

Managing Montana

a quarterly electronic newsletter for managers and human resource staff in Montana state government

A special edition on legislative results

As the 62nd Legislative session fades into the sunset, we're dedicating this special edition of *Managing Montana* to give you an overview of several bills. With one exception, we're focusing on the bills that passed.

In short,

- the Governor has signed some of them
- the Governor has vetoed some of them
- the Governor hasn't yet acted on others.

The one exception

The Legislature voted down House Bill 13, which carried the collectively bargained pay agreement for state employees. State employees won't see an increase in their paychecks or in the state's share towards their health insurance premiums. Also in the next biennium, the Governor's budget office won't have a personal services contingency fund to help smaller agencies cope with retirements. Neither will the labor-management training initiative in the State Office of Labor Relations receive funding.

In light of this, what's next? The Department of Administration and the Governor's office will meet soon to discuss what flexibility, if any, state agencies will have to adjust employees' base pay. State Human Resources will communicate that decision once it's reached.

In the meantime, agency managers and HR officers should proceed under the pay directives that State Human Resources issued on behalf of the Governor in May 2009. Until you hear otherwise, don't grant any pay adjustments (base-pay increases or lump-sum awards) including,

- market adjustments
- non-promotional and non-competitive career-ladder progression
- other progression increases currently in agencies' pay plan rules and expiring bargaining agreements.

This directive still allows you to adjust individual pay based on reclassifications, competitive promotions, and completing probationary periods and training assignments.

The bills that passed

Here are the bills the Governor has signed. Unless otherwise stated, the new legislation takes effect July 1, 2011.



- **HB 19** – Clarify that the Clean Indoor Air Act applies to smoking of medical marijuana. This legislation has taken effect.
- **HB 43** – Clarifying employer’s rights related to employee use of medical marijuana. This bill allows employers to have a no-tolerance policy, regardless of when the employee used medical marijuana. It clarifies that the bill doesn’t create a cause of action for wrongful discharge or discrimination. Finally, employees won’t be eligible for workers compensation if marijuana was a contributing factor to the injury or occupational disease.
- **HB 70** – Revise laws related to public employees’ retirement system. This is a housekeeping bill and enacts both federal and state mandates.
- **HB 134** – Provide benefit and funding changes to game wardens/peace officers’ retirement.
- **SB 290** – Exclude independent contractor as employee under Human Rights Act. This legislation is now in effect.



- **SB 342** – Define misconduct for unemployment insurance laws. After July 1, employees discharged for “misconduct” that meets the new statutory definition may be disqualified for unemployment benefits.
- **SB 120** – Require publishing appointed members to all state agency boards. The new legislation requires very specific information regarding boards, councils, committees, and commissions be published and posted on agency websites. You may want to take a look at the bill and be sure your agency is in compliance with all requirements.

So far, the Governor has vetoed these bills we’ve been tracking:

- **HB 64** – Require Department of Administration to adopt rules on loan of employees between agencies.
- **HB 161** – Repeal medical marijuana law.
- **HB 444** – Create budget database website for taxpayer right to know.
- **HB 551** – Revise state employee health insurance program to include high deductible plan.
- **SB 54** – Establish a hybrid tier in the Teachers Retirement System for new hires only.

The Legislature sent a couple of bills that the Governor hasn’t yet acted on. These bills have three possible fates. One, the Governor can sign the bill into law. Two, the Governor can veto the bill. Three, the Governor may chose not to act, and the bill becomes law after the 10-day period for action ends.

We will have to wait and see the fate of these bills:

- **SB 125** – Prohibit state government from administering federal health insurance purchase requirement. The Governor sent an amendatory veto to this bill earlier in the session. The Legislature didn’t approve the Governor’s amendments.
- **HB 122** – Provide for benefit and funding changes to public employees’ retirement system. This bill changes statutory requirements for both current and future employees. Elements of HB 122 affecting all PERS members include:
 - if an employer fails to report working retirees timely or accurately – the member and the employer are liable to repay the retirement benefits received

- if a working retiree returns to work in two jobs, one subject to PERS and the other not, the hours worked in both jobs will count toward working retiree limits
- the actuarial reduction for members choosing early retirement will be equal to the most recent actuarial valuation of the retirement system beginning October 1, 2011.

Additional changes affect only those employees in PERS hired on or after July 1, 2011:

- the employee contribution increases from 6.9% to 7.9%
- the calculation of a member’s highest average compensation changes from 36 to 60 months
- the normal retirement age increases from 60 with 5 years of service to 65 with 5 years of service
- the phases in the multiplier used to calculate the retirement benefit change:
 - 1.5% per year if service is less than 10 years,
 - 1.785% per year if service is greater than or equal to 10 years but less than 30 years,
 - 2% per year if service is greater than or equal to 30 years.

And finally, **SB 418** – *Referendum to prohibit health insurance purchase requirement*. The Legislature passed this bill and sent it to the Secretary of State’s office for the November ballot. Referendum bills don’t need the Governor’s approval; they go directly to the voters for approval or denial.

Maintaining motivation requires managers’ moxie

The legislative session was not kind to state employees. The failure of House Bill 13 capped a line of discourse that left employees feeling bruised. Managers are asking, “How do I keep staff engaged in their work when, once again, they won’t get any raises?”

Research on job satisfaction has shown time and again that *money is not the primate motivator*. Well, what is? That question has more than one answer. And with pay for state employees remaining at status quo for the next two years, we need to be looking for those answers.



You can start by going back to the [Spring edition](#) of *Managing Montana* and read “Support each other: re-engage.” This brief article provides valuable tips on coping with the stress of the session.

Another step – you can attend the Professional Development Center’s half-day workshop, *Creating a Motivating Environment*, on May 19. It will take place from 8:30 to noon in the Yellowstone Room, Metcalf Building.

The discussion begins with the fact that managers can’t motivate employees, but they can create the environment that taps each employee’s own motivation to work hard and well. This workshop will give you ideas and tools for creating that motivating environment. Here’s a link to [register for the course](#).

In addition, the PDC will produce a brief web presentation on maintaining motivation. Look for an e-mail soon that announces the resource and provides a link.

Alternative formats ...

The State Human Resources Division will make reasonable accommodations to provide an alternative accessible format of this newsletter. If you need an alternative format, please contact the Division at 406-444-3871 or TDD 406- 444-1421.