goal is to reach a settlement before the governor's executive budget is submitted.

If the parties are unable to settle before the legislature convenes, negotiations may continue during the session and beyond. Regardless of whether a settlement is reached before the legislative session begins, the budget director must submit a proposed pay plan to the legislative fiscal analyst no later than November 15 in the year preceding a session (17-7-112(8), MCA).

EXTENT OF UNIONIZATION

There are 62 collective bargaining units in the executive branch. All collective bargaining agreements cover a two-year period, expiring June 30 in odd-numbered years. The State Office of Labor Relations negotiates each of these 62 agreements. Members of bargaining units cannot receive a legislatively authorized pay increase until the bargaining unit has ratified a completely integrated collective bargaining agreement (2-18-303, MCA).

The Montana Public Employees Association (MPEA) is the largest state employee union. Three unions (MPEA, Montana Education Association and Montana Federation of Teachers [MEA-MFT], and the American Federation of State, County, and Municipal Employees [AFSCME]) represent 91 percent of organized state employees.

The number of employees represented by the individual bargaining units ranges from seven to 3,270. Membership in the units includes professionals, law enforcement personnel, nurses, clerical, blue-collar, and craft workers. Some agencies have a majority of employees who are unionized; others have none.

Figure 20 shows the number of unionized employees by bargaining agent. Figure 21 shows the number of organized employees by executive branch agency.

FIGURE 20
NUMBER OF UNIONIZED STATE EMPLOYEES BY BARGAINING AGENT
CALENDAR YEAR 2014 EMPLOYEE PROFILE

Exclusive Bargaining Agent	Employees Represented	Percent
American Federation of State, County & Municipal Employees (AFSCME)	833	7.07%
Capitol Complex Craft Council	19	0.16%
Department of Transportation Craft Council	405	3.44%
Great Falls Airport Firefighters Association	27	0.23%
International Association of Machinists (IAM)	11	0.09%
International Brotherhood of Teamsters	12	0.10%
Labor Relations and Appeals Union	7	0.06%
Montana Developmental Center Craft Council	11	0.09%
Montana Education Association and Montana Federation of Teachers (MEA-MFT)	1,979	16.80%
Montana Nurses Association	86	0.73%
Montana Public Employees Association - MEA-MFT Revenue	473	4.02%
Montana Public Employees Association (MPEA)	3,270	27.76%
Montana State Hospital Craft Council	30	0.25%
Montana State Prison Craft Council	17	0.14%
Unite HERE Local 427	13	0.11%
United Food and Commercial Workers	24	0.20%
Total Executive Branch State Employees ---11,779	7,217	61.27%

Source: State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

FIGURE 21
NUMBER OF UNIONIZED STATE EMPLOYEES BY AGENCY
CALENDAR YEAR 2014 EMPLOYEE PROFILE

Executive Branch Agency	Total Employees	Total Union Employees	Percent Union
Administration	562	71	12.63%
Agriculture	96	63	65.63%
Board of Public Education	3	0	0.00%
Commerce	182	0	0.00%
Corrections	1,259	831	66.00%
Environmental Quality	417	282	67.63%
Fish, Wildlife, & Parks	669	197	29.45%
Governor's Office	31	0	0.00%
Justice	769	357	46.42%
Labor & Industry	758	471	62.14%
Livestock	136	0	0.00%
Military Affairs	203	79	38.92%
Montana Arts Council	8	0	0.00%
Montana Historical Society	61	41	67.21%
Montana State Library	52	0	0.00%
Natural Resources & Conservation	489	11	2.25%
Office of Public Instruction	158	126	79.75%
Office of the Public Defender	218	174	79.82%
Political Practices	6	0	0.00%
Public Health & Human Services	2,913	2,325	79.81%
Public Service Commission	29	0	0.00%
Revenue	629	482	76.63%
School for Deaf & Blind	39	27	69.23%
Secretary of State	45	0	0.00%
State Auditor	68	0	0.00%
Transportation	1,979	1,680	84.89%
Total	11,779	7,217	61.27%

Source: State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

VALIDITY OF COLLECTIVE BARGAINING AGREEMENTS

The economic agreements reached between the governor and state employee unions, during the executive planning process and prior to the regular legislative session, are contingent upon the legislature's passage and approval of the pay bill. Once those two-year collective bargaining agreements are signed, the legislature may not alter the conditions of those agreements "if such action impermissively impairs the contractual obligation of the state towards those employees."⁸

⁸ Montana Legislative Council legal memorandum, State Employee Salaries and Collective Bargaining – Legislative Consideration, May 1986

APPENDIX A - EXECUTIVE BRANCH COMPARISONS

COMPARISON OF MONTANA LABOR FORCE TO EXECUTIVE BRANCH BY RACE

MONTANA LABOR FORCE BY RACE
2010 EEO TABULATION

EEO Category	Total	White	Percent	American Indian or Alaska Native	Percent	All Other Minorities	Percent
Officials and Managers	65,455	61,225	93.50%	2,650	4.10%	1,580	2.30%
Professional	84,555	78,305	92.60%	3,484	4.20%	2,765	3.40%
Technicians	12,020	10,760	89.50%	615	5.10%	640	5.20%
Protective Service	9,690	8,370	86.38%	1,084	11.19%	237	2.45%
Paraprofessional	NA	NA	NA	NA	NA	NA	NA
Administrative Support	127,310	116,680	91.70%	6,380	5.00%	4,255	3.40%
Skilled Craft	57,100	52,055	91.20%	3,165	5.60%	1,874	3.20%
Service Maintenance	146,315	127,455	87.10%	11,290	7.70%	7,570	5.10%
Total	504,880	456,440	90.41%	29,438	5.83%	18,996	3.76%

Source: US Department of Commerce, Census Bureau, compiled by the Census & Economic Information Center, Montana Department of Commerce

EXECUTIVE BRANCH EMPLOYEES
BY RACE
CALENDAR YEAR 2014 EMPLOYEE PROFILE

EEO Category	Total	White	Percent	American Indian or Alaska Native	Percent	All Other Minorities	Percent
Officials and Managers	753	705	93.63%	11	1.46%	7	0.93%
Professional	6,199	5,731	92.45%	130	2.10%	108	1.74%
Technicians	1,763	1,611	91.38%	31	1.76%	41	2.33%
Protective Service	1,016	921	90.65%	18	1.77%	35	3.44%
Paraprofessional	505	467	92.48%	8	1.58%	17	3.37%
Administrative Support	382	351	91.88%	8	2.09%	9	2.36%
Skilled Craft	838	763	91.05%	44	5.25%	5	0.60%
Service Maintenance	323	297	91.95%	6	1.86%	10	3.10%
Total	11,779	10,846	92.08%	256	2.17%	232	1.97%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

Note: Table does not include the 445 (3.78%) employees who did not specify their race.

COMPARISON OF MONTANA LABOR FORCE TO EXECUTIVE BRANCH BY GENDER

MONTANA LABOR FORCE BY GENDER 2010 EEO TABULATION

EEO Category	Total	Women	Percent	Men	Percent
Officials and Administrators	65,455	23,975	36.60%	41,480	63.40%
Professionals	84,555	47,975	56.70%	36,580	43.30%
Technicians	12,020	7,210	60.00%	4,810	40.00%
Protective Service	9,690	2,115	21.83%	7,575	78.17%
Paraprofessionals	NA	NA	NA	NA	NA
Administrative Support	127,310	86,855	68.20%	40,455	31.80%
Skilled Craft	57,100	2,855	5.00%	54,250	95.00%
Service Maintenance	146,315	65,330	44.70%	80,985	55.30%
Total	504,880	237,565	47.05%	267,320	52.95%

Source: US Department of Commerce, Census Bureau, compiled by the Census & Economic Information Center, Montana Department of Commerce

EXECUTIVE BRANCH EMPLOYEES BY GENDER CALENDAR YEAR 2014 EMPLOYEE PROFILE

EEO Category	Total	Women	Percent	Men	Percent
Officials and Administrators	753	323	42.90%	430	57.10%
Professionals	6,199	3,411	55.03%	2,788	44.97%
Technicians	1,763	1,223	69.37%	540	30.63%
Protective Service	1,016	149	14.67%	867	85.33%
Paraprofessionals	505	325	64.36%	180	35.64%
Administrative Support	382	315	82.46%	67	17.54%
Skilled Craft	838	29	3.46%	809	96.54%
Service Maintenance	323	132	40.87%	191	59.13%
Total	11,779	5,907	50.15%	5,872	49.85%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

EXECUTIVE BRANCH – AVERAGE SALARY BY RACE AND GENDER

AVERAGE ANNUAL SALARY BY RACE CALENDAR YEAR 2014 EMPLOYEE PROFILE

EEO Category	Employees	White	American Indian or Alaska Native	All Other Minorities
Officials and Managers	\$76,996	\$77,202	\$81,673	\$66,265
Professional	\$53,065	\$53,253	\$48,368	\$52,722
Technicians	\$35,486	\$35,596	\$34,957	\$33,592
Protective Service	\$42,516	\$42,804	\$37,971	\$40,112
Paraprofessional	\$28,649	\$28,652	\$29,092	\$29,372
Administrative Support	\$30,781	\$31,013	\$28,324	\$26,770
Skilled Craft	\$44,322	\$44,535	\$43,437	\$35,284
Service Maintenance	\$31,973	\$32,219	\$31,005	\$25,941

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

AVERAGE ANNUAL SALARY BY GENDER CALENDAR YEAR 2014 EMPLOYEE PROFILE

EEO Category	Employees	Women	Men	Women to Men Ratio
Officials and Managers	\$76,996	\$74,704	\$78,717	95%
Professional	\$53,065	\$49,464	\$57,471	86%
Technicians	\$35,486	\$33,495	\$39,994	84%
Protective Service	\$42,516	\$39,338	\$43,062	91%
Paraprofessional	\$28,649	\$28,449	\$29,010	98%
Administrative Support	\$30,781	\$30,828	\$30,561	101%
Skilled Craft	\$44,322	\$36,993	\$44,585	83%
Service Maintenance	\$31,973	\$24,278	\$37,291	65%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

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APPENDIX B - EMPLOYEE DATA BY AGENCY

AVERAGE AGE AND YEARS OF SERVICE CALENDAR YEAR 2014 EMPLOYEE PROFILE

Agency	Executive Branch Workforce	Average Age	Years of Service
Administration	562	48	12
Agriculture	96	45	10
Board of Public Education	3	47	15
Commerce	182	46	11
Department of Corrections	1,259	44	10
Environmental Quality	417	47	12
Fish, Wildlife, & Parks	669	45	14
Governor's Office	31	48	10
Justice	769	44	12
Labor & Industry	758	49	12
Livestock	136	50	14
Military Affairs	203	45	10
Montana Arts Council	8	53	13
Montana Historical Society	61	49	15
Montana State Library	52	49	14
Natural Resources & Conservation	489	48	13
Office of Public Instruction	158	50	13
Office of the Public Defender	218	44	7
Political Practices	6	45	5
Public Health & Human Services	2,913	47	10
Public Service Commission	29	47	14
Revenue	629	47	12
School for Deaf & Blind	39	49	11
Secretary of State	45	49	13
State Auditor	68	47	12
Transportation	1,979	47	13
Total	11,779	46	12

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

**HIRE AND TURNOVER RATES BY AGENCY
CALENDAR YEAR 2014 EMPLOYEE PROFILE**

Agency	Executive Branch Workforce	Hires	Hire Rate	Turnover	Turnover Rate
Administration	562	102	18.1%	70	12.46%
Agriculture	96	14	14.6%	19	19.79%
Board of Public Education	3	0	0.0%	0	0.00%
Commerce	182	34	18.7%	26	14.29%
Corrections	1,259	232	18.4%	242	19.22%
Environmental Quality	417	50	12.0%	53	12.71%
Fish, Wildlife, & Parks	669	103	15.4%	85	12.71%
Governor's Office	31	1	3.2%	3	9.68%
Justice	769	74	9.6%	97	12.61%
Labor & Industry	758	82	10.8%	86	11.35%
Livestock	136	11	8.1%	16	11.76%
Military Affairs	203	48	23.6%	46	22.66%
Montana Arts Council	8	1	12.5%	1	12.50%
Montana Historical Society	61	10	16.4%	6	9.84%
Montana State Library	52	4	7.7%	6	11.54%
Natural Resources & Conservation	489	45	9.2%	55	11.25%
Office of Public Instruction	158	25	15.8%	26	16.46%
Office of the Public Defender	218	45	20.6%	40	18.35%
Political Practices	6	1	16.7%	0	0.00%
Public Health & Human Services	2,913	560	19.2%	559	19.19%
Public Service Commission	29	5	17.2%	6	20.69%
Revenue	629	93	14.8%	87	13.83%
School for Deaf & Blind	39	7	17.9%	11	28.21%
Secretary of State	45	3	6.7%	4	8.89%
State Auditor	68	5	7.4%	9	13.24%
Transportation	1,979	164	8.3%	182	9.20%
Total	11,779	1,719	14.6%	1,735	14.73%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

Hires at the agency level include hires, rehires, and employees who transferred to that agency from another agency.

Overall turnover at the agency level includes employees who terminated from that agency, including employees who transferred to another state agency.

**TURNOVER RATES AND 0-2 YEARS TURNOVER BY AGENCY
CALENDAR YEAR 2014 EMPLOYEE PROFILE**

Agency	Executive Branch Workforce	Turnover	Turnover Rate	0-2 Year Turnover	0-2 year Turnover Rate
Administration	562	70	12.46%	10	14.29%
Agriculture	96	19	19.79%	3	15.79%
Board of Public Education	3	0	0.00%	0	0.00%
Commerce	182	26	14.29%	1	3.85%
Corrections	1,259	242	19.22%	84	34.71%
Environmental Quality	417	53	12.71%	11	20.75%
Fish, Wildlife, & Parks	669	85	12.71%	19	22.35%
Governor's Office	31	3	9.68%	0	0.00%
Justice	769	97	12.61%	19	19.59%
Labor & Industry	758	86	11.35%	8	9.30%
Livestock	136	16	11.76%	5	31.25%
Military Affairs	203	46	22.66%	15	32.61%
Montana Arts Council	8	1	12.50%	0	0.00%
Montana Historical Society	61	6	9.84%	1	16.67%
Montana State Library	52	6	11.54%	1	16.67%
Natural Resources & Conservation	489	55	11.25%	4	7.27%
Office of Public Instruction	158	26	16.46%	4	15.38%
Office of the Public Defender	218	40	18.35%	8	20.00%
Political Practices	6	0	0.00%	0	0.00%
Public Health & Human Services	2,913	559	19.19%	217	38.82%
Public Service Commission	29	6	20.69%	0	0.00%
Revenue	629	87	13.83%	17	19.54%
School for Deaf & Blind	39	11	28.21%	5	45.45%
Secretary of State	45	4	8.89%	0	0.00%
State Auditor	68	9	13.24%	1	11.11%
Transportation	1,979	182	9.20%	31	17.03%

Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

Overall turnover at the agency level includes employees who terminated from that agency, including employees who transferred to another state agency.

Turnover at the agency level during the first two years of employment with the state includes terminations from the state, but does not include employees who transferred to another agency.

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