



## State Human Resources Division Policy:

### Broadband Pay Policy

Effective Date: July 28, 2025

Last Reviewed: July 28, 2025

## 1. Purpose

This policy provides requirements for administering pay in the broadband system, and outlines pay responsibilities, as required by §§ [2-18-102](#) and [2-18-301 through 2-18-304](#), Montana Code Annotated (MCA).

## 2. Scope

This pay policy applies to the State's broadband employees. It does not apply to employees in the blue-collar plan or any other position specifically excluded under §§ [2-18-103](#) and [-104](#), MCA. This plan is not a contract or an offer to contract between the State and its employees.

The State reviews its pay policy at least biennially by October 1 in odd-numbered years following the legislative session. State contributions to group benefits provided in [§2-18-703](#), MCA, overtime, fringe benefits as defined in [§39-2-903](#), MCA, and longevity allowance provided in [§2-18-304](#), MCA are excluded.

Pay rates for union employees are mandatory subjects of collective bargaining. Collective bargaining contracts are posted on the State's website. Where this policy conflicts with a collective bargaining contract, the contract takes precedence to the extent applicable.

## 3. Mission and Pay Philosophy

Montana state government strives to recruit, retain, and reward employees with the competencies, knowledge, skills, abilities, and dedication to serve the citizens of the State of Montana.

Our employees are essential to successfully achieving our agencies' missions. The State is committed to providing a competitive total compensation package of direct and indirect pay, including base pay, benefits, incentives, and retirement programs while remaining fair, consistent, and fiscally responsible.

This pay policy helps us achieve our agencies' missions through the following pay objectives:

- A. Monitor and remain externally competitive by benchmarking pay levels on a regional and national basis using data that reflects similar public and private sector organizations;
- B. Promote fair and consistent pay practices by adhering to relevant policies, procedures, and regulations;
- C. Manage base pay rates and ranges to support recruitment and retention strategies;
- D. Reward employees for their performance and contributions to the organization through career mobility and advancement, performance pay, and employee incentive awards; and
- E. Support a respectful, diverse workplace where we consistently apply equitable pay practices.

The State's primary labor market includes both public and private sector employers in Montana with which it competes for the recruitment and retention of employees.

The relevant labor market is defined by peer states where Montana compares salary data. The State Human Resources Division leverages peer-state data except when it determines an alternate labor market is justified.

The State seeks to establish its targeted pay position by requiring agencies set base pay considering the occupational wage range and an agency's fiscal ability to pay. Pay rates reflect level of experience, job mastery, and skills that vary per employee. While the midpoint represents the market median for each job, not everyone will be paid at the midpoint. Given the variance in qualifications, experience, and performance of employees, some will be compensated lower compared to the pay range, some at the midpoint, and some above the midpoint.

The State Human Resources Division is responsible for the oversight and maintenance of the State's compensation program. The State administers its compensation program in a transparent manner by clearly communicating and employing its compensation philosophy, policy, and programs in a consistent and impartial way.

## 4. Establishing Base Pay

- A. General – Every odd-numbered year, the State Human Resources Division establishes statewide pay ranges that includes an occupational wage range. Agencies set base pay considering the pay range and using the strategies contained in this section. Base pay ranges may be adjusted during the annual review period established by Section 7, Annual Review Process.

**B. Minimum Salary** – An employee's base pay rate may be less than the minimum of the occupational wage range for the employee's assigned position. Reasons for paying below the minimum of the pay range include:

- 1) Employee is receiving a required certification or credential or participating in a documented training assignment, as outlined in Section 4. E. Training Assignment;
- 2) Consideration of base pay rates for employees in similar jobs with similar skill sets within a unit or agency; or
- 3) Reasons approved by the State Human Resources Division.

**C. Pay Above Maximum** – An employee's base pay may be no more than the maximum of the occupational wage range unless the agency obtains approval by the Office of Budget and Program Planning (OBPP), the agency's elected official, or the elected official's designee, as provided by 2-18-102 (5) and (6) MCA.

Base pay above maximum salary must be submitted on the broadband pay form and processed by State Human Resources Division. For an employee whose base pay exceeds the maximum of the occupational wage range, a discretionary increase requires approval by OBPP, an elected official, or the elected official's designee. Employees with pay rates above the maximum of the pay range must receive all statutorily required pay increases.

**D. Hires** – The base pay rate for a hired employee, is set by agency management considering the state-wide occupational wage ranges. When setting the rate, agency management must also consider:

- 1) The employee's relevant qualifications (experience, competencies, etc.) compared to the minimum qualifications of the position;
- 2) The agency's ability to pay;
- 3) Base pay rates of existing employees in similar jobs with similar skill sets; and
- 4) External competitiveness with the primary labor market.

**E. Training Assignment** – An employee new to a job may be placed in a temporary training assignment, if the employee does not meet the position's minimum qualifications. Prior to implementing a training assignment, justification must be documented by the agency human resources and must be approved by the State Human Resource Division. Any base pay adjustments allowed during the progression of the training assignment must be documented prior to implementing the training assignment.

**F. Supervisory Pay** – An employee not classified as a supervisor may be eligible for additional pay when regularly performing supervisory duties, as defined in Section 9, Definitions, as a permanent expectation of the employee's work. This supervisory pay includes:

- 1) An employee occupying a position in a non-supervisory occupation performing supervisory duties; or
- 2) An employee who is performing supervisory duties and is classified in the same job code as the employee's subordinates.

Employees temporarily assuming managerial or supervisory duties during a planned absence of less than 30 days do not receive supervisory pay. Employees who temporarily perform supervisory work for 30 days or longer may be paid as described by Section 5(G)(5), Temporary Duties Assignment.

When determining this additional pay, the agency must document the number of employees supervised, levels of supervisory duties performed, and internal pay consistency. The employee's base pay rate may be adjusted no greater than ten percent (10%) additional base pay for supervisory duties.

If supervisory duties end, the employee's base pay shall be reduced back to its previous level, considering any pay adjustments that would have occurred absent the supervisory assignment.

**G. Lead Worker Pay** – The employee's base pay rate may be adjusted no greater than five percent (5%) additional pay for lead worker duties. An employee not classified as a supervisor may be eligible for additional base pay when regularly performing lead-worker duties, as defined in Section 9 Definitions, as a permanent expectation of the employee's work.

- 1) An employee occupying a position in a non-supervisory occupation performing lead worker duties; or
- 2) An employee who is performing lead duties and is classified in the same job code as the employee's subordinates.

Employees temporarily assuming lead work duties during a planned absence of less than 30 days do not receive lead worker pay.

Employees who temporarily perform lead work for 30 days or longer may be paid as described by Section 5.(G)(5) Temporary Duties Assignment.

When determining this additional base pay, the agency must document the number of employees led, lead work duties performed, and internal pay consistency.

If lead worker duties end, the employee's base pay shall be reduced

back to its previous level, considering any base pay adjustments that would have occurred absent the lead-worker assignment.

**H. Demotion** – An employee’s base pay rate must be adjusted as a result of a demotion. See demotion in Section 9, Definitions, must receive a salary decrease with the following considerations:

- 1) The occupational wage range for the new job code.
- 2) The employee's job-related qualifications and competencies related to the new position, and
- 3) The comparison to employees in similar jobs who have similar qualifications and competencies.

Demotions may occur for reasons including, but not limited to, inability to perform the duties of a position, voluntarily assuming a lower-level position, or as the result of disciplinary action. When a demotion occurs, a strategic pay protection may be used for involuntarily demoted employees for up to 90 days. Exceptions to this are contingent upon documented justification and State Human Resources approval. Voluntarily demoted employees are not eligible for pay protection. At the end of the pay protection, the demoted employee’s pay is established using the following considerations (1)-(3) above. Demoted employees receive statutorily required pay increases.

**I. Reclassification** – Classification, as defined in Section 9, Definitions, is an assignment of a position to a job code. A position may be reclassified, or assigned to a different job code, if one of the following conditions are met:

- 1) The work changes and the position is reclassified;
- 2) A new standard or level is created;
- 3) A classification procedure changes; or
- 4) A classification is corrected by the State Human Resources Division.

Base pay for employees reclassified into a new occupation or level is set considering the four factors found in Section 4(D), Hires. The new pay is effective the first day of the pay period in which the reclassification request was received in the agency’s Human Resources Office and considering the base pay of similarly situated employees in similar jobs.

**J. Seasonal Employees** – Base pay for seasonal employees who return to the same position for consecutive seasons will continue at the same rate as if no break in service occurred. Seasonal employees will receive statutorily required adjustments. Returning seasonal employees may be eligible for base pay adjustments as provided in

Section 5, Pay Adjustments.

## 5. Pay Adjustments

- A. General** - When fiscally able, an agency may award base pay adjustments to its employees. Base pay increases are not guaranteed. These base pay adjustments may be made outside of the biennial salary review process. Pay Requests must be approved by the manager, agency human resources, State Human Resource Division, and OBPP.
- B. Elected Officials** – Pay adjustments for employees in an agency headed by an elected official are exempted from approval by OBPP or State Human Resources Division. The elected official or designee must review and approve the adjustment if the employee works in an agency headed by an elected official.
- C. Effective Date** - Discretionary base pay adjustments are effective on the first day of the pay period in which the adjustment is approved by OBPP or a State Human Resources designee. Retroactive adjustments resulting from a regulatory reason or binding agreement are effective on the first day of the pay period required by the agreement unless the date differs as expressly prescribed by a settlement. Retroactive effective dates must be requested by the agency human resources manager or designee and approved by OBPP or a State Human Resources designee before awarding retroactive pay.
- D. Pay Adjustment Types** - The following base pay adjustments may be provided contingent on review and approval by the manager, agency human resources, the State Human Resource Division, and OBPP.
  - 1) **Market Adjustment** – Employees may receive a base pay increase to allow the agency to remain competitive with the external labor market. Specifically, market adjustments may be made in the following scenarios:
    - a) Market fluctuations result in a need for an adjusted range; or
    - b) A market adjustment is necessary for an occupation to address competitiveness across the State.
  - 2) **Career Ladder** – Career-ladder adjustments are based on a series of

pre-established, progressive steps within a specific occupational title (for example, IT Systems Analyst, Professional Engineer, Financial Examiner, etc.). Each step within the ladder must define the organizational requirements for achieving the base pay adjustment, starting with the employee's entry of the career ladder. A career ladder must clearly define the route for legitimate career growth for the occupational title. The State Human Resource Division and OBPP must approve the career ladder prior to implementation. Adjustments are based on an employee achieving the minimum requirements to perform higher-level work. There are two types of career ladders:

- a) Agency Career Ladders - Eligibility for advancement in agency career ladders is determined within the agency. The manager of a position must authorize the employee to begin the new work of the career ladder level prior to career ladder pay adjustments and additionally requires approval by the agency HR office or designee.
- b) Statewide Career Ladders - Employees state-wide may be eligible for state-established career-ladder adjustments within their occupational standard. The manager of a position must authorize the employee to begin the new work of the career ladder level prior to statewide career ladder pay adjustments and additionally requires approval by the agency HR office or designee and State Human Resources.

All career ladders are found on the State's website at <https://mine.mt.gov/Personnel/officers/> by clicking the link "Agency Pay Documents", or in collective bargaining agreements.

- 3) Performance – Base pay increases for exceptional job performance may be awarded to an employee considering well-defined performance standards, targets, and measurements. Performance measurements may include, but are not limited to, competency, productivity, quality, or effectiveness levels. Agencies may work with the State Human Resources Division to put a performance pay evaluation in place. The employee's overall performance and base pay relative to the position responsibilities must be evaluated to determine whether a salary increase is warranted. Agencies must identify, explain, document the employee's performance, and consider the appropriate base pay level for the employee.

An employee eligible for a performance adjustment whose base pay exceeds the maximum of the occupational wage range must be submitted for approval as described by Section 4(C), Pay Above Maximum. Performance adjustments are effective the first day of the pay period approved by OBPP.

- 4) Retention – The agency may award a pay increase up to ten percent (10%) of the employee's base salary to retain employees who are considering employment outside the agency. A retention pay increase must consider documented work performance, competency, and the State's ability to pay. Retention pay must be approved by OBPP as described in Section 5(A)
- 5) Temporary Duties Assignment – An employee's base pay may be adjusted to a different pay rate or range due to a temporary assignment. Temporary assignments must be for a period of at least 30 days but can be no longer than two years. Temporary assignments must be documented and placed in the employee's file. Upon returning to the employee's regular assignment, the employee's pay is set as if the employee was not temporarily reassigned considering any pay adjustments that would have occurred absent the temporary assignment.

Temporary pay for supervisory, lead-worker, or management duties must be established considering the percentages and criteria in Section 4(F), Supervisory Pay or 4(G), Lead Worker Pay.

- 6) Differential – An employee's total compensation may be increased up to ten percent (10%) of the employee's salary for unusual working conditions. A compensation differential may be issued in the following circumstances:
  - a) Position requires extensive travel;
  - b) Position requires unusual working hours such as weekends, holidays, nightshifts, or overtime; or
  - c) Position is eligible for hazard-duty pay.

Differential pay adjustments must be discontinued when the employee is no longer working under the qualifying situation or condition.

## 6. Lump-Sum Payments

Lump-sum payments are one-time payments in addition to an employee's base pay. All employees may be eligible for lump-sum payments. However, all lump-sum payments are contingent on funding, documented justification, and approval by agency director and the State Human Resources Division. Additionally, the total of all lump-sum payments may not exceed \$7,500 per employee for the fiscal year.

Lump-sum payments for employees in an agency headed by an elected official are exempted from approval by the State Human Resources Division. The elected official or designee must review and approve the payment if the employee works in an agency headed by an elected official.

- A. Employee Incentive Award** – The State encourages its managers and employees to provide good ideas for improved customer service, efficiencies in operations, innovative ideas, and cost saving measures to the employee incentive award committee. Ideas implemented meeting the criteria in §2-18-part 11, MCA, may result in a monetary award or equivalent recognition.
- B. Performance Payments** – The State may provide lump-sum payments to employees who exceed performance objectives. Performance measurements may include, but are not limited to, competency, productivity, quality, or effectiveness levels. Agencies must identify, explain, and document the reasons for the exceptional performance type listed below and produce the documentation upon request.
  - 1) Special projects that are outside of the scope of the employee's job description and not covered by a temporary assignment.
  - 2) Completing a project ahead of time and/or under budget by a predetermined, established amount.
  - 3) Rating of "Exceeds expectations" from the most recent documented performance review.
  - 4) Exceptionally handling urgent or emergency issues that have high-profile or high-value impact to the agency.
  - 5) Exceeding production goals by a predetermined, established amount.
  - 6) Achieving specified milestones established by a predetermined agreement; or
  - 7) Other predetermined performance objectives exceeding expectations.
- C. Sign-on Bonuses** – Sign-on bonuses are one-time, lump-sum payments used to attract and secure highly qualified candidates who are seeking employment. There are two types of sign-on bonuses.
  - 1) **Recruitment Sign-on Bonus** - Agencies attempting to attract new candidates to hard-to-fill jobs may post a recruitment sign-on bonus by sending the request to the State Human Resources division prior to posting. State Human Resources reviews the submitted request by comparing the agency's recruitment information to

statewide recruitment and vacancy information, and posts the amount of the sign-on bonus to the State Human Resources Division's website in the document labeled, "Bonus Schedule and Review Procedures" found at <https://mine.mt.gov/Personnel/officers/>.

2) Negotiated Sign-on Bonus - Agencies negotiating starting salary with an exceptional candidate may provide a sign-on bonus. Time-sensitive sign-on bonus negotiations do not require prior approval by State Human Resources. Agencies negotiating sign-on bonuses are responsible for analyzing, justifying, and documenting their reasons for the negotiated sign-on bonus. The agency must submit their documentation matching the criteria in this section to State Human Resources if the sign-on bonus offer is successful.

Only new hires or rehires who have not been employed with the state within the past six months are eligible for a sign-on bonus. If an employee voluntarily does not retain employment in the hired position for a minimum of one year, the employee may be responsible for repaying the sign-on bonus.

**D.** Referral Bonuses – An eligible State employee may participate in a referral bonus by directly recommending an external candidate who is hired into an eligible position. The referral bonus is eligible to be paid when both the state employee and referred candidate have completed their probationary periods. To be eligible, a State employee must be employed by the state at the time the external candidate applies and must remain employed with the state during the candidate's probationary period. Referring and referred employees must complete their probationary periods. for the referring employee to be eligible for the bonus. The hiring agency is responsible for paying the bonus.

To receive the referral bonus, the candidate must submit in writing to the agency's human resources or hiring manager the name of the current, eligible State employee who referred the candidate to the position prior to hire. A candidate may only claim one current, eligible State employee as the referring individual. Current state employees are ineligible for the referral bonus if a relative is part of the recruitment process. Referral bonus amounts are posted on the State Human Resources Division's website in the document labeled, "Bonus Schedule and Review Procedures" found at <https://mine.mt.gov/Personnel/officers/>.

**E.** Retention Bonuses – The agency may provide lump-sum payments to employees considering employment offers outside the agency.

Retention payments consider documented work performance, competency to perform work-related functions, and the State's ability to pay.

## 7. Annual Review Process

The State Human Resource Division will review pay ranges annually to ensure consistency and compliance with standards and procedures outlined in the State-wide pay policy with the goal of realigning pay between comparable employees. Reviews of internal consistency between longstanding employees and new hires as well as employees in comparable positions in different agencies will occur to reduce pay compression or alleviate supervisor/subordinate pay inversions caused by job and wage changes throughout the year. Reviews will also include a thorough evaluation of position vacancies and identified recruitment gaps, turnover, and anticipated retirements throughout the State. State Human Resources Division may collaborate with agencies to adjust ranges prior to implementing changes.

## 8. Record Keeping

Employee pay is public information. An employee, manager, auditor, or the public may request information about an employee's pay rate and may be provided with documentation about an employee's pay adjustments. All pay documentation is maintained in a written or electronic record at the agency human resources office. The agency maintains an electronic copy of a new employee's starting pay-offer letter with the employee's personnel file.

## 9. Definitions

All definitions under [2-18-101, MCA](#), apply to this policy. For the purposes of this policy, the definitions described below also apply:

- A. **Base Pay:** The annual or hourly wage or salary provided to an employee not including the longevity allowance.
- B. **Career Ladder:** The predetermined, progressive advancement from an entry-level position in an occupation to higher-level, differing work based on increasing skills, competencies, and responsibility.
- C. **Classification:** A process of evaluating the work performed in each job to determine the appropriate occupation and level.
- D. **Compensation:** The annual or hourly wage or salary, including the longevity allowance, provided to an employee as defined in [2-18-101 \(8\), MCA](#).

- E. **Demotion:** The assignment of an employee to a lower-level position or occupational wage range. This assignment may be voluntary or involuntary.
- F. **Discretionary Pay Adjustment:** Optional pay change provided to an employee by an agency within the parameters of the state's broadband pay policy.
- G. **Lead Work:** Employees who perform leadership, oversight, or instruction to others; or supervisors of less than two full-time equivalent positions. This includes employees performing these duties in an occupational standard without lead work or when classified the same as the employees they lead.
- H. **Pay Schedule:** The effective-dated market ranges established by the Department of Administration State Human Resources Division during the biennial salary survey process required by [2-18-301, MCA](#).
- I. **Permanent Capacity:** Regular, ongoing work expected of the position.
- J. **Promotion:** The advancement to a higher-level job code, occupation, or position number through a competitive recruitment process.
- K. **Reclassification:** A change in a position's job code performed by an authorized classifier as described by the Broadband Classification manual.
- L. **State-wide Pay Range:** The pay schedule established by the Department of Administration State Human Resources Division applied across all agencies in the executive branch of state government, that incorporates a state specific occupational wage range.
- M. **Supervisory Pay:** Base pay component for an individual directly managing at least two FTE (full-time equivalent employees) on a regular, recurring basis including hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees or to effectively recommend the above actions if, in connection with the foregoing, the exercise of the authority is not of a merely routine or clerical nature but requires the use of independent judgment.
- N. **Targeted Pay Position:** The amount of compensation an employee ought to earn after considering: the employee's qualifications; job mastery; performance; pay within an agency for similarly situated employees performing similar work; an agency's ability to pay; competitive position compared to the external market; and relevant policies, procedures, and regulations.
- O. **Working Conditions:** The environment in which an employee performs the job.

## 10. Resources and References

[Action Reason Catalog](#)

[Broadband Pay Approval Form/Template](#)

[Broadband Classification Policy](#)