STATE OF MONTANA

Employee Profile

JANUARY - DECEMBER 2013

Note: Alternative accessible formats of this report will be provided upon request. Persons who need an alternative format should contact the State Human Resources Division, Department of Administration, 125 N. Roberts St., PO Box 200127, Helena, MT 59620-0127. Telephone 406-444-3871. Those using a TTY may call through the Montana Relay Service at 711.

Cover Design and Photo by Amy Dominick, State of Montana employee. The wildflower photo was taken along the Beartooth Highway, an All-American Road.

Office of the Governor
State of Montana

Steve Bullock
Governor

Angela McLean
Lt. Governor

I am pleased to introduce this year's Employee Profile, compiled by the State's 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 new partner in this endeavor, Lieutenant Governor Angela McLean, has hit the ground running to do 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,

STEVE BULLOCK
Governor

State Capitol • P.O. Box 200801 • Helena, Montana 59620-0801
Telephone: 406-444-3111 • Fax: 406-444-5529 • Website: www.mt.gov

TABLE OF CONTENTS

Introduction ii

Chapter 1 - Executive Branch Employees 1
Occupational Groups 2
Generational Makeup 3
Counties of Residence 4
Statewide Employee Turnover Rate 6
Terminations 7
Agency Transfers 9
Statewide Hire Rates 11
Online Employment System 13
Recruitment and Retention Forecast 14

Chapter 2 - Executive Branch Employee Pay 15
Active Pay Plans for Executive Branch Employees 15
Longevity 18

Chapter 3 - Benefits 19
Group Benefits 19
Paid Leave 21
State Retirement Plans 23
Deferred Compensation Plan 24

Chapter 4 - Diversity 25
Race and Ethnicity. 25
Demographic Highlights 25
Gender 26
Employees with Disabilities 27

Chapter 5 - Collective Bargaining 28
Process of Collective Bargaining 28
Extent of Unionization 29
Validity of Collective Bargaining Agreements 32

Appendix A - Executive Branch Comparisons 1-A
Comparison of Montana Labor Force to Executive Branch by Race 1-A
Comparison of Montana Labor Force to Executive Branch by Gender 2-A
Executive Branch - Average Salary by Race and Gender 3-A

Appendix B - Employee Data by Agency 1-B

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 employees of the Montana State Fund.

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 2012 and 2013 annual data referenced are from November 1, 2011, to November 1, 2012, and from January 1, 2013, to December 31, 2013, respectively. The report includes information about employee demographics, benefits, leave use and accrual, and compensation. Diversity statistics and information about state government's organized workers is also provided.

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

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:

Department of Administration
State Human Resources Division
P.O. Box 200127
Helena, MT 59620-0127

CHAPTER 1 - EXECUTIVE BRANCH EMPLOYEES

There were **11,638** regular, full-time and part-time employees in the executive branch on January 21, 2014. This is a decrease of 50 employees from November 1, 2012. The normal variance occurs when agencies fill vacant positions and can change depending upon the number of unfilled, vacant positions at any given point in time.

The average employee is **47 years old**, has worked for state government **12 years**, and earns **$45,469** annually. The average age has increased slightly while the years of service have remained relatively the same over the past four years. The average annual salary increased by $1630 from November 2012.

In the Broadband Pay Plan, 69% of the 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 of education.[2]

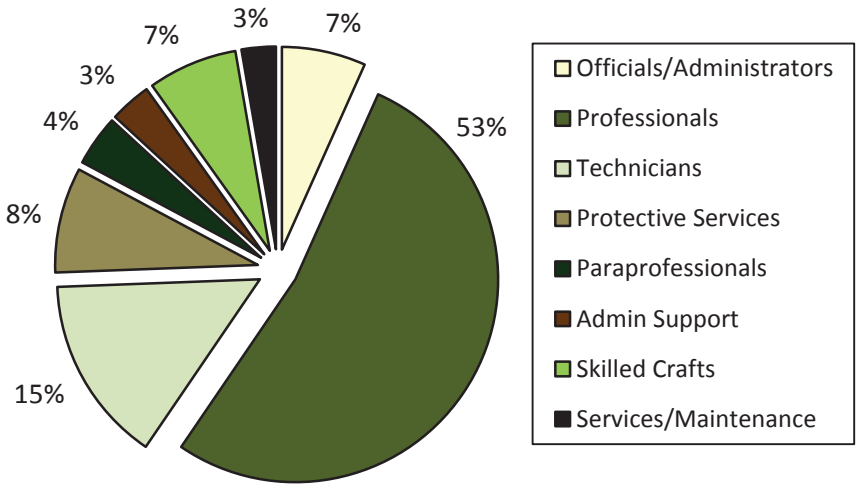
1 Department of Administration, State Human Resources Division, Human Resources Policy & Programs Bureau.
2 Department of Labor and Industry, Research and Analysis Bureau.

OCCUPATIONAL GROUPS

Figure 1 illustrates the breakdown of the executive branch workforce by occupational group. Professional-level positions once again 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 combined represent 76 percent of the workforce. Skilled crafts, officials and administrators, administrative support, paraprofessionals, and service and maintenance workers comprise the remaining 24 percent of the workforce.

Figure 1
Percent of Employees by Occupation
January 21, 2014

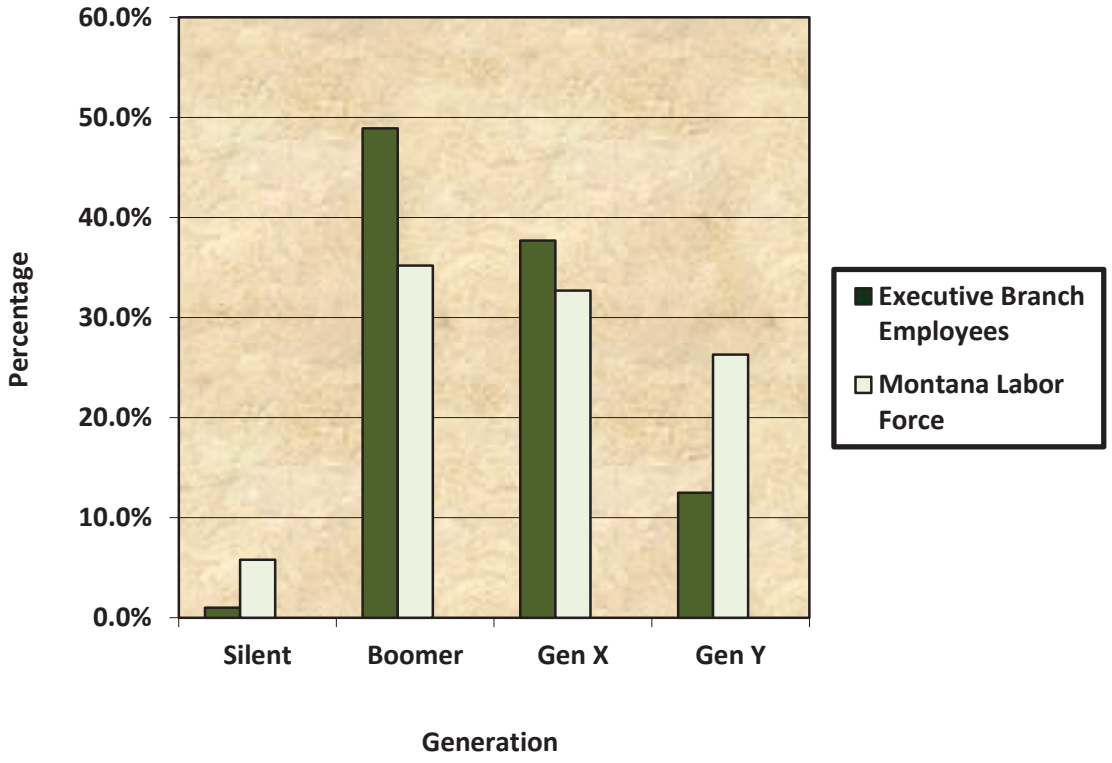


Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

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 48.9 percent and 37.7 percent respectively. Generation Y (1982-2000) represents 12.5 percent of state government's workforce. In contrast, 26.3 percent of Montana's labor force is generation Y. Figure 2 illustrates the comparison between the executive branch and the Montana labor force. Appendix A contains a historical look at employees by age group.

Figure 2
Generations of Executive Branch Employees
Compared to the Montana Labor Force
January 21, 2014

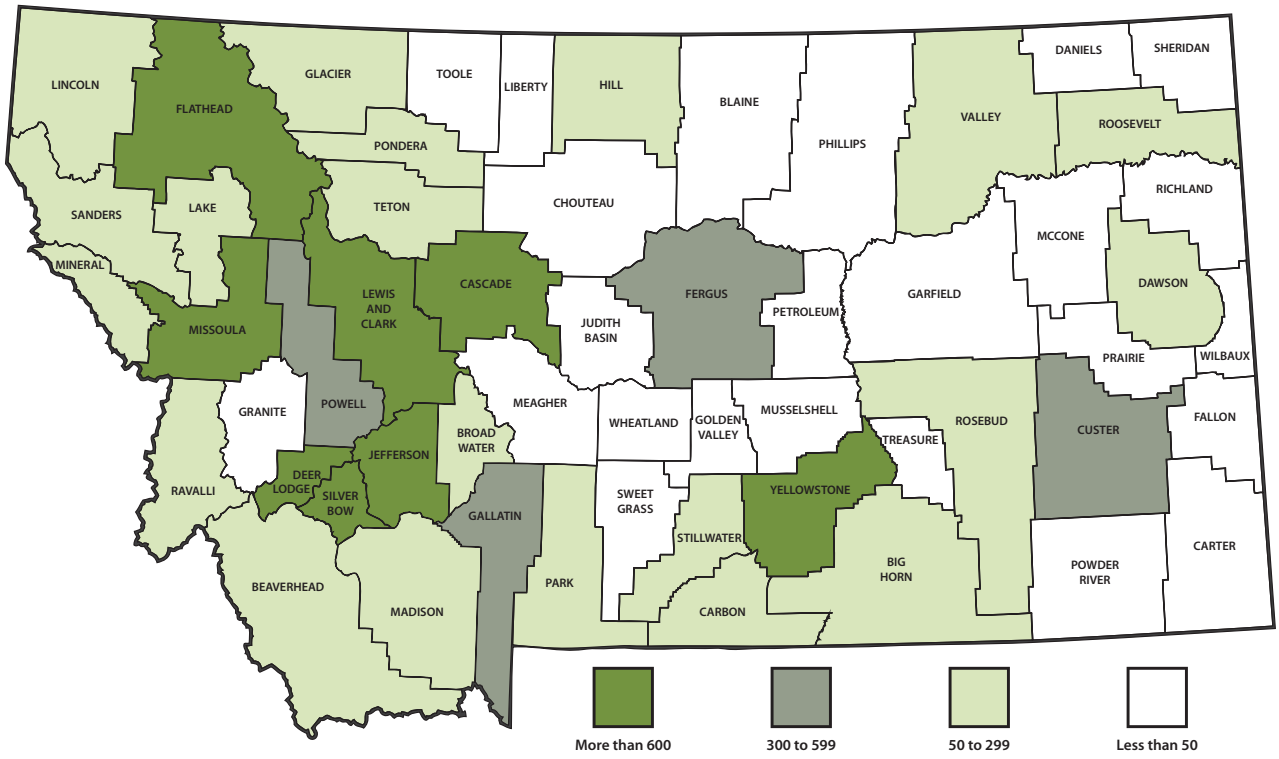


Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS), and Department of Labor and Industry, Research and Analysis Bureau

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 number of employees who live in each county. Figure 4 shows the current number of employees and the total payroll dollars for each county from January 1, 2013 to January 10, 2014.

Figure 3
Executive Branch Employees by County of Residence
January 1, 2013 – January 10, 2014



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

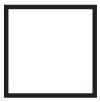
Figure 4
Annual Payroll for Executive Branch Employees by County of Residence
January 1, 2013 – January 10, 2014

County	Resident Employees	Annual Payroll	County	Resident Employees	Annual Payroll
BEAVERHEAD	186	$4,786,518	MCCONE	12	$447,455
BIG HORN	64	$2,094,673	MEAGHER	18	$578,842
BLAINE	31	$930,578	MINERAL	68	$2,386,516
BROADWATER	142	$5,793,217	MISSOULA	986	$33,400,862
CARBON	97	$2,386,333	MUSSELSHELL	40	$1,245,725
CARTER	6	$111,411	PARK	86	$2,828,982
CASCADE	842	$29,704,215	PETROLEUM	7	$174,031
CHOUTEAU	28	$924,389	PHILLIPS	23	$616,169
CUSTER	331	$12,156,597	PONDERA	53	$2,148,914
DANIELS	16	$449,459	POWDER RIVER	16	$527,992
DAWSON	146	$5,342,736	POWELL	522	$18,212,535
DEER LODGE	814	$25,201,432	PRAIRIE	14	$493,554
FALLON	15	$458,807	RAVALLI	270	$8,217,436
FERGUS	387	$11,245,875	RICHLAND	37	$1,029,730
FLATHEAD	966	$27,934,082	ROOSEVELT	97	$3,343,121
GALLATIN	546	$17,355,441	ROSEBUD	53	$1,739,443
GARFIELD	22	$457,151	SANDERS	115	$2,884,774
GLACIER	71	$2,193,488	SHERIDAN	21	$719,980
GOLDEN VALLEY	10	$376,927	SILVER BOW	810	$29,506,777
GRANITE	48	$1,341,542	STILLWATER	57	$1,656,205
HILL	114	$4,512,005	SWEET GRASS	29	$1,121,192
JEFFERSON	833	$34,048,098	TETON	60	$1,885,997
JUDITH BASIN	28	$689,436	TOOLE	35	$1,369,220
LAKE	234	$4,995,585	TREASURE	9	$257,684
LEWIS AND CLARK	5291	$242,843,457	VALLEY	124	$4,425,740
LIBERTY	8	$346,014	WHEATLAND	11	$444,976
LINCOLN	147	$4,509,568	WIBAUX	11	$341,893
MADISON	82	$2,318,272	YELLOWSTONE	899	$35,787,142

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)

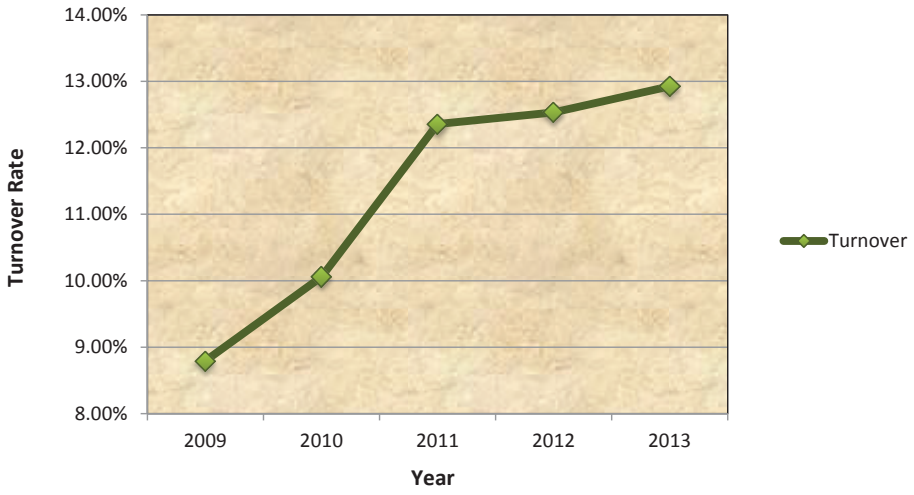
STATEWIDE EMPLOYEE TURNOVER RATE

The statewide turnover rate is the number of employees who terminated divided by the current executive branch workforce.

Transfers to other agencies are not included in the statewide turnover rate. For detailed turnover data by agency including transfers, see Appendix B.

Employee turnover for 2013 increased slightly from 12.53 percent in 2012 to 12.92 percent in 2013. Figure 5 illustrates turnover data.

FIGURE 5
TURNOVER RATE
BY YEAR

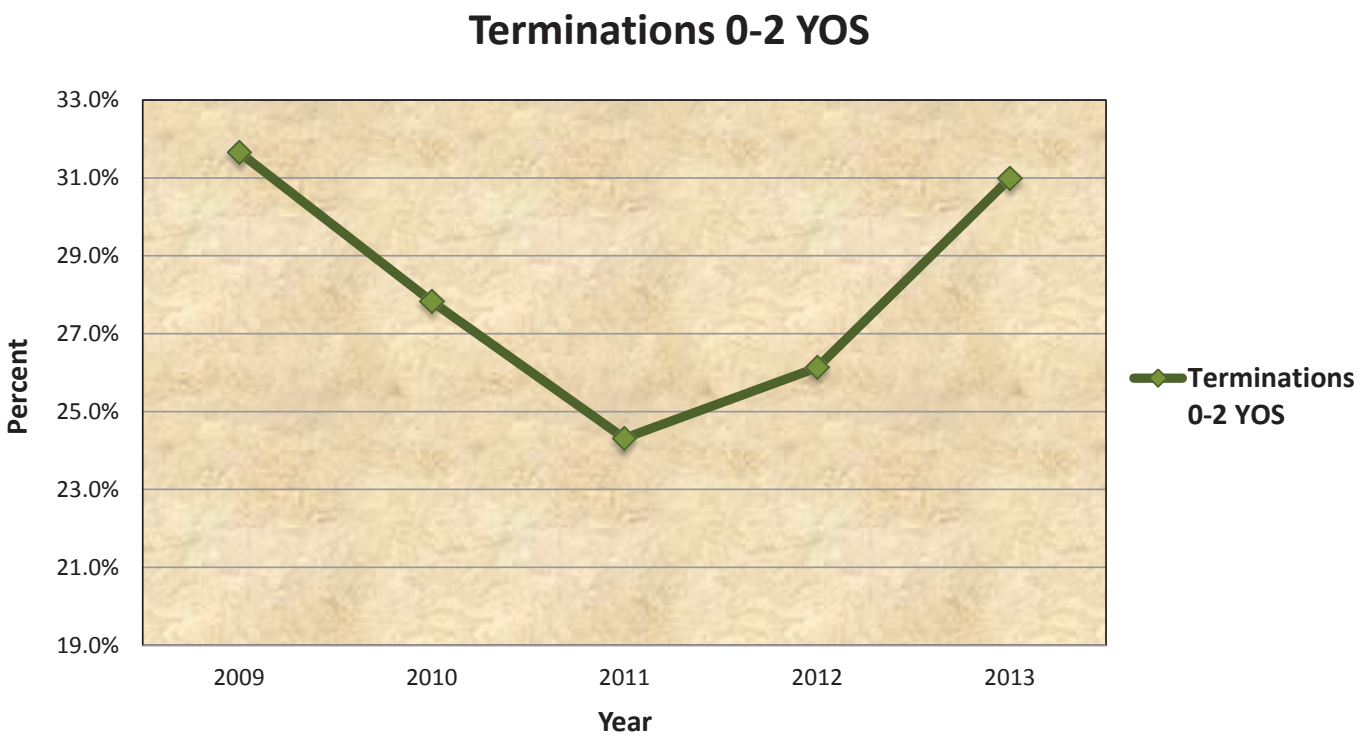


Source: Department of Administration, State Human Resources Division, Statewide Accounting, Budgeting and Human Resources System (SABHRS)

TERMINATIONS

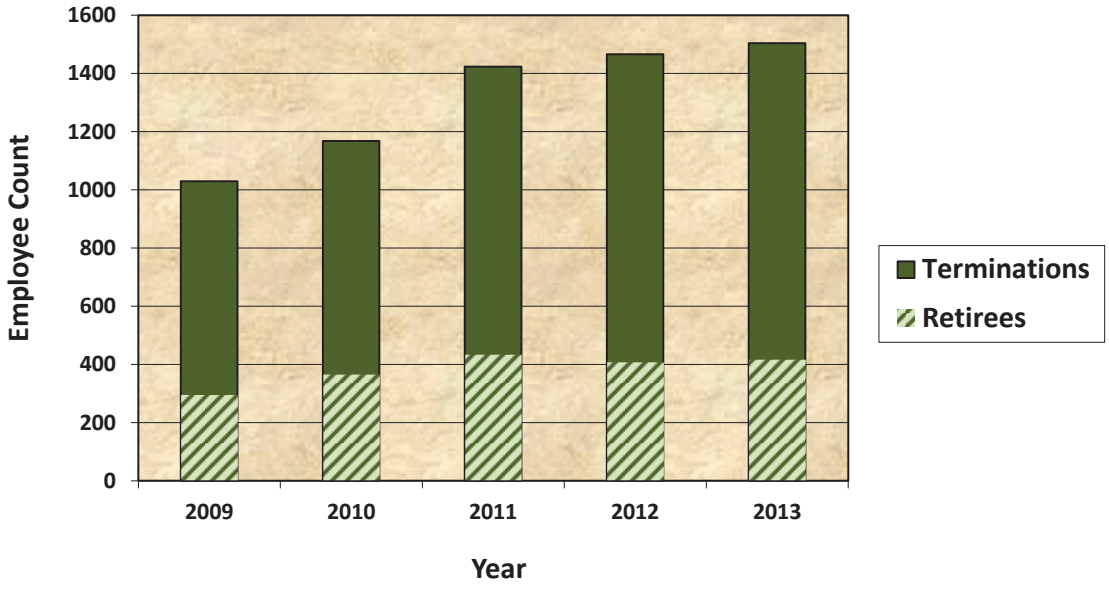
The number of employees leaving state government with less than two years of service increased to 31 percent. Figure 6 illustrates terminations within the first two years of service for the past five years. Retirees leaving state government have increased slightly from 407 in 2012 to 416 in 2013. Figure 7 illustrates termination and retirement data for the past five years. Agency-specific information 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

In 2012, State Human Resources Division conducted phone interviews to gather information regarding why employees transfer between agencies. We spoke to 88 permanent employees who transferred between executive branch agencies in 2011.

Respondents' reasons for transferring generally fell into one of two categories– lack of advancement opportunities or problems with management.

Slightly more than 34 percent of respondents cited problems related to management as their reason for transferring. Respondents cited various examples of poor management, including failure to address problems and difficult coworkers, pressure to take on high workloads, lack of support and trust, and poor treatment.

Approximately 24 percent cited lack of advancement opportunities as their reason for transferring. They left to advance their careers and pursue more challenging work opportunities.

A small percentage of respondents addressed pay when describing their reasons for transferring. Less than 10 percent of respondents indicated they transferred solely for higher pay. Approximately 5 percent of respondents indicated they transferred to lower-paying positions to escape difficult working conditions.

The number of employees transferring between agencies is very low. About 1 percent of the total workforce transferred from one state agency to another in 2013. See Figure 8.

Figure 8
Transfers Between Executive Branch Agencies
Calendar Year 2013

Agency	Transfers To	Transfers From	NET Gain/Loss
Administration	17	16	1
Agriculture	0	2	-2
Board of Public Education	0	0	0
Commerce	5	8	-3
Corrections	10	15	-5
Environmental Quality	9	7	2
Fish, Wildlife, & Parks	1	4	-3
Governor's Office	3	3	0
Justice	12	15	-3
Labor & Industry	14	21	-7
Livestock	2	1	1
Military Affairs	0	0	0
Montana Arts Council	0	0	0
Montana Historical Society	1	2	-1
Montana State Library	3	0	3
Natural Resources & Conservation	5	6	-1
Office of Public Instruction	4	4	0
Office of the Public Defender	1	4	-3
Political Practices	0	0	0
Public Health & Human Services	40	26	14
Public Service Commission	1	1	0
Revenue	10	11	-1
School for Deaf and Blind	0	0	0
Secretary of State	2	4	-2
State Auditor	0	7	-7
Transportation	11	9	2

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

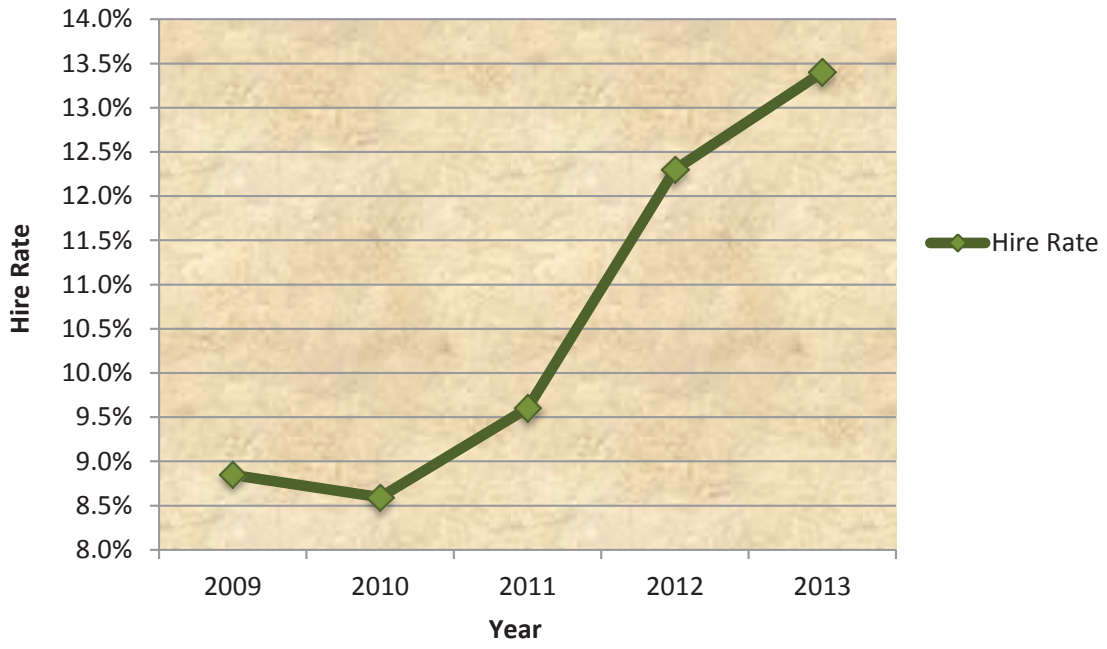
STATEWIDE HIRE RATES

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

Agency-specific information can be found in Appendix B. Appendix B includes hires, rehires, and transfers from another agency.

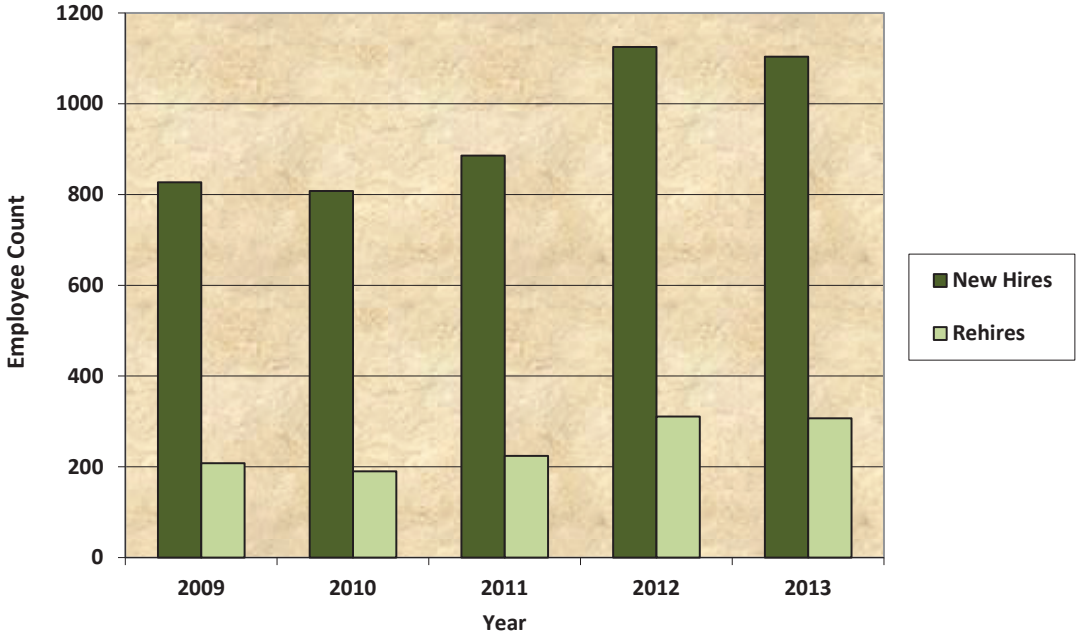
The total hire rate for 2013 was 13.4 percent. Figures 9 and 10 illustrate the hire rate and the total number of hires and rehires for the past few calendar years.

FIGURE 9
HIRE RATE BY YEAR



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

Figure 10
New Hires and Rehires 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://mt.gov/statejobs/ is one of the most frequently visited websites in Montana state government. Figure 11 shows the average application pool for job listings with closing dates in 2013. The average application pool contains 23 applications.

FIGURE 11
AVERAGE APPLICANT POOL BY AGENCY
FOR CALENDAR YEAR 2013

Agency	Job Listings	Job Applications	Application Pool Average
Administration	97	2,066	21
Agriculture	26	392	15
Board of Public Education	-	-	-
Commerce	33	943	29
Corrections	191	4,041	21
Environmental Quality	67	1,207	18
Fish, Wildlife and Parks	89	2,845	32
Governor's Office	4	100	25
Justice	90	2,921	32
Labor and Industry	117	2,473	21
Livestock	18	228	13
Military Affairs	23	305	13
Montana Arts Council	1	30	30
Montana Historical Society	15	483	32
Montana State Library	13	293	23
Natural Resources & Conservation	133	2,421	18
Political Practices	30	352	12
Office of Public Instruction	37	809	22
Office of State Public Defender	2	70	35
Public Health and Human Services	508	15,764	31
Public Service Commission	5	61	12
Revenue	141	3,177	23
School for the Deaf and Blind	14	77	6
Secretary of State	12	108	9
State Auditor	11	286	26
Transportation	317	5,232	17
State of Montana	**1,994**	**46,684**	**23**

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 6,363 more Montana jobs will be created annually between 2012 and 2022, with an annual growth rate of 1.1% in 2013, and a slightly faster growth of 1.2% annually starting in 2014. In total, roughly 63,600 jobs will be created between 2012 and 2022. This growth rate is above the long-term average since 1976 of about 1.0%, 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] Examples of service occupations include:

- 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 projected that the working age population in Montana (ages 18-65) would start to decrease beginning in 2013, 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 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. There are 10,966 employees covered under the broadband pay plan. The blue-collar pay plan covers 672 employees.

ACTIVE PAY PLANS FOR EXECUTIVE BRANCH EMPLOYEES

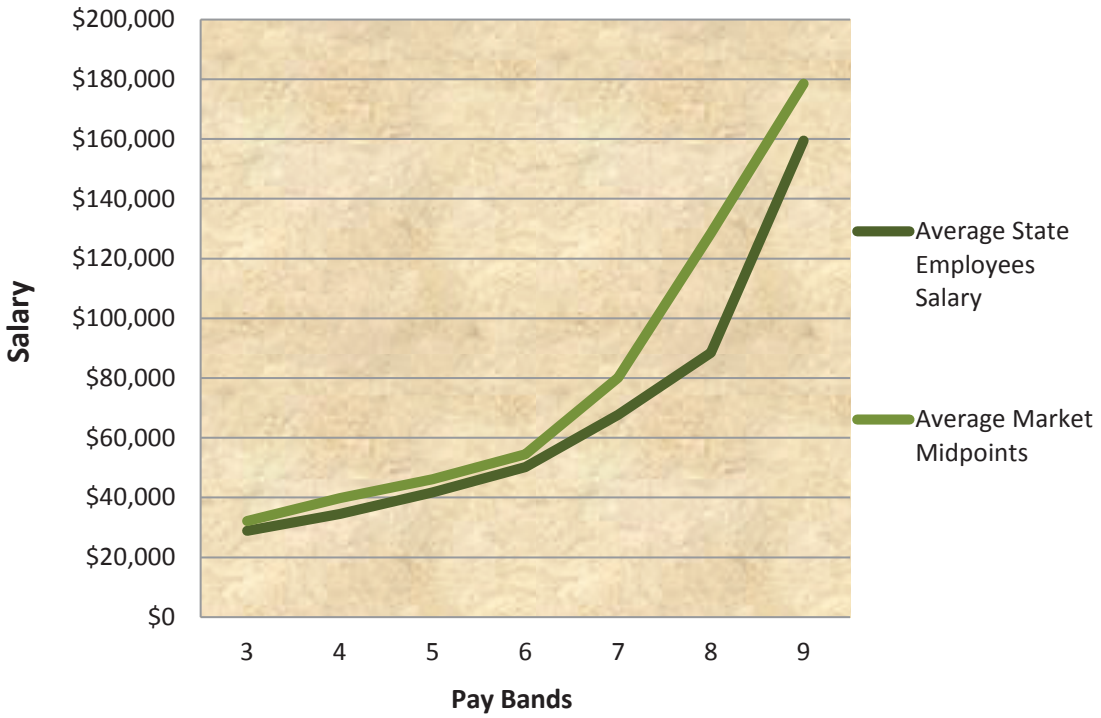
The Broadband Pay Plan - The broadband pay plan became the primary pay plan July 1, 2007. It is an enterprise-wide plan allowing state agencies flexibility to develop their own pay plan rules within broad statutory and policy parameters and within authorized funding levels. Employees in this plan earned an average annual base salary of $45,772 in 2013. This is a $1,627 increase from the average annual base salary of $44,145 in 2012.

Salaries for employees whose positions are covered under the broadband pay plan are determined, in part, by a biennial market analysis. According to Montana law, at 2-18-201 (1), MCA, *"[i]t is the intent of the legislature that compensation plans for state employees . . . be based, in part, on an analysis of the labor market as provided by the department in a biennial salary survey . . ."* 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 actual 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 MidpointsCcompared to Actual Pay Rates by Pay Band



Source: 2012 Market Analysis conducted by the Human Resources Policy and Programs (HRPP) Bureau, State Human Resources Division

Figure 13
Average State Employee Base Salary
Compared to the Average Market Salary
by Pay Band

Band	Number of Employees	Average State Employees Salary	Average Market Midpoints	Amount Below Market	Percent Below Market
1	1	$24,547	$24,549	$2	0.01%
2	307	$22,862	$25,331	$2,469	9.75%
3	1,777	$28,927	$32,129	$3,202	9.97%
4	1,256	$34,564	$39,865	$5,301	13.30%
5	2,443	$41,708	$46,151	$4,442	9.63%
6	3,454	$50,199	$54,475	$4,275	7.85%
7	1,473	$67,715	$80,130	$12,415	15.49%
8	220	$88,492	$128,428	$39,936	31.10%
9	35	$159,480	$178,515	$19,035	10.66%

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

The Blue-Collar Pay Plan - The blue-collar pay plan is a single rate plan for 672 skilled 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 (no steps), each with a corresponding hourly wage. Employees advance to higher grades by successfully bidding for jobs or by completing experiential and testing steps in a career ladder. The plan was approved by the legislature in 1979. In 2013, the average full-time employee covered under the blue-collar plan received a base annual income of $40,527.

LONGEVITY

Eligible employees covered under the two pay plans receive a longevity allowance defined under 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.

Figure 14
Longevity Pay Increments and
Employees Receiving Longevity Pay
January 16, 2014

Longevity Increments	Years of Service	Percent Increase	Total	2012 Employees	2013 Employees
First Increment	5	1.5%	1.5%	2,735	2,980
Second Increment	10	2.0%	3.5%	1,664	1,667
Third Increment	15	2.0%	5.5%	1,088	1,147
Fourth Increment	20	2.0%	7.5%	1,129	970
Fifth Increment	25	1.5%	9.0%	565	610
Sixth Increment	30	1.5%	10.5%	323	289
Seventh Increment	35	1.5%	12.0%	142	135
Eighth Increment	40	1.5%	13.5%	23	24
Ninth Increment	45	1.5%	15.0%	2	1
Tenth Increment	50	1.5%	16.5%	0	1
Totals				7,671	7,824

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 all Montana public employees.

GROUP BENEFITS

The state's benefit plan offers 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, long-term care, 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 the group benefits package and its operations (2-18-801, 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. For 2012, the state contribution was $733 per month.

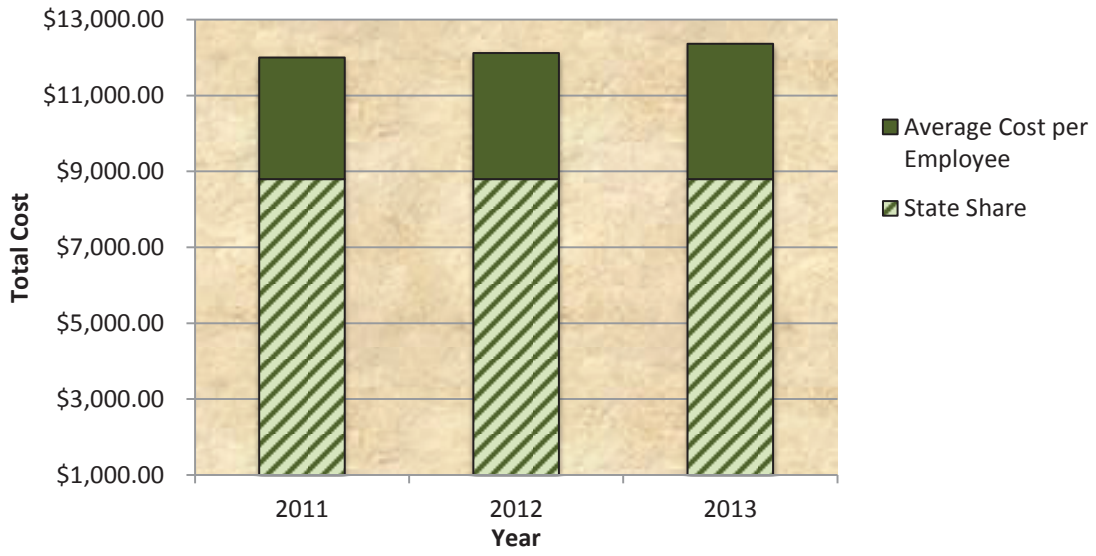
Retirees do not receive a contribution from the state. Medicare-eligible and non-Medicare-eligible retirees pay the full premium for their coverage through the state plan. Once a retiree becomes Medicare eligible, the premium is reduced.

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 traditional 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 2011 the average cost of health benefits per state employee was $11,997 and $3,201 was paid by the employee. In 2012 the figure rose to $12,127 and $3,331was paid by the employee. As of September 30, 2013, the average total benefit cost was $12,364 and $3,568 was paid by the employee. Figure 15 depicts the rising cost of health care for state employees the last three years.

Figure 15
Average Total Benefit Cost per Employee



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 vacation leave at the rate of 15 days per year or more, depending upon their total years of public employment (2-18-611, MCA). Part-time employees earn annual leave on a prorated basis. In 2013, the average executive branch employee maintained a balance of 18 vacation days. The average executive branch employee used 14 days of earned vacation time in 2013, the same as in 2012 and 2011.

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. In 2013, the average executive branch employee had a balance of 35 days of sick leave. Executive branch employees used an average of eight days of sick leave in 2013, the same as in 2012 and 2011.

All employees are eligible to earn sick leave from the first day of employment; however, they may not use the credits until they have been continuously employed for 90 days. There is no restriction upon the number of sick leave credits an employee can earn. Upon termination, an employee is entitled to a lump-sum payment equal to one-fourth of the pay attributed to sick leave credits based on the employee's salary at the time of termination.

Employees may receive sick leave credits beyond those accumulated 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 credits. The department employing the recipient of granted sick leave credits 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 Public 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	10,718
PERS Defined Contribution Retirement Plan	963
Highway Patrol Officers' Retirement System	219
Game Wardens' and Peace Officers' Retirement System	932
Sheriffs' Retirement System	59
Firefighters' Unified Retirement System	18
Teachers' Retirement System	163

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 periodic 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 1976. On June 30, 2013, 4,056 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 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] The tabulation does not contain statistics for the number of people with disabilities in the Montana labor force.

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 2012 and 2013. Ninety-six percent of executive branch employees specified a race. Below are the highlights of the 2013 diversity statistics:

- The percent of *women* in the executive branch is 2.9 percent higher than the Montana labor force.
- There are 3.73 percent fewer *American Indian* or *Alaska Native* employees in state government than in the Montana labor force.
- There is 1.92 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 employs nearly equal numbers of women and men in the workforce. 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
January 21, 2014

EEO Category	Total	Women	Percent	Men	Percent
Officials and Administrators	779	331	42.49%	448	57.51%
Professionals	6,148	3,331	54.18%	2,817	45.82%
Technicians	1,732	1,222	70.55%	510	29.45%
Protective Service	977	154	15.76%	823	84.24%
Paraprofessionals	471	307	65.18%	164	34.82%
Administrative Support	384	323	84.11%	61	15.89%
Skilled Craft	830	31	3.73%	799	96.27%
Service Maintenance	317	125	39.43%	192	60.57%
Total	**11,638**	**5,824**	**50.04%**	**5,814**	**49.96%**

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

Appendix A includes tables illustrating comparisons of the Montana labor force to the executive branch workforce by EEO category based on race and gender. Appendix A also includes a five-year comparison of the executive branch employees by race and gender and base pay by race and gender.

NOTE: The U.S. Department of Labor defines the labor force as "all persons age 16 and over who are working or looking for work."

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

EMPLOYEES WITH DISABILITIES

The U.S. Census Bureau 2009 reports 15.7 percent of the total Montana civilian non-institutionalized population age 16 and older had a disability. Twenty-eight percent were employed in the Montana labor force.

According to the U.S. Census Bureau's 2010 American Community Survey, state government, which includes all branches of state government and the university system, employs 6.7 percent, or 2,178, of the people with disabilities employed in Montana. However, the number of executive branch employees reporting a disability is only 106. The difference between these two numbers indicates employees with disabilities choose not to self-identify their disability 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. Collective bargaining is a "process whereby employees, as a group, and their employers make offers and counteroffers, in good faith, on the conditions of their employment for the purpose of reaching a mutually acceptable agreement" (39-31-100, 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(4), MCA).

EXTENT OF UNIONIZATION

There are 65 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 65 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 bargaining units ranges from eight to 3,240. 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, and Figure 21 shows the number of organized employees by executive branch agency.

Figure 20
Numbers of Unionized State Employees by Bargaining Agent
January 21, 2014

Exclusive Bargaining Agent	Employees Represented	Percent
American Federation of State, County & Municipal Employees (AFSCME)	820	7.05%
Capitol Complex Craft Council	17	0.15%
Department of Transportation Craft Council	412	3.54%
Great Falls Airport Firefighters Association	26	0.22%
International Association of Machinists (IAM)	11	0.09%
International Brotherhood of Teamsters	12	0.10%
Labor Relations and Appeals Union	8	0.07%
Montana Developmental Center Craft Council	11	0.09%
Montana Education Association and Montana Federation of Teachers (MEA-MFT)	1,962	16.86%
Montana Nurses Association	76	0.65%
Montana Public Employees Association - MEA-MFT Revenue	473	4.06%
Montana Public Employees Association (MPEA)	3,240	27.84%
Montana State Hospital Craft Council	29	0.25%
Montana State Prison Craft Council	16	0.14%
United Food and Commercial Workers	25	0.21%
Total Executive Branch State Employees ---11,638	**7,138**	**61.33%**

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

Figure 21
Number of Unionized State Employees by Agency
January 21, 2014

Executive Branch Agency	Total Employees	Total Union Employees	Percent Union
Administration	538	66	12.27%
Agriculture	101	68	67.33%
Board of Public Education	3	0	0.00%
Commerce	180	0	0.00%
Corrections	1,249	824	65.97%
Environmental Quality	415	275	66.27%
Fish, Wildlife, & Parks	662	203	30.66%
Governor's Office	32	0	0.00%
Justice	765	350	45.75%
Labor & Industry	741	453	61.13%
Livestock	143	0	0.00%
Military Affairs	200	74	37.00%
Montana Arts Council	8	0	0.00%
Montana Historical Society	63	43	68.25%
Montana State Library	56	0	0.00%
Natural Resources & Conservation	494	11	2.23%
Office of Public Instruction	165	132	80.00%
Office of the Public Defender	211	167	79.15%
Political Practices	4	0	0.00%
Public Health & Human Services	2,837	2,268	79.94%
Public Service Commission	30	0	0.00%
Revenue	623	481	77.21%
School for Deaf & Blind	42	28	66.67%
Secretary of State	45	0	0.00%
State Auditor	71	0	0.00%
Transportation	1,960	1,695	86.48%
TOTAL	**11,638**	**7,138**	**61.33%**

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, complied by the Census & Economic Information Center, Montana Department of Commerce

Executive Branch Employees by Race
January 21, 2014

EEO Category	Total	White	Percent	American Indian or Alaska Native	Percent	All Other Minorities	Percent
Officials and Managers	779	737	94.61%	11	1.41%	6	0.77%
Professional	6,148	5,701	92.73%	123	2.00%	98	1.59%
Technicians	1,732	1,573	90.82%	34	1.96%	41	2.37%
Protective Service	977	897	91.81%	11	1.13%	32	3.28%
Paraprofessional	471	437	92.78%	10	2.12%	13	2.76%
Administrative Support	384	353	91.93%	6	1.56%	11	2.86%
Skilled Craft	830	762	91.81%	42	5.06%	5	0.60%
Service Maintenance	317	293	92.43%	7	2.21%	9	2.84%
Total	**11,638**	**10,753**	**92.40%**	**244**	**2.10%**	**215**	**1.85%**

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

Note: Table does not include the 426 (3.66%) 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, complied by the Census & Economic Information Center, Montana Department of Commerce

Executive Branch Employees by Gender
January 21, 2014

EEO Category	Total	Women	Percent	Men	Percent
Officials and Administrators	779	331	42.49%	448	57.51%
Professionals	6,148	3,331	54.18%	2,817	45.82%
Technicians	1,732	1,222	70.55%	510	29.45%
Protective Service	977	154	15.76%	823	84.24%
Paraprofessionals	471	307	65.18%	164	34.82%
Administrative Support	384	323	84.11%	61	15.89%
Skilled Craft	830	31	3.73%	799	96.27%
Service Maintenance	317	125	39.43%	192	60.57%
Total	**11,638**	**5,824**	**50.04%**	**5,814**	**49.96%**

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
January 21, 2014

EEO Category	Employees	White	American Indian or Alaska Native	All Other Minorities
Officials and Managers	$72,646	$72,773	$77,409	$63,117
Professional	$50,207	$50,414	$46,355	$50,066
Technicians	$32,696	$32,826	$32,961	$30,356
Protective Service	$39,746	$39,916	$37,549	$37,725
Paraprofessional	$27,662	$27,670	$27,155	$26,921
Administrative Support	$28,817	$29,115	$24,552	$22,589
Skilled Craft	$41,841	$41,911	$41,383	$33,855
Service Maintenance	$30,354	$30,714	$28,445	$25,985

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

Average Annual Salary by Gender
January 21, 2014

EEO Category	Employees	Women	Men	Women to Men Ratio
Officials and Managers	$72,646	$70,308	$74,373	95%
Professional	$50,207	$46,917	$54,097	87%
Technicians	$32,696	$31,432	$35,724	88%
Protective Service	$39,746	$35,566	$40,528	88%
Paraprofessional	$27,662	$27,409	$28,136	97%
Administrative Support	$28,817	$29,067	$27,494	106%
Skilled Craft	$41,841	$36,049	$42,066	86%
Service Maintenance	$30,354	$22,931	$35,187	65%

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

APPENDIX B - EMPLOYEE DATA BY AGENCY

Average Age and Years of Service
January 21, 2014

Agency	Executive Branch Workforce	Average Age	Years of Service
Administration	538	48	12
Agriculture	101	45	11
Board of Public Education	3	46	14
Commerce	180	47	11
Department of Corrections	1,249	45	10
Environmental Quality	415	47	11
Fish, Wildlife, & Parks	662	46	14
Governor's Office	32	49	10
Justice	765	45	13
Labor & Industry	741	49	12
Livestock	143	49	13
Military Affairs	200	46	10
Montana Arts Council	8	54	13
Montana Historical Society	63	49	14
Montana State Library	56	48	13
Natural Resources & Conservation	494	48	14
Office of Public Instruction	165	50	12
Office of the Public Defender	211	44	7
Political Practices	4	49	6
Public Health & Human Services	2,837	47	11
Public Service Commission	30	47	13
Revenue	623	47	12
School for Deaf & Blind	42	50	11
Secretary of State	45	50	14
State Auditor	71	46	11
Transportation	1,960	47	13
TOTAL	**11,638**	**48**	**12**

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

Hire and Turnover Rates by Agency
January 1, 2013 to December 31, 2013

Agency	Executive Branch Workforce	Hires	Hire Rate	Turnover	Turnover Rate
Administration	538	59	11.0%	78	14.5%
Agriculture	101	11	10.9%	14	13.9%
Board of Public Education	3	0	0.0%	0	0.0%
Commerce	180	17	9.4%	27	15.0%
Corrections	1,249	202	16.2%	216	17.3%
Environmental Quality	415	42	10.1%	56	13.5%
Fish, Wildlife, & Parks	662	75	11.3%	61	9.2%
Governor's Office	32	4	12.5%	5	15.6%
Justice	765	91	11.9%	96	12.5%
Labor & Industry	741	68	9.2%	110	14.8%
Livestock	143	21	14.7%	16	11.2%
Military Affairs	200	37	18.5%	38	19.0%
Montana Arts Council	8	1	12.5%	1	12.5%
Montana Historical Society	63	7	11.1%	6	9.5%
Montana State Library	56	13	23.2%	6	10.7%
Natural Resources & Conservation	494	48	9.7%	51	10.3%
Office of Public Instruction	165	19	11.5%	17	10.3%
Office of the Public Defender	211	45	21.3%	29	13.7%
Political Practices	4	1	25.0%	1	25.0%
Public Health & Human Services	2,837	555	19.6%	546	19.2%
Public Service Commission	30	2	6.7%	2	6.7%
Revenue	623	68	10.9%	70	11.2%
School for Deaf & Blind	42	2	4.8%	4	9.5%
Secretary of State	45	11	24.4%	9	20.0%
State Auditor	71	9	12.7%	9	12.7%
Transportation	1,960	154	7.9%	202	10.3%
State of Montana	**11,638**	**1,562**	**13.4%**	**1,670**	**14.3%**

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

Turnover Rates and 0-2 Years Turnover by Agency
January 1, 2013 – December 31, 2013

Agency	Executive Branch Workforce	Turnover	Turnover Rate	0-2 Year Turnover	0-2 year Turnover Rate
Administration	538	78	14.5%	15	19.2%
Agriculture	101	14	13.9%	3	21.4%
Board of Public Education	3	0	0.0%	0	0.0%
Commerce	180	27	15.0%	3	11.1%
Corrections	1,249	216	17.3%	73	33.8%
Environmental Quality	415	56	13.5%	11	19.6%
Fish, Wildlife, & Parks	662	61	9.2%	17	27.9%
Governor's Office	32	5	15.6%	1	20.0%
Justice	765	96	12.5%	23	24.0%
Labor & Industry	741	110	14.8%	15	13.6%
Livestock	143	16	11.2%	2	12.5%
Military Affairs	200	38	19.0%	15	39.5%
Montana Arts Council	8	1	12.5%	0	0.0%
Montana Historical Society	63	6	9.5%	0	0.0%
Montana State Library	56	6	10.7%	0	0.0%
Natural Resources & Conservation	494	51	10.3%	10	19.6%
Office of Public Instruction	165	17	10.3%	4	23.5%
Office of the Public Defender	211	29	13.7%	13	44.8%
Political Practices	4	1	25.0%	0	0.0%
Public Health & Human Services	2,837	546	19.2%	216	39.6%
Public Service Commission	30	2	6.7%	0	0.0%
Revenue	623	70	11.2%	10	14.3%
School for Deaf & Blind	42	4	9.5%	1	25.0%
Secretary of State	45	9	20.0%	1	11.1%
State Auditor	71	9	12.7%	0	0.0%
Transportation	1,960	202	10.3%	33	16.3%

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

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