

**MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES**

March 17, 1987

The meeting of the State Administration Committee was called to order by Chairman Sales on March ~~5~~¹⁷, 1987 in Room 437 of the State Capitol at 9:00 a.m.

ROLL CALL: Reps. Moore and Whalen were excused. All other committee members were present.

CONSIDERATION OF SENATE BILL NO. 376: Sen. Jergeson, Senate District # 8 and sponsor of the bill, stated that for the purpose of establishing insurance premiums, insurance companies must differentiate between on-the-job and off-the-job driving records. The bill is being introduced because two employees in my county received DUIs on their own time and county insurance rates were increased as a result. If a DUI occurs while an employee is on the job, he would be terminated. In this day of high computerization, insurance companies ought to be able to handle the requirement very well.

PROPONENTS: Gordon Morris, Montana Association of County organizations (MACo), supported the bill to segregate workplace environment from non-workplace environment for county insurance rates.

OPPONENTS: Roger McGlenn, Independent Insurance Agents Association of Montana, stated the bill will further reduce the availability of commercial auto insurance for municipalities. The companies can either not make coverage available, or charge a rate commensurate with the possible exposure that exists when you can't determine employee driving records as the cost to separate violations would be prohibitive. Driving records show driving habits and do not distinguish between business and personal use (Exhibit #1).

The state has been unable to secure a bid for the Montana auto fleet, so it has been self-insured. The company providing insurance for MACo is concerned that it may not be able to continue providing commercial auto coverage.

Glen Drake, American Insurance Association, stated that the ultimate cost of the bill is borne by the governmental agencies. If insurance companies underwrite the risk, a higher premium will probably be changed. Another choice would be to make individual examinations, which would be prohibitive.

Bonnie Tippy, Alliance of American Insurers, voiced opposition to the bill stating the assumption that people drive differently on the job is not true.

DISCUSSION OF SENATE BILL NO. 376: Rep. Campbell asked why the bill does not address private entities as well. Sen. Jergeson indicated he wouldn't have a problem with inserting private entities. Sen. Jergeson closed discussion of Senate Bill No. 376 by stating that small counties are not able to transfer employees to non-driving jobs to alleviate possible insurance rate increases, and urged the committee to concur in the bill.

CONSIDERATION OF SENATE BILL NO. 357: Sen. Haffey, Senate District # 33 and sponsor of the bill, stated that the bill puts procedures in place to cover acknowledgement of campaign information on election materials that are either too small to put a disclaimer on; or that have inadvertently been distributed without a disclaimer.

PROPOSERS: Margaret Davis, League of Women Voters of Montana, supported the bill and distributed Exhibit # 2.

Kim Willson, Common Cause, supported the bill and reported that a joint effort between the democratic and republican parties was made to make the law more effective.

Delores Colburg, Commissioner of Political Practices, stated that the bill provides timely procedures to correct errors.

OPPOSERS: None.

DISCUSSION OF SENATE BILL NO. 357: Rep. Roth asked for an example of an item that is too small for identification. Chairman Sales replied that campaign buttons would be an example.

Chairman Sales stated that the bill requires correction rather than just notification. Delores Colburg replied that a number of inexpensive methods of correction are usually available, such as

purchasing a stamp. If materials were inadvertently distributed without a disclaimer, an add in the paper may be used to inform the public.

Rep. Pistoria asked if a penalty is involved for noncompliance. Delores Colburg replied that Title 13, chapter 37, provides for a penalty of \$500 or three times the cost of the materials, whichever is greater for violations of campaign and election laws.

Sen. Haffey closed discussion on Senate Bill No. 357 by urging the committee to concur in the bill.

CONSIDERATION OF SENATE BILL NO. 365: Sen. Mazurek, Senate District # 23 and sponsor of the bill, stated that the bill, requested by the State Bar and Montana Supreme Court is primarily an incentive bill designed to encourage judges to stay on the bench. He distributed a proposed amendment, which has the support of the Chief Justice, and an information sheet showing judicial retirement plans in neighboring states (Exhibits # 3 and # 4).

Amendments # 3 through # 8 address the unfunded deficit in the judicial retirement system by increasing filing fees an additional \$1. Currently a judge received 3.5% of salary for each of the first 15 years of service and 1% per year beyond 15 years. The bill would change the penalty from 1% to 2% for benefit year beyond 15 years. Increased filing fees would provide the amount necessary to pay for the additional benefit. The bill is essentially the same retirement system South Dakota has for its judges. The proposed amendment also places an 80% of salary cap on the total amount a judge could receive in retirement benefits. Judges salaries in Montana are 50th in the nation. In 1983, employee contributions for judges were raised from 6% to 7% of salary. Nine states currently require no employee contribution toward retirement.

PROPONENTS: Chief Justice Gene Turnage, Montana Supreme Court, stated that the bill is an equitable and reasonable request. The bill will fund itself at no cost to local and state government. Judges are entrusted with perhaps more public trust than any other public office. If Montana keep judges on the bench, their expertise will pay dividends to the state.

Written testimony was received from District Judge Joel G. Roth supporting the bill (Exhibit # 5).

OPPONENTS: None.

DISCUSSION OF SENATE BILL NO. 365: Rep. Jenkins asked if the bill would increase further the divorce filing fee of \$100 that was just passed. Sen. Mazurek replied that the fee under this bill would be increased an additional \$6.

Chairman Sales asked if the \$.50 fees will also be increased by \$6. Sen. Mazurek replied that the increase applies only to complaints, responses, or answering of judgments.

Chairman Sales asked whether Legislature contributes more than 31% of fees collected (p. 2, l. 2). Linda King, Department of Administration, replied that judges contribute 7%, the general funds contributes 6%, and additional filing fees are supposed to equal 31% of salaries, but a shortfall has occurred. The amendment proposed to make up the \$180,000 deficit. In addition, one-fourth of the Supreme Court filing fees are also paid into the judges retirement system.

Sen. Mazurek closed discussion on Senate Bill No. 365.

CONSIDERATION OF HOUSE BILL NO. 835: Rep. Grady, House District # 47 and sponsor of the bill, stated that the bill is an act establishing state employee compensation plans and benefit levels; providing pay schedules for fiscal year 1988 and 1989; and appropriating funds for pay schedules. The proposed technical amendments will be addressed by Tom Schneider (Exhibit # 6).

PROPONENTS: Sen. Haffey, Senate District # 33, stated he asked that the bill be drafted. The Legislature has an obligation to state employees and needs to be certain not to abrogate that responsibility. The higher level professional and technical employees migrate. The wages the lower level positions earn is not something to be proud of.

Tom Schneider, Montana Public Employees' Association (MPEA), stated that the proposed amendments clean up problems in the original draft of the bill.

The bill calls for a 3% cost of living increase each year, a step increase each year, and an additional step increase January 1, 1988 to make up for the step not given in 1985. As with the pay freeze bill, it does not call for an increase in health insurance contributions.

State Administration Committee
March 17, 1987
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A statement from the Montana Power Company's business philosophy reads:

Our employees have a right to expect adequate compensation, fair treatment, and a fair workplace; a work environment free from prejudices, bias and harassment; opportunities through training and advancement consistent with ability and availability of openings; prompt accurate information about policies, plans, and projects affecting their employment and the future of the company.

The Legislature should reflect the private sector. Technical and professional jobs are 8% to 12% behind other states and just barely above poverty standards in lower level positions.

This bill would put \$57 million into the state's economy, and with a velocity factor of 5, would have an impact on retail sales of \$285 million. Think what this bill could do for the private sector. State employees work hard, provide meaningful services, and are important to the future of the state.

Please hold the bill and request a fiscal note so that we can offer an amendment that would be meaningful.

In 1973 when we passed the pay plan, employees were promised a step each year for 13 years as a condition of adopting the plan.

Terry Minnow, Montana Federation of Teachers, stated the salaries for Montana's workforce are 12% lower than their counterparts in surrounding states. An attitude of blaming the victims has existed too long. The state workforce has already been reduced by over 1,200 positions since 1977, and wages have been frozen since 1985. State employees are told that in addition to paying their fair share of taxes, they will also bear the primary responsibility for balancing the state's budget. State employees are being told their work is not worthwhile. The Legislature needs to address comprehensive tax reform, and when it does this bill should be available for consideration. Terry Minnow distributed written testimony from Jim McGarvey, Montana Federation of State Employees, supporting the bill (Exhibit # 7).

Phil Campbell, Montana Education Association, supported the bill and distributed Exhibit # 8. Starting salaries at some institutional schools are 16% less than their counterparts, and 46% less than their school employee counterparts. The students at Mountain View have seen three different teachers so far this year, as an example of institutional turnover. Teachers at Pine Hills and Mountain View have been frozen in step since 1985 and this bill would continue that freeze (p. 18, l. 11-13). Mr.

Campbell suggested deleting "the step occupied on June 30, 1987", and substituting " years of experience" (p. 18, l. 12), which would move people to the step that reflects their years of experience as well as academic achievement.

An average B.A. starting salary base is \$15,474 per year for city school teachers, and \$13,212 for institutional teachers. The teachers at Mountain View make \$2,168 less than their counterparts in the city of Helena, and the difference amounts to \$10,240 at the top end of the scale. Montana ranks 31st in the nation in terms of average salary for teachers.

OPPONENTS: Rod Sunstead, Department of Administration, stated the state has four matrices: statewide (90% of the employees), teacher, blue collar, and liquor store employees. All matrices have received the same percentage increases since 1981.

The DA supports House Bill 233, an integral part of the Governor's proposed budget, which provides for a wage freeze for all state employees for both years of the biennium. To date the DA has reached agreement with six bargaining units representing 20% of all state employees in the executive branch containing a wage freeze for each year of the biennium.

DISCUSSION OF HOUSE BILL NO. 835: Rep. Cody asked how many state employees Montana has. Rod Sunstead replied 10,000 in the executive branch, of which 5,600 are organized.

Rep. Roth asked how the funding is provided. Rep. Grady replied as we go through the session often times money shows up. At this point he couldn't state exactly how the funding will be provided.

Chairman Sales asked where in the codes are employees guaranteed a step increase each year for 13 years. Tom Schneider replied that no one Legislature can bind any preceding Legislature, but discussion would be found in the committee minutes and floor debate minutes when House Bill 475 was passed in the 1973 session. Verbal contracts are just as binding as any written contracts.

Chairman Sales asked if MPEA would like the fiscal note to reflect the amendments, and Tom Schneider replied yes.

Rep. Jenkins stated he was lobbied to send the bill to the Appropriations Committee so cuts could be made. Tom Schneider replied it certainly could be done but it would be very costly to the state in terms of employee moral and vacancies.

Rep. Cody asked how many people are at which grade levels on the pay plan. Rod Sunstead indicated he would supply the information to the committee.

Rep. Grady closed discussion on House Bill No. 835 by stating that even though times are tough, too drastic measures may not be good for the state. Sen. Grady requested that a fiscal note be requested and that the committee give the bill serious consideration.

DISPOSITION OF SENATE BILL NO. 376: Rep. Peterson moved the bill NOT BE CONCURRED IN. The motion was not seconded.

Rep. Roth moved the bill be TABLED, seconded by Rep. Pistoria. The motion passed (14-2) with Rep. Fritz and Pistoria voting no.

DISPOSITION OF SENATE BILL NO. 357: Rep. Cody moved the bill BE CONCURRED IN, seconded by Rep. O'Connell. The motion passed unanimously (16-0).

Rep. Nelson will carry the bill.

DISPOSITION OF SENATE BILL NO. 365: Rep. Cody moved a DO PASS on the amendments submitted by Sen. Mazurek, seconded by Rep. Phillips. The motion passed unanimously (16-0).

Rep. Pistoria moved the bill BE CONCURRED IN AS AMENDED, seconded by Rep. O'Connell. The motion passed (12-4) with Reps. Campbell, DeMars, Roth, and Jenkins voting no.

DISPOSITION OF HOUSE BILL NO. 835: Rep. O'Connell moved a DO PASS on the amendments submitted by Sen. Grady, seconded by Rep. Campbell. The motion passed unanimously (16-0).

Rep. O'Connell moved that a fiscal note be requested and then the bill be TABLED, seconded by Rep. Campbell. The motion passed unanimously (16-0).

DISPOSITION OF SENATE BILL NO. 136: Lois Menzies explained the amendments: 1) the bill addresses "public" rather than "state" employees; 2) the bill deleted 3 sections; and 3) a statement of intent is included because Section 3 grants rulemaking authority. The Department of Administration requested a termination date, and can apply for an extension (Exhibit # 10).

State Administration Committee
March 17, 1987
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Rep. Campbell moved a DO PASS on the amendments and Statement of Intent distributed to the committee, seconded by Rep. Cody. The motion passed (15-1) with Rep. Sales voting no.

Rep. Campbell moved the bill BE CONCURRED IN AS AMENDED, seconded by Rep. Cody. The motion passed (15-1) with Rep. Sales voting no.

Rep. Peterson will carry the bill.

ADJOURNMENT:

There being no further business to come before this committee, the meeting adjourned at 11:30 a.m.



Walter R. Sales, Chairman

7107a/C:JEANNE\WP:jj

DAILY ROLL CALL

State Administration

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-17-87

NAME	PRESENT	ABSENT	EXCUSED
Walt Sales	✓		
John Phillips	✓		
Bud Campbell	✓		
Dorothy Cody	✓		
Duane Compton	✓		
Gene DeMars	✓		
Harry Fritz	✓		
Harriet Hayne	✓		
Gay Holliday	✓		
Loren Jenkins	✓		
Janet Moore		✓	
Richard Nelson	✓		
Helen O'Connell	✓		
Mary Lou Peterson	✓		
Paul Pistoria	✓		
Rande Roth	✓		
Tonia Stratford	✓		
Timothy Whalen		✓	

STANDING COMMITTEE REPORT

March 17

19 37

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SB 136

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

PAGE 1 OF 3

WALTER R. SALLS

Chairman

FULL BENEFITS FOR EMPLOYEES WITH HOURS REDUCED DUE TO BUDGET DEFICIT.

1. Title, line 9.

Strike: "STATE"

Insert: "PUBLIC"

2. Title, line 13.

Strike: ", 2-13-612,"

Insert: "AND"

3. Title, lines 13 and 14.

Strike: "AND" on line 13 and "19-3-501," on line 14

4. Title, line 15.

Strike: "AND"

Insert: ", "

Following: "EFFECTIVE DATE"

Insert: ", AND A TERMINATION DATE"

5. Page 2, line 19.

Strike: "A STATE"

Insert: "An"

6. Page 2, line 1 through line 12, page 4.

Strike: section 2 in its entirety

Re-number: subsequent sections

7. Page 6, line 14.

Strike: "A STATE"

Insert: "An"

8. Page 6, line 22 through line 29, page 7.

Strike: sections 4 and 5 in their entirety

Insert: "NEW SECTION. Section 3. Rules on reduction in hours resulting from budget deficit. (1) Notwithstanding the provisions of this chapter, the board shall adopt rules providing that a member whose hours have been temporarily reduced as a result of a budget deficit receives the same retirement allowance as if the reduction had not occurred.

(2) Rules adopted under this section apply retroactively to members whose hours were reduced from 40

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REP. PETERSON TO CARRY THE BILL

hours a week to less than 40 hours a week on or after July 1, 1986, but whose hours were restored to 40 hours a week before July 1, 1989."

Renumber: subsequent sections

9. Page 3, line 3.

Strike: "5"

Insert: "3"

10. Page 3, line 3.

Strike: "4,"

Strike: ", AND 8"

Insert: "through 9, and 13"

11. Page 3, line 4.

Strike: "4,"

Strike: ", AND 8"

Insert: "through 9, and 13"

12. Page 3, line 5.

Strike: "5"

Insert: "3"

13. Page 3, lines 8 and 9.

Strike: "OF" on line 8 through "AGENCIES" on line 9

Insert: "as defined in 2-18-601"

14. Page 3, lines 11 and 12.

Strike: "of" on line 11 through "agencies" on line 12

15. Page 3, line 13.

Following: "data"

Insert: "-- termination"

16. Page 3, line 14.

Following: "approval"

Insert: "and terminates June 30, 1989"

Statement of Intent

Senate Bill No. 136

A statement of intent is required for this bill because it authorizes the public employees' retirement board to adopt rules providing that a retirement system member whose hours have been temporarily reduced as a result of a budget deficit receives the same retirement benefits as if the reduction had not occurred. The legislature intends that public employees suffer no loss of retirement benefits because reduced work hours are instituted to avoid employee layoffs. The legislature directs the board to develop equitable procedures for protecting retirement benefits for members of the public employees', Montana highway patrolmen's, sheriffs', Montana state game wardens', municipal police officers', and Montana unified firefighters' retirement systems.

7076b/C:JEANNE\WP:jj

12

STANDING COMMITTEE REPORT

March 17 19 27

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SB 365

- do pass be concurred in as amended
 do not pass be not concurred in statement of intent attached

PAGE 1 OF 2

WALTER R. SALES

Chairman

INCREASE SALARY PERCENTAGE USED TO CALCULATE JUDGES' PENSIONS AFTER 15 YEARS:

1. Title, line 9.

Following: "BENEFIT;"

Insert: "LIMITING A MEMBER'S SERVICE RETIREMENT ALLOWANCE TO 80 PERCENT OF FINAL SALARY;"

2. Page 1, line 23.

Following: "thereafter"

Insert: ", not to exceed 80% of final salary"

3. Page 2, line 9.

Strike: "\$5"

Insert: "\$6"

4. Page 2, line 21.

Strike: \$5"

Insert: "\$6"

5. Page 2, line 25.

Strike: \$5"

Insert: "\$6"

6. Page 3, line 2.

Strike: \$5"

Insert: "\$6"

7. Page 4, line 20.

Strike: \$5"

Insert: "\$6"

8. Page 5, line 3.

Strike: \$5"

Insert: "\$6"

9. Page 5, line 7.

Strike: \$5"

Insert: "\$6"

REP. COBB TO CARRY THE BILL

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10. Page 5, line 9.

Strike: "§5"

Insert: "§6"

11. Page 7, line 1.

Strike: "§5"

Insert: "§6"

7076a/C:JEANNE\WP:11

STANDING COMMITTEE REPORT

March 17

19³⁷

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SB 357

- do pass
- do not pass

- be concurred in
- be not concurred in

- as amended
- statement of intent attached

Walter R. Sales

Chairman

REQUIRE ELECTION MATERIAL FILED BEFORE PUBLICATION;
3-DAY COMPLIANCE RULE

glt
REP. NELSON TO CARRY THE BILL

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The Independent Insurance Agent's Association of Montana oppose Senate Bill 376 for the following reasons:

Senate bill 376 would further reduce availability of commercial auto insurance for municipalities in Montana by disallowing one of the major underwriting criteria of the insurance companies, the driving record.

If companies cannot review complete driving records, there is only two options open to the insurance company in our opinion: not to offer the coverage; or to charge a premium high enough to ensure the exposure is protected.

The motor vehicle reports from the Department of Justice do not distinguish between personal and work related violations. The cost for a company to separate these violations would be prohibitive, if possible at all.

A Washington State study shows the following:

<u>Number of violations:</u>	<u>Times more likely to have an accident:</u>
Clean driving record	0
1 violation	1.94
2 violations	2.56
3 violations	3.19
4 violations	3.57
5 violations	4.71

Driving records show driving habits or tendencies.

This bill would make Montana a much less attractive marketing area then other states that do not have this type of law.

= 1
3 17-87
= SB 376
D. J. Glenn
4/18/87

THE LEAGUE OF WOMEN VOTERS OF MONTANA

Margaret S. Davis, 816 Flowerree, Helena, Montana 59601, 443-3487

SB 357 - 3/17/87 House State Administration Committee

The League of Women Voters of Montana supports SB 357 as a necessary clarification of the law governing the printing or acknowledgment of campaign information on election materials.

2

3-17-87

SB 357

JUDICIAL RETIREMENT PLANS

STATE	JUDGE'S CONTRIBUTION	BENEFIT FORMULA	WALDOEN RETIREMENT BENEFIT	MANDATORY RETIREMENT	AGE AND SERVICE REQUIREMENTS	SUPREME COURT SALARY	DISTRICT COURT SALARY
Alaska	0% if appointed before 6/1/78, 7% after 6/1/78	5% per year of service	75% of current salary	70	Age 60 or may commence at 55 if 20 years service	85,728 to 97,728	77,304 to 90,828
Arizona	7%	3 1/3% of monthly pay at time of retirement, times each year of service through 20 years, 2% for each year after 20 years	80% of salary at time of retirement	70	Minimum 65 with 20 years service	75,000	70,000
Colorado	8%	2.5% of final average salary for each year up to 20, 1% of FAS for each year from 20 to 40	70% of final average salary for 40 years of service	72	Varies with service, between 55 and 60 with 30 years service, between 60 and 65 with 20 years service, 65 and over with 5 years service for regular retirement	63,000	54,000
Idaho	6%	4% per year for first 10 years, 2.5% thereafter times current salary of office, times years of service up to 25	N/A	70	65 years with 4 years service; any age after 20 years	59,750	56,000
Kansas	6%	4% of last monthly salary times years of service up to 10 years, 3.33% of last monthly salary for years past 10	65% of last monthly salary	70	No minimum length of service, may retire 65 or 62 with actuarially reduced benefits	64,268	55,872
Montana	6% (7% if elected or appointed after July '83)	3.2% of final salary times first 15 years, plus 1% for each additional year	N/A	70	Minimum age is 65 with 5 years service	50,452	49,178
Nevada	0%	N/A	2/3 of final salary	N/A	Minimum age of 60	73,500	67,000

State
Tables

STATE	JUDGE'S CONTRIBUTION	BENEFIT FORMULA*	MAXIMUM RETIREMENT BENEFIT	MANDATORY RETIREMENT	AGE AND SERVICE REQUIREMENTS	SUPREME COURT SALARY	DISTRICT COURT SALARY
New Mexico	5.5% (if elected before '81); 3.5% (elected after '81)	N/A	75% of last year's salary	None	Elected prior to 1981; age 60 with 10 years of service entitled to full benefit. Elected after 1981; age 60 with 15 years of service, full benefits	60,375	54,350
North Dakota	1%	3% of final average salary times first 10 years' service, 2% times served 10 years, 1% per year past 20	N/A	None	Normal retirement age is 65, early retirement possible at age 55 with 10 years of service.	59,140	55,519
South Dakota	8% increasing 1/8% of 1% every July 1 until 10%	50% of average final salary times ratio of years served to 15, not to exceed 15/15, plus 2% times years in excess of 15	N/A	70	Normal retirement age is 65 but can retire with reduced benefits at age 55.	56,975	53,210
Utah	2% (covers cost-of-living increases for retired judges)	3.25% of final average salary times years of service to 10, 2.25% times years from 10 to 20, plus 1% times years over 20	75% of final average salary	70 (trial court) 72 (supreme court)	Normal retirement age is 65 with minimum of 10 years service, can retire at age 55 with 20 years service but retirement actuarially reduced.	58,000	54,000
Washington	7.5%	3.5% of final salary times years service, 1% thereafter	75% of final average salary	75	Normal retirement age is 60 with 15 years service	66,000	60,000
Wyoming	0%	N/A	50% of current salary	70	Normal retirement age is 65 with 15 years service	63,500	61,000
Federal	0% (may contribute 4.5% for optional survivor annuity plan)	N/A	100% of salary of office from which retired	None		104,100	78,700

*Each state uses terms in its benefit formula such as "final average salary" or "average final compensation." The method by which this figure is computed varies for each individual state.

Source: Adapted from Timothy Pynes and Thomas P. Semons, *Judicial Retirement Plans*, American Judicature Society (Chicago, IL: June 1984); Survey of Judicial Salaries, National Center for State Courts (Williamsburg, VA: November, 1986)

Senate Bill 365
Third Reading

1. Title, line 9.
Following: " Benefit; "
Insert: " PROVIDING A LIMIT ON RETIREMENT BENEFITS OF 80 PERCENT OF SALARY; "
2. Page 1, line 23.
Following: " thereafter "
Insert: " , not to exceed 80% of final salary "
3. Page 2, line 9.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "
4. Page 2, line 21.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "
5. Page 2, line 25.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "
6. Page 3, line 2.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "
7. Page 4, line 20.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "
8. Page 5, line 3.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "

#4
3-17-87
P. SB 365

Submit
Magnum

Senate Bill 365
Third Reading
Page 2

9. Page 5, line 7.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "

10. Page 5, line 9.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "

11. Page 7, line 1.
Following: " ~~\$3~~ "
Strike: " ~~\$5~~ "
Insert: " ~~\$6~~ "

JOEL G. ROTH
District Judge

DON NYQUIST
Court Reporter

Phone 761-6700

DISTRICT COURT EIGHTH JUDICIAL DISTRICT



Cascade County, Great Falls

Judge's Chambers, Cascade County Courthouse
GREAT FALLS, MONTANA 59401

March 3, 1987

Representative
House of Representatives
State Capitol
Helena, MT 59620

Re: Senate Bill 365

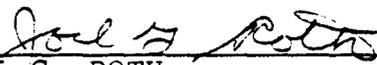
Dear Representative Janet Moore:

The House State Administrative Committee, of which I understand you are a member, will soon be scheduling a hearing on Senate Bill 365. As you recall, said Senate Bill relates to an increase from 1% to 2% in the retirement allowances after 15 years of service as a District Judge or a Supreme Court Justice.

I, as a District Court Judge, would urge your favorable consideration of said Senate Bill. The Bill provides for a funding mechanism which will impose no additional burden by way of cost to the State or local government.

I personally share our Chief Justice's perspective that the Bill if passed will be an incentive to any attorney who wishes to consider running for a judicial office in the future and will encourage the judges presently serving to remain on the Bench.

Very truly yours,



JOEL G. ROTH
DISTRICT JUDGE

JGR/clt

71 5
3 17 87
SB 365

Proposed Amendments to HB 835:

1. Page 1, line 6.
Following: "2-18-303,"
Insert: "AND"
Following: "2-18-315,"
Strike: "AND 2-18-703,"

2. Page 17, line 24.
Following: "for"
Insert: "each"
Following: "1987"
Insert: "1988 and"

3. Page 18, line 1.
Following: "of"
Insert: "each"
Following: "1987"
Insert: "1988 and"

4. Page 20, lines 3 through 19.
Strike: Section 8 in its entirety
Insert: "NEW SECTION. Section 8. Step increases. (1) Each employee must receive a one-step increase on an anniversary date.
(2) Each employee who had his step frozen during fiscal year 1985-86 must receive a one-step increase on January 1, 1988.
(3) Each employee who is at step 13 on July 1, 1987, must receive a lump-sum payment of \$300 on January 1, 1988."

HB835amd:ee

3-17-87
HB 835

Exhibit



MONTANA FEDERATION OF STATE EMPLOYEES

AFT, AFL-CIO

P.O. Box 1246

Helena, Montana 59624

(406) 442-2123

JIM MCGARVEY
Executive Director



TESTIMONY OF JIM MCGARVEY, EXECUTIVE DIRECTOR, MONTANA FEDERATION OF TEACHERS/
MONTANA FEDERATION OF STATE EMPLOYEES, AFT, AFL-CIO, PRESENTED TO THE HOUSE STATE
ADMINISTRATION COMMITTEE ON MARCH 17, 1987.

My name is Jim McGarvey and I am the Executive Director of the Montana Federation
of Teachers/ Montana Federation of State Employees. I appear before you today to
ask your support for H.B. 835, which provides a reasonable pay raise for state
employees.

Salaries for Montana's public workforce covered by the state pay matrix are already
12% lower than their counterparts in surrounding states. H.B. 835 addresses this
inequity in salaries.

There is more to this issue than fair wages, it is also an issue of equity. For
too long, there has been an attitude of "blaming the victim" regarding Montana's
public employees. Our members are told that times are tough, and that they will
have to suffer. It is as if the state workforce hasn't already been reduced by over
1,200 authorized positions since 1977; or that step increases were not frozen in
1985; or that so-called "vacancy savings" did not contribute to increased
caseloads.

And what are state employees told? That in addition to paying their fair share of
taxes, they will also bear primary responsibility in balancing the state's budget.
It is an impossible burden to place on employees who carry out the public policies
of our state. What is the message that is being sent to child protective social
workers? Is it that their work is not valuable, and the children not worthy of
protection? What of the state employees who provide direct care, custody and
treatment at our institutions, as well as other public employees who provide on an
ongoing basis, those essential services that make Montana an attractive place to
work and live?

Only the maintenance of Montana's quality of life will provide the lasting
solutions necessary in an increasingly complex and changing economy. If we are to
secure a positive future for all Montanans, we need essential services necessary to
make our communities attractive to the entrepreneurs and innovators who are
creating most of the businesses and jobs these days. We must remain competitive
with other states in providing a quality public workforce. Public employees cannot
be expected to continue to shoulder an unacceptable burden. Montanans must all
carry their fair share, because more than public employees share our common
destiny.

I urge your favorable consideration of H.B. 835. Public employees are entitled to
decent compensation for the valued work they perform, and this bill provides that
equity. We cannot afford to force talented state employees elsewhere to seek a
decent standard of living for themselves and their families, and we cannot afford
to allow essential services for Montanans to continue to deteriorate.

What will truly resolve our dilemma is broad based comprehensive tax reform that
guarantees that all Montanans pay their fair share and provides adequate revenues
for our public investments in a positive future for ourselves and our children.

Thank you for your consideration.

= 7
3-17-87
835
Terry Minnow
EPC

SALARY INFORMATION FOR INSTITUTION SCHOOLS

PREPARED BY
MONTANA EDUCATION ASSOCIATION
1987

8
3-17-87
835

*Exhibit
Phil Campbell*

MONTANA SALARY
SCHEDULE AVERAGES
(MEANS) 1986-87

Class	# of Teachers	Average BA Base	Average MA Base	Average MA/10 Years
Statewide	9165	\$15,474	\$17,269	\$23,780
1st	5191	\$15,772	\$17,834	\$24,884
2nd	3216	\$15,447	\$17,171	\$23,911
3rd	758	\$15,419	\$17,231	\$23,166

COMPOSITE SCHEDULES
QUARTER HOURS

1986-87

NO.	Class	TOTAL TEACHERS:					9,165
		BA	EA+15	EA+30	EA+45	MA+15	
1	Statewide	142	142	142	80	137	38
2	1st	15,474	15,999	16,528	16,950	17,269	17,822
3	2nd	16,050	16,616	17,181	17,624	17,976	18,585
4	3rd	16,619	17,227	17,834	18,283	18,679	19,351
5		17,213	17,868	18,509	19,148	19,409	20,149
6		17,807	18,509	19,190	19,871	20,148	20,955
7		18,385	19,148	19,868	20,360	20,894	21,758
8		18,957	19,766	20,533	21,039	21,616	22,572
9		19,520	20,397	21,203	21,712	22,351	23,348
10		20,051	21,012	21,860	22,386	23,066	24,128
11		20,535	21,606	22,519	23,060	23,780	24,909
12		20,988	22,163	23,170	23,731	24,490	25,690
13		21,144	22,614	23,735	24,324	25,148	26,443
14		21,211	22,827	24,219	24,879	25,775	27,176
15		21,247	22,916	24,480	25,394	26,340	27,858
16		21,258	22,957	24,611	25,731	26,817	28,493
17		21,268	22,971	24,656	25,934	27,196	29,061
18		21,272	22,974	24,667	25,983	27,311	29,168
19		21,276	22,978	24,672	26,003	27,371	29,275
20		21,278	22,981	24,674	26,003	27,381	29,284
21		21,281	22,984	24,677	26,003	27,391	29,285
22		21,283	22,987	24,680	26,003	27,395	29,287

ADDENDUM A

STATE OF MONTANA

05/03/85

ANNUAL HOURS = 2080

DEPARTMENT OF ADMINISTRATION

NOTE: DOES NOT INCLUDE
INSURANCE

PAY-MATRIX= TEACHERS

PERSONNEL DIVISION

1986 -- 1987

TERM = NINE MONTH

MATRIX TYPE= ANNUAL

EDUCATION

EXP	PAYROLL	BA	BA+1	BA+2	BA+3	MA	MA+1
	STEP						
0	1	13,212	13,656	14,112	14,335	14,557	15,013
1	2	13,735	14,230	14,726	14,974	15,222	15,717
2	3	14,256	14,804	15,338	15,614	15,887	16,423
3	4	14,779	15,379	15,952	16,253	16,553	17,127
4	5	15,300	15,952	16,565	16,891	17,219	17,833
5	6	15,823	16,527	17,180	17,532	17,885	18,538
6	7	16,343	17,100	17,792	18,171	18,549	19,241
7	8	16,866	17,675	18,407	18,812	19,216	19,946
8	9	17,387	18,248	19,020	19,450	19,882	20,651
9	10	17,910	18,824	19,634	20,089	20,546	21,356
10	11	18,433	19,397	20,246	20,729	21,212	22,060
11	12	18,433	19,397	20,246	20,729	21,212	22,060
12	13	18,433	19,397	20,246	20,729	21,212	22,060

As per H.B. 375, Section 2-18-303(3)(iii): "The compensation of each teacher on the first day of the first pay period in July, 1986, shall be that amount which corresponds to his level of academic achievement and the step occupied on June 30, 1985.

STATE: MONTANA

KEY= 276666666607

DISTRICT: FINE HILLS (STATE SCHOOL)

EFFECTIVE 7/86

NO. OF TEACHERS:

15

ENROLLMENT:

EF	EA	EA+15	EA+30	EA+45	MA	MA+15
1	13,212	13,656	14,112	14,335	14,537	15,013
2	13,735	14,230	14,726	14,974	15,222	15,717
3	14,256	14,804	15,338	15,614	15,887	16,423
4	14,779	15,379	15,952	16,253	16,553	17,127
5	15,300	15,952	16,565	16,891	17,219	17,833
6	15,823	16,527	17,180	17,532	17,885	18,538
7	16,343	17,100	17,792	18,171	18,549	19,241
8	16,866	17,675	18,407	18,612	19,216	19,946
9	17,387	18,248	19,020	19,450	19,882	20,651
0	17,910	18,824	19,634	20,089	20,546	21,356
1	18,433	19,397	20,246	20,729	21,212	22,060

STATE: MONTANA

KEY= 276676678607

DISTRICT: MOUNTAIN VIEW SCHOOL (STATE)

EFFECTIVE 7/86

NO. OF TEACHERS:

13

ENROLLMENT:

TEP	EA	EA+15	EA+30	EA+45	MA	MA+15
1	13,212	13,656	14,112	14,335	14,537	15,013
2	13,735	14,230	14,726	14,974	15,222	15,717
3	14,256	14,804	15,338	15,614	15,887	16,423
4	14,779	15,379	15,952	16,253	16,553	17,127
5	15,300	15,952	16,565	16,891	17,219	17,833
6	15,823	16,527	17,180	17,532	17,885	18,538
	16,343	17,100	17,792	18,171	18,549	19,241
	16,866	17,675	18,407	18,612	19,216	19,946
9	17,387	18,248	19,020	19,450	19,882	20,651
0	17,910	18,824	19,634	20,089	20,546	21,356
1	18,433	19,397	20,246	20,729	21,212	22,060

STATE: MONTANA

KEY= 270090228607

DISTRICT: MILES CITY DIST #1

EFFECTIVE 7/84		NO. OF TEACHERS:				ENROLLMENT:	
STEP	BA	BA+15	BA+30	BA+45	MA	MA+15	
1	14,630	15,160	15,700	15,980	16,240	16,770	
2	15,260	15,840	16,440	16,750	17,030	17,610	
3	15,890	16,530	17,190	17,530	17,820	18,460	
4	16,520	17,220	17,940	18,300	18,610	19,310	
5	17,150	17,910	18,680	19,080	19,400	20,160	
6	17,780	18,590	19,430	19,850	20,190	21,010	
7	18,400	19,280	20,170	20,630	20,980	21,860	
8	19,030	19,970	20,920	21,400	21,770	22,710	
9	19,660	20,660	21,670	22,180	22,560	23,550	
10	20,290	21,350	22,410	22,950	23,350	24,400	
11	20,920	22,030	23,160	23,730	24,140	25,250	
12	...	22,720	23,910	24,510	24,930	26,100	
13	...	...	24,650	25,280	25,720	26,950
14	...	...	25,400	26,060	26,510	27,600
15	...	...	26,140	26,830	27,300	28,650
16	...	...	...	...	28,090	29,490

ATTAINMENT LEVEL 4.5

STATE: MONTANA

KEY= 270250158607

DISTRICT: HELENA DIST #1

EFFECTIVE 7/86		NO. OF TEACHERS:				ENROLLMENT:		
STEP	BA	BA+15	BA+30	BA+45	MA	MA+15	MA+30	
1	15,380	15,900	16,440	16,960	17,500	18,030	18,550	
2	16,000	16,580	17,160	17,750	18,330	18,920	19,490	
3	16,610	17,260	17,890	18,530	19,160	19,810	20,430	
4	17,230	17,930	18,610	19,320	19,950	20,700	21,360	
5	17,840	18,610	19,330	20,100	20,830	21,570	22,300	
6	18,460	19,290	20,060	20,890	21,660	22,490	23,240	
7	19,070	19,960	20,780	21,670	22,490	23,380	24,180	
8	19,690	20,640	21,500	22,460	23,320	24,270	25,120	
9	20,300	21,320	22,220	23,240	24,150	25,160	26,050	
10	20,920	21,990	22,950	24,020	24,980	26,050	26,990	
11	21,530	22,670	23,670	24,810	25,810	26,950	27,930	
12	...	23,350	24,390	25,590	26,640	27,840	28,870	
13	...	...	25,120	26,380	27,470	28,730	29,810
14	...	...	...	27,160	28,300	29,620	30,750
15	...	...	...	...	29,130	30,510	31,680
16	...	...	...	...	29,960	31,410	32,620
17	...	...	...	...	30,790	32,300	33,560

ATTAINMENT LEVEL 4; CAREER INCREMENTS BEGIN. 17 YRS

CHANGES IN AMOUNT OF SALARY SCHEDULES 276676678607 OVER 270250158607
 FOR SCHOOL DIST.MOUNTAIN VIEW SCHOOL (STATE)
 AND SCHOOL DIST.HELENA DIST #1

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	EA	EA+10	EA+20	EA+30	MA	MA+10
1	-2,168	-2,244	-2,322	-2,402	-2,943	-3,017
2	-2,265	-2,350	-2,434	-2,521	-3,108	-3,203
3	-2,354	-2,456	-2,532	-2,616	-3,273	-3,387
4	-2,481	-2,551	-2,658	-2,767	-3,437	-3,573
5	-2,540	-2,658	-2,765	-2,889	-3,611	-3,757
6	-2,637	-2,765	-2,880	-3,008	-3,775	-3,982
7	-2,727	-2,860	-2,988	-3,199	-3,941	-4,139
8	-2,824	-2,965	-3,093	-3,248	-4,104	-4,324
9	-2,913	-3,072	-3,200	-3,390	-4,268	-4,509
10	-3,010	-3,166	-3,316	-3,531	-4,434	-4,674
11	-3,097	-3,273	-3,424	-3,681	-4,598	-4,890
12	-3,097	-3,953	-4,144	-4,861	-5,428	-5,780
13	-3,097	-3,953	-4,874	-5,651	-6,238	-6,670
14	-3,097	-3,953	-4,874	-6,431	-7,058	-7,560
15	-3,097	-3,953	-4,874	-6,431	-7,918	-8,450
16	-3,097	-3,953	-4,874	-6,431	-8,748	-9,350
17	-3,097	-3,953	-4,874	-6,431	-9,578	-10,240

CHANGES IN AMOUNT OF SALARY SCHEDULES 276658668607 OVER 270090228607
 FOR SCHOOL DIST.FINE HILLS (STATE SCHOOL)
 AND SCHOOL DIST.MILES CITY DIST #1

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	EA	EA+10	EA+20	EA+30	MA	MA+10
1	-1,418	-1,504	-1,588	-1,645	-1,683	-1,757
2	-1,525	-1,610	-1,714	-1,776	-1,808	-1,893
3	-1,634	-1,726	-1,832	-1,916	-1,933	-2,037
4	-1,741	-1,841	-1,958	-2,047	-2,057	-2,183
5	-1,850	-1,958	-2,115	-2,189	-2,181	-2,327
6	-1,957	-2,063	-2,250	-2,318	-2,305	-2,472
7	-2,057	-2,180	-2,378	-2,459	-2,431	-2,619
8	-2,164	-2,295	-2,513	-2,588	-2,554	-2,764
9	-2,273	-2,412	-2,650	-2,730	-2,678	-2,899
10	-2,380	-2,526	-2,776	-2,861	-2,804	-3,044
11	-2,487	-2,633	-2,914	-3,001	-2,928	-3,190
12	-2,487	-3,323	-3,664	-3,781	-3,718	-4,040
13	-2,487	-3,323	-4,404	-4,551	-4,508	-4,890
14	-2,487	-3,323	-5,154	-5,331	-5,298	-5,740
15	-2,487	-3,323	-5,894	-6,101	-6,068	-6,590
16	-2,487	-3,323	-6,694	-6,101	-6,878	-7,430

DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION



ROD SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 444-3871

HELENA, MONTANA 59620

TESTIMONY OF ROD SUNDSTED, CHIEF NEGOTIATOR FOR THE
EXECUTIVE BRANCH OF STATE GOVERNMENT IN COLLECTIVE
BARGAINING, IN OPPOSITION TO HOUSE BILL 835

Mr. Chairman, Members of the Committee, my name is Rod Sundsted, and I am the Chief Negotiator for the Executive Branch of State Government in Collective Bargaining.

I appear before you today in opposition to HB 835. As I am sure you are aware, the administration's proposal for state employees' salaries during the Fiscal Year 1988-89 biennium is contained in HB 233, which has already passed the House. HB 233, which is an integral part of the Governor's Executive Budget proposal, provides for a wage freeze for both years of the biennium for all state employees. We are continuing negotiations with most major bargaining agents representing state employees. Although the bargaining process has been somewhat slow this year, we have now reached tentative agreement with six bargaining units. These agreements cover approximately 1,200 state employees, or over 20% of all organized employees. These six agreements contain a wage freeze for the Fiscal Year 1988-89 biennium.

I ask that you not support HB 835, in favor of the administration's proposal and the agreements reached to date.

Leg-3/ROD

9
3-17-87

835

March 17, 1987

Mr. Speaker:

The House State Administration Committee requests that a fiscal note be prepared for House Bill No. 835, an act establishing state employee compensation plans and benefit levels. The fiscal note should reflect the attached amendments. In addition, the Committee asks that the fiscal note provide a breakdown as to the cost of implementing each 1% increase to the pay schedules for each year of the biennium and the cost of implementing each step increase. (The amendments propose three step increases during the biennium.)

Sincerely,



Walter Sales, Chairman

House State Administration Committee

Proposed Amendments to HB 835:

1. Page 1, line 6.
Following: "2-18-303,"
Insert: "AND"
Following: "2-18-315,"
Strike: "AND 2-18-703,"

2. Page 17, line 24.
Following: "for"
Insert: "each"
Following: "1987"
Insert: "1988 and"

3. Page 18, line 1.
Following: "of"
Insert: "each"
Following: "1987"
Insert: "1988 and"

4. Page 20, lines 3 through 19.
Strike: Section 8 in its entirety
Insert: "NEW SECTION. Section 8. Step increases. (1) Each employee must receive a one-step increase on an anniversary date.
(2) Each employee who had his step frozen during fiscal year 1985-86 must receive a one-step increase on January 1, 1988.
(3) Each employee who is at step 13 on July 1, 1987, must receive a lump-sum payment of \$300 on January 1, 1988."

HB835amd:ee

Statement of Intent
Senate Bill No. 136

A statement of intent is required for this bill because it authorizes the public employees' retirement board to adopt rules providing that a retirement system member whose hours have been temporarily reduced as a result of a budget deficit receives the same retirement benefits as if the reduction had not occurred. The legislature intends that public employees suffer no loss of retirement benefits because reduced work hours are instituted to avoid employee layoffs. The legislature directs the board to develop equitable procedures for protecting retirement benefits for members of the public employees', Montana highway patrolmen's, sheriffs', Montana state game wardens', municipal police officers', and Montana unified firefighters' retirement systems.

soisbl36.wp

#10
3-17-87
S.B.136

PROPOSED AMENDMENTS TO SENATE BILL NO. 136 (THIRD READING--BLUE):

1. Title, line 9.

Strike: "STATE"

Insert: "PUBLIC"

2. Title, line 13.

Strike: ", 2-18-612,"

Insert: "AND"

3. Title, lines 13 and 14.

Strike: "AND" on line 13 and "19-3-501," on line 14

4. Title, line 15.

Strike: "AND"

Insert: ", "

Following: "EFFECTIVE DATE"

Insert: ", AND A TERMINATION DATE"

5. Page 2, line 19.

Strike: "A STATE"

Insert: "An"

6. Page 3, line 1 through line 12, page 4.

Strike: section 2 in its entirety

Renumber: subsequent sections

7. Page 6, line 14.

Strike: "A STATE"

Insert: "An"

8. Page 6, line 22 through line 20, page 7.

Strike: sections 4 and 5 in their entirety

Insert: "NEW SECTION. Section 3. Rules on reduction in hours resulting from budget deficit. (1) Notwithstanding the provisions of this chapter, the board shall adopt rules providing that a member whose hours have been temporary reduced as a result of a budget deficit receives the same retirement allowance as if the reduction had not occurred.

(2) Rules adopted under this section apply retroactively to members whose hours were reduced from 40 hours a week to less than 40 hours a week on or after July 1, 1986, but whose hours were restored to 40 hours a week before July 1, 1989."

Renumber: subsequent sections

9. Page 8, line 2.

Strike: "5"

Insert: "3"

10. Page 8, line 3.

Strike: "4,"

Strike: ", AND 8"

Insert: "through 9, and 13"

11. Page 8, line 4.

Strike: "4,"

Strike: ", AND 8"

Insert: "through 9, and 13"

12. Page 8, line 5.

Strike: "5"

Insert: "3"

13. Page 8, lines 8 and 9.

Strike: "OF" on line 8 through "AGENCIES" on line 9

Insert: "as defined in 2-18-601"

14. Page 8, lines 11 and 12.

Strike: "of" on line 11 through "agencies" on line 12

15. Page 8, line 13.

Following: "date"

Insert: "-- termination"

16. Page 8, line 14.

Following: "approval"

Insert: "and terminates June 30, 1989"

