Department of Corrections Pay Plan: Addendum A
Natural Resource Energy Development Impact Compensation Procedures

The Department’s mission is to enhance public safety, promote positive change in offender behavior, reintegrate offenders into the community and support victims of crime. In order to fulfill this mission, the ability to hire and retain qualified employees throughout Montana is essential.

Due to the workforce challenges caused by natural resource energy development in Eastern Montana, the DOC will provide housing allowances and travel subsidies that are necessary to recruit and retain employees in the region. This addendum to the pay plan has been drafted to comply with the general requirements of the Natural Resource Energy Development Impact Policy, with one special contingency concerning travel subsidies.

Section D (5) of the Natural Resource Energy Development Impact Policy states that “special contingencies may be considered as part of an agency’s procedure when approved by agency management. Agency management is responsible for documenting and reporting any special contingencies implemented and providing the details of the contingencies to the Department of Administration. The agency shall properly document the type and rationale in the employees’ personnel record”.

Due to the rural nature of the impacted area and analysis of the proximity of available housing in relation to DOC worksites, it is necessary to provide a mileage subsidy to eligible employees driving 15 miles or more (one way) to their worksite, rather than the 50 mile threshold set forth in the Montana Operational Manual (MOM) policy. This special contingency will better meet the needs of the DOC in recruiting and retaining personnel in the impacted area.

A. Impacted Area

The impacted area includes offices and facilities located in the following counties: Custer, Daniels, Dawson, Fallon, Garfield, McCone, Prairie, Richland, Roosevelt, Sheridan, Valley, and Wibaux.

B. Eligible Employees

All Department employees working in the impacted area may be eligible for additional compensation, due to either working in a 24 hour 7 day a week facility, working in a high vacancy and turnover position, or both.

C. Additional Compensation Options

1) Housing Allowance Payments – This option is to help offset the cost of renting or renewing leases for new and current employees working in the impacted area.
2) Travel Subsidies – This option is to help offset the cost of travel for employees working in the impacted area who live 15 miles or more (one-way) from the employee’s assigned work location.

D. Payment of Housing Allowance

1) Housing allowances will be provided for impacted employees whose rental rates are more than 30% of their gross monthly salary.
2) Housing allowances will not result in rental rates that are less than 30% of the employee’s monthly gross salary.
3) The amount of housing allowance will be determined by employee pay, the local rental market, and the number of bedrooms required.
4) HR staff will utilize a matrix to determine eligibility and if eligible, the allowance amount.
5) Employees will be provided the housing allowance portion of their first and last month’s rent if required in the lease, and will be obligated to pay back any unused allowance in the event the employee resigns, is terminated, or terminates their lease early forfeiting the last month’s rent.
6) Employees will be required to provide a copy of their lease agreement to their supervisor prior to receiving a housing allowance.
7) Employees will be required to sign an acknowledgment and understanding form prior to receiving a housing allowance.
8) Payroll will verify the initial eligibility by validating that the employee’s lease amount is greater than 30% of their gross monthly salary.

E. Payment of Travel Subsidies

1) Payments will be made as follows:
   a. Travel to and from home to work of 15 miles or greater, one way, will be compensated at 15¢ per mile, not to exceed $230.77 per pay period.
2) Employees will be required to sign an understanding and acknowledgment form, including certifying one way mileage distance.
3) Employees are responsible for maintaining car insurance.
4) Employees must notify employer if their travel status changes.
5) Travel subsidies may be changed or discontinued based on travel status changes.

All payments for housing allowances and travel subsidies are taxable and are to be included in the computation of overtime rates as required by IRS regulations.

DOC management reviewed the procedure and will continue to review the procedure at least semi-annually to determine the impact on recruiting and retention in the impacted area. DOC also understands the coding requirement in SABHRS, the associated IRS regulations, and the requirement to file our procedures with the DOA.
DOC will discontinue providing additional pay for mileage subsidies and for housing allowances, or adjust housing allowances based on prevailing rental rates in the affected areas. Further, if adequate funding is not available within the DOC budget to continue paying housing allowances and travel subsidies, approval for such payments will be rescinded after a 90 day notice to impacted employees.

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Mike Batista, Director                      Date

Effective Date: June 18, 2013