

HOUSE BILL NO. 8

INTRODUCED BY B. USHER

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING FURLOUGHS FOR STATE EMPLOYEES; PROVIDING DEFINITIONS; REDUCING GENERAL FUND APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

WHEREAS, the Sixty-Fifth Legislature needs additional flexibility to balance the budget and provide budget stability; and

WHEREAS, the estimated savings generated by state employee furloughs will allow the Legislature to balance the budget and provide budget stability while ensuring state employee job protection; and

WHEREAS, the Legislature encourages all public agencies to institute furloughs of public employees to help balance the budget and provide budget stability.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Legislative intent.** (1) The purpose of [this act] is to require a 3% reduction in personal services for each public employer of state employees whose personal services are funded by the state general fund. The legislature intends that each affected public employer institute furloughs to fulfill these reductions. The legislature further intends that the Montana university system utilize employee furloughs in lieu of raising student tuition or fees.

(2) The legislature intends that furloughs be applied to state employees making at least \$50,000 and that employees making less than \$50,000 be excluded from furloughs pursuant to [this act].

**NEW SECTION. Section 2. Definition.** As used in [sections 1 through 3], "furlough" means the placement of a public employee into a temporary nonduty, nonpay status.

**NEW SECTION. Section 3. Furlough authority.** (1) A public employer of state employees whose general fund appropriation is reduced pursuant to [section 4] may implement furloughs of state employees for a limited duration as an alternative to a reduction in force.



1 (2) Nothing contained in this section prohibits a public employer from instituting a reduction in force,  
2 including a reduction in force applied to an individual who is furloughed pursuant to this section.

3 (3) A furlough ordered pursuant to this section must comply with the following:

4 (a) A public employee who is furloughed remains eligible as before the furlough for group benefits  
5 provided in Title 2, chapter 18, parts 7 and 8. The furlough may not exempt the employer from paying the  
6 employer portion of the group benefit premium for any employee. If, because of the furlough, an employee's pay  
7 is insufficient to deduct from and remit the employee's share of the employee's group benefit premium, then the  
8 employer shall remit the unpaid portion of the employee's share of the premium. However, when the furlough  
9 ends, the employer shall deduct aggregate payments from the employee's future pay at the maximum rate  
10 permissible under state and federal law equivalent to the employee's portion paid by the employer under this  
11 subsection (3)(a).

12 (b) Days, parts of days, or weeks for which public employees are furloughed must count as days  
13 employed or days worked for purposes of calculating retirement eligibility and state service time.

14 (c) Days, parts of days, or weeks for which public employees are furloughed must be considered days  
15 employed or days worked for purposes of accruing sick leave or annual leave.

16 (d) A public employee who has been furloughed may not use accrued annual leave or accrued sick leave  
17 for days on which the employee is scheduled to be furloughed.

18 (e) A public employer may allow an employee's reduction in compensation to be allocated over the  
19 balance of the fiscal year rather than solely in the pay period in which the furlough occurs.

20 (f) Placement of a public employee on furlough does not give rise to a claim or right of a public employee  
21 to receive unemployment compensation.

22 (g) The sole act of placing a state employee on furlough may not give rise to the right of a employment  
23 grievance or claim.

24  
25 COORDINATION SECTION. **Section 4. Coordination instruction.** If House Bill No. 2 and [this act]  
26 are passed and approved, then the portion of each general fund appropriation for the biennium ending June 30,  
27 2019, that includes personal services for state employees is reduced to reflect a 3% reduction in personal service  
28 costs of state employees.

29  
30 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

1

2           NEW SECTION. **Section 6. Termination.** [This act] terminates June 30, 2019.

3

- END -