Montana State Library Commission Policy

Broadband Pay Plan

I.   Purpose and Scope

A. Purpose

The purpose of this policy is to implement the state broadband pay plan at the Montana State Library in accordance with 2-18-301 and 2-18-303 Montana Code Annotated and Montana Operations Manual (MOM) 3-0501, the State's Broadband Pay Plan Policy.

B. Scope

The Montana State Library (MSL) designed, implemented and administers this written pay plan within the parameters established in MOM 3-0501, the State's Broadband Pay Plan Policy. This plan is fiscally responsible, actively managed, and consistent with the MSL and State Library Commission's mission and objectives. This pay plan provides procedures for implementing the aspects of pay addressed in MOM 3-0501.

The MSL recognizes that available funding and legislative allocations for pay increases are to an extent outside of the agency's control. In order to ensure that this pay plan is fiscally responsible, the MSL has developed and incorporated pay adjustment options into this pay plan to ensure pay increases can be provided to employees in a fiscally responsible manner. For example, the MSL may provide lump-sum adjustments for employees when there is not enough funding to provide meaningful performance or competency-based base pay adjustments.

II.   Definitions

Reference MOM 3-0501, the State's Broadband Pay Plan Policy for a list of definitions relevant to this policy. MSL-specific definitions are listed below:

- Management Team – MSL managers consisting of the State Librarian, Centralized Services Manager, Director of Statewide Library Resources, and the Montana State Digital Library Administrator. This group will make pay decisions based on performance/competency information annually in group manager meetings to provide consistency, fiscal responsibility, and quality control. The Management Team is also responsible for evaluating employee-initiated Pay Adjustment Reconsiderations and providing a recommendation to the State Librarian regarding the appropriate pay adjustment.

- Maximum Rate – The maximum rate for an occupational pay range is shown in MSL Pay Chart (Appendix A) as the Competitive Maximum Pay Zone Rate per occupation.

III. Establishing Wage Rates

A. Base Pay
The Management team establishes the base pay ranges for occupations commonly found at the Montana State Library (see Appendix A – MSL Pay Chart).

B. New Hire
An employee's base salary may not be less than the pay band entry salary for the employee's assigned occupation as shown on the attached MSL pay chart, except as provided for under training assignments.

C. Training Assignments
A training assignment is an agreement between MSL and an employee new to a position when the employee does not meet the minimum requirements for the new position. MSL will administer training

assignments in accordance with the Statewide Broadband Pay Plan Policy. An employee's pay may be set below the beginning base pay rate for the position, but must be at or above the minimum pay for the position's assigned pay band. A copy of the written training assignment will be filed in the employee's permanent personnel record and must include:

1. the wage rate at the beginning of the training assignment, any increases allowed during the training assignment and the wage rate at the end of the training assignment as determined by the agency's pay plan; the duration of the training assignment; the knowledge, skills, behaviors, training and experience the employee must acquire during the training assignment; and measures of the employee's performance in areas where knowledge, skills, behaviors, training and experience must be acquired by the employee. At the completion of the training assignment, the employee's base salary will be set within the occupational pay range according to the agency pay plan.

If the employee does not satisfactorily complete the training assignment, the agency may:

1. return the employee to the position held before the training assignment;
2. assign the employee to another position for which the employee is qualified;
3. extend the training assignment for a period not to exceed two years; or
4. discharge the employee, in compliance with the Discipline Handling Policy, ARM 2.21.6505 et seq., or Probation Policy, ARM 2.21.3810.

D. Supervisory Pay

The MSL will ensure employees with supervisory responsibilities who are not in a supervisory or managerial occupation are paid at the following rates above the pay schedule:

Lead worker Supervision: 5% increase
Line Supervision: 10% increase

The MSL will increase the entry and market rate of the occupational pay range for positions classified in non-supervisory or non-managerial titles by the above percentages to compensate employees for additional supervisory responsibilities.

If an employee is classified in a non-managerial or supervisory title and assumes supervisory responsibilities, the agency will either reclassify the position or may provide additional pay for the additional supervisory duties within available funding.

IV.   Wage Adjustment Types

The Montana State Library Pay Plan includes the following pay adjustment components:

A. Statutory Rates

Statutory Legislative pay increases are similar to cost-of-living increases, and will be used to adjust individual salaries and to progress employees through the pay range established for their position.

Under the broadband pay plan, the occupational pay ranges will not be adjusted based on legislative increases, but individual salaries will be adjusted to reflect any statutory adjustments as adopted by the Legislature.

B. Occupational Pay Range Adjustments

The agency will consider the following criteria when recommending an occupational pay adjustment:

1. Internal equity and;
2. What other agencies pay in the State of Montana for the same occupation.

A review will be conducted once a year using the most recent interagency pay tool. Adjustments will be recommended for employees who fall below average minimum of base of what other state employees receive for the same occupation. Occupational pay increases may be given as a one-time bonus or as an increase to salary based on availability of funding.

Changes to occupation rates for individual MSL positions must be approved by the State Librarian.

C. Promotion – A Change to a Higher Level Job

Managers must compare the employee's competency, performance, and tenure to other MSL employees in the higher classification level when determining where to set the promoted employee's pay to ensure appropriate internal pay relationships and equity.

The assignment of an employee to a higher position in the agency's hierarchical structure must be through a competitive recruitment process.

Any exception to this policy must be proposed to the State Librarian and the rationale documented by the employee's supervisor, with documentation maintained in the individual personnel file.

D. Transfers and Demotions

If an employee is transferred or demoted to a position with the same or lower classification or occupational wage range than their current position, the employee may be paid at a level not to exceed maximum rate shown on the MSL Pay Chart (Appendix A) assigned to the position to which the employee is transferred or demoted. Employee pay may be reduced under a demotion (movement to a position with a lower classification) or a transfer to a position with a lower occupational wage range. Within available funding, employee pay may be increased if they are transferred to a position with a higher occupational pay range.

Employee pay may be reduced under a demotion to a lower pay band. Managers must compare the employee's competency, performance, and tenure to other MSL employees in the lower occupational pay range when determining where to set the employee's pay to ensure appropriate internal pay relationships and equity.

MSL may, at its discretion, protect the employee's current base salary for a period not to exceed 90 calendar days. The supervisor must submit a request Central Services, for approval by the State Librarian, to protect the employee's current base salary for up to 90 calendar days. At the end of the protected period, if applicable, the agency must set the employee's base salary between minimum up to the maximum of the new pay band.

Any exception to this policy must be proposed to the State Librarian and the rationale documented by the employee's supervisor, with documentation maintained in the individual personnel file.

E. Reclassification

1. Reclassification to a higher pay band

Managers must compare the employee's competency, performance, and tenure to other MSL employees in the higher classification level when determining where to set the employee's pay to ensure appropriate internal pay relationships and equity.

The effective date of a reclassification that results in a higher pay band is the first day of the pay period and may not be more than 30 calendar days prior to the date of the agency head or designee's signature on the reclassification request.

2. Reclassification to a lower pay band

Employee pay may be reduced under a reclassification to a lower pay band. Managers must compare the employee's competency, performance, and tenure to other MSL employees in the lower occupational pay range when determining where to set the employee's pay to ensure appropriate internal pay relationships and equity.

The effective date of a reclassification that results in a lower pay band will be the first day of the pay period following the effective date of the reclassification.

F. Competency Pay – Base Pay Progression

Competency pay is used to compensate employees for their additional experience, training, and professional certification. Competencies must be identifiable, observable, and compared to like positions for internal equity. MSL must establish competency criteria prior to recommending and/or awarding competency pay adjustments.

Competency pay may be given as a one-time bonus or as base pay progression.

1. Funding Availability

Competency pay will be contingent on the availability of funding. If funding is unavailable for competency base pay progression in a particular year or biennium, the agency may be forced to forgo competency base-pay adjustments, and will consider other adjustments (e.g., one-time lump-sum distributions, Section G.) within available funding.

2. Proficiency Levels and Pay Rates (within-band progression and career ladders).

When funding becomes available, the MSL will establish and maintain proficiency levels and associated pay levels as the basis for setting individual employee pay in relation to the MSL Pay Chart (Appendix A). The agency will maintain definitions and criteria for each level in order to determine appropriate placement of employees based on the proficiencies required of their positions, and will document these criteria. Following are MSL's proficiency levels and associated pay levels.

Table 1: MSL Proficiency Levels & Pay Rates

Proficiency/ Competency Level		Pay Progression Level (as a % of Mid-point)
1	Entry	80 - 90%
2	Basic	90 - 100%
3	Advanced	100 - 110%
4	Expert	110 - 120%

3. Target MSL Pay Schedule Ratio Guidelines – Base Pay Progression to MSL Pay Schedule Mid-Point.

The MSL will track employee "target mid-point ratios" (the targeted percent of mid-point based on competency assessment) for employees, and will use these target mid-point ratios (TMRs) as guidelines for progressing employee pay to the mid-point rate (Appendix A) for their occupational pay range and for awarding employee base pay progression within available funding. For example, if the agency does not a have adequate funding to pay all employees at their TMR, the agency will adjust employee pay as close to their TMR as possible, on a prorated basis.

TMRs based on years of experience in the occupation can be used as guidelines for determining the appropriate pay negotiation range for new employees. TMRs can be used as guidelines for moving employee pay toward MSL Pay Schedule Mid-Point. TMRs can be advanced based on years of experience in the occupation or performance and competency assessments. Depending on the employee's overall competency and performance assessment, the manager may recommend a TMR

increment increase (table 2). The agency will then progress employee pay toward this TMR within available funding.

Table 2: Target MSL pay schedule Mid-Point Ratios Increments – Years of Experience

| Band | Entry | TMR Increments (based on years of experience in the occupation) |

Band	Entry	1	2	3	4	5	6	7	8	9	10
2	0.8	0.829	0.857	0.886	0.914	0.943	0.971	1.000	*	*	*
3	0.8	0.829	0.857	0.886	0.914	0.943	0.971	1.000	*	*	*
4	0.8	0.825	0.850	0.875	0.900	0.925	0.950	0.975	1.000	*	*
5	0.8	0.825	0.850	0.875	0.900	0.925	0.950	0.975	1.000	*	*
6	0.8	0.822	0.844	0.867	0.889	0.911	0.933	0.956	0.978	1.000	*
7	0.8	0.822	0.844	0.867	0.889	0.911	0.933	0.956	0.978	1.000	*
8	0.8	0.820	0.840	0.860	0.880	0.900	0.920	0.940	0.960	0.980	1.000
9	0.8	0.820	0.840	0.860	0.880	0.900	0.920	0.940	0.960	0.980	1.000

*progression past market (1.0) will be based on the employee's overall performance and competency assessment.

Table 3: TMR Increments – Performance

Outstanding	Three-increment increase
Exceeded Expectations	Two-increment increase
Met Expectations	One-increment increase
Needs Improvement	One increment delayed until performance meets expectations.
Unsatisfactory	No increase

To implement performance/competency-based TMR increases, movement through the TMR increments in Table 2 can be based upon employee's performance assessment (i.e., provide horizontal movement along the pay range based on performance and competency assessments).

G. Results Pay – Lump Sum Distribution for Individuals and Teams.

The MSL will establish and maintain criteria for results pay distributions (e.g., one-time bonuses) including pay awarded to employees (individuals and teams) based on work accomplishments (i.e. attainment of agency objectives such as completing special projects and implementing new methods and procedures). This pay component will give the MSL a means to reward employees for outcomes or outputs (e.g., successful project completion, significant cost savings, value-added engineering, etc.). Performance standards and criteria used to award results will be set at the beginning of each assessment period (i.e., the "Objectives").

Individual and/or team performance will be assessed at the completion of projects or at least on an annual basis, and appropriate results pay recommendations will be made based on the following criteria. Results pay distributions will typically be awarded as a one-time bonus.

1. Funding Availability
Results pay distributions are contingent on the availability of funding.

2. Individual performance (lump-sum distribution)
Employees who have at least six months of service with the MSL on or before the end of the evaluation period are eligible for individual lump-sum bonuses ranging from 0 - 4% of employee's base pay as of

June 30 each fiscal year. This adjustment is based on individual performance. Individual performance is measured and documented using the performance appraisal form.

3. **Team performance (lump-sum distributions)**
   Potential teamwork lump-sum bonuses range from 0 - 4% of employees' base pay as of *June 30 each fiscal year.* This adjustment is based on overall team performance and accomplishment of specific organizational goals or projects (objectives). This variable lump-sum bonus distribution is calculated on an annual basis before any individual base-pay adjustment. For employees with less than a full year's service, lump-sum bonus distributions are prorated based on the number of months completed during the fiscal year.

Table 4: Competency & Performance Increases

Competency Performance Rating	Example 1* - Lump Sum Distribution: % of salary	Example 2* - Lump Sum Distribution: Fixed $ amount
Outstanding	4% (example)	$500 (example)
Exceeded Expectations	3%(example)	$300 (example)
Meets Expectations	2%(example)	$200 (example)
Needs Improvement	0-1%(example)	$0 – 50 (example)
Unsatisfactory	0%(example)	$0 (example)

*these percentages and amounts are examples only and do not represent a promise or obligation to provide the distribution. Actual adjustments will be determined based on available funding and other factors (e.g., the scope and impact of projects, individual contributions to team results, degree of success in attaining goals, etc.).

V.   Quality Control and Assurance

All salary levels and adjustments with respect to an individual employee must be approved by the State Librarian or Designee.

An important element in successful implementation or expansion of a compensation program is employee and management support to ensure that the system is trusted as being objective and impartial. The MSL will address this issue by incorporating several quality control components into the plan to ensure consistency and compliance in the application of a competency-based performance management and compensation system.

- Individual offices/job units will help to develop their own in-band progression criteria and base the periodic review schedule on their business cycle and demands.
- Staff will participate in developing shared definitions for ratings and staff will actively maintain a portfolio of information regarding their performance (relevant items should also be defined by the position description and business requirements).
- Supervisors will be held accountable for completing appropriate and objective performance and competency evaluations throughout the performance review process.
- A tiered performance appraisal review process will help to ensure consistency and objectivity in the application of performance/competency management tools. Each employee's immediate supervisor will complete an initial performance evaluation. The next level manager and/or the Centralized Services Manager will periodically review employee performance appraisals completed by supervisors to ensure objectivity and consistency.
- Pay decisions will be made with the performance/competency information annually in group manager meetings to provide consistency, fiscal responsibility, and quality control.

VI.   Internal Review and Reconsideration Processes and Measuring Tool

The MSL will provide several avenues to ensure pay recommendations are properly implemented, including providing review of pay recommendations before implementation, allowing employees to comment on pay

recommendations, and providing an internal process for the resolution of disagreements regarding pay adjustments.

A. Pay Recommendations

Any recommendation for salary change for an individual other than a change based upon a statutory formula must be written by an appropriate supervisor and reviewed by the individual. The recommendation must state a specific base pay salary, lump-sum, or bonus recommendation and the basis for the recommendation. The affected employee may prepare written comments for submission with the recommendation. The recommendation is subject to final approval by the State Librarian.

B. Pay Adjustment Reconsiderations

The Pay Adjustment Reconsideration Process is an employee-initiated process for review or reconsideration of a pay adjustment decision for existing employees. If an employee does not agree with a pay decision, they may request reconsideration. The employee will submit a memo to the Centralized Services Manager outlining the reasons for the reconsideration request. The request must:

- Explain why they feel the pay adjustment is wrong, and what they feel is the right level and why
- Provide examples or detailed explanation of the disagreement with the decision.

Reconsideration requests will be evaluated by the management team who will provide a recommendation to the State Librarian regarding the appropriate pay adjustment.

C. Measuring Tools

Once a year the Central Services Manager will review this policy and the current salary information for Montana State Library employees and evaluate the progress of this pay plan. Tools that will be reviewed are the Interagency Pay Tool, comparison to the latest Market Analyses conducting by Department of Administration, Turnover ratio and external recruitment length. The results will be reviewed with the State Librarian and management team.