

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Jacobson, Chairman, on April 9, 1991,
at 7:00 a.m.

ROLL CALL

Members Present:

Judy Jacobson, Chairman (D)
Greg Jergeson, Vice Chairman (D)
Gary Aklestad (R)
Thomas Beck (R)
Esther Bengtson (D)
Don Bianchi (D)
Harry Fritz (D)
H.W. Hammond (R)
Ethel Harding (R)
Bob Hockett (D)
Thomas Keating (R)
Dennis Nathe (R)
Lawrence Stimatz (D)
Larry Tveit (R)
Eleanor Vaughn (D)
Mignon Waterman (D)
Eve Franklin (D)

Members Excused: Senators Devlin, Manning, Weeding

Staff Present: Teresa Olcott Cohea(LFA).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON HOUSE BILL 5

Presentation and Opening Statement by Sponsor:

Representative Connelly, District 8, Flathead County, stated the bills she is presenting today are the long range planning subcommittee bills. HB 5 is the capital projects bill. It appropriates funds for capital projects and authorizes bonds and appropriates proceeds for major construction projects. HB 5 appropriates \$126,073,699 for the capital projects for the 1993

biennium. Of this amount, \$8,032,298 is from the capital projects cash account, \$57,180,571 is from other funds including state special and federal funds, and \$60,860,830 are bond proceeds from G.O. bonds. HB 5 includes \$10,075,600 appropriation for the Women's Correctional Facility as authorized in HB 528. She introduced an amendment to HB 5 (See exhibit 1).

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Aklestad questioned the tracking of these projects and asked if there is a system at the present time with the monies that are allocated for various projects for improvements and where the monies are actually going. He asked if the money has actually been used for the projects. Rep. Connelly said a report is brought in each session to her committee and she noted that Architecture and Engineering Division also tracks the projects.

Tom O'Connell, Administrator of Architecture and Engineering Division, said the money appropriated in the Long Range Building program is set aside for specific projects. He said money is spent only specifically for those projects; money can't be spent for anything other than what is authorized.

Senator Keating questioned the source of the state park maintenance and development statewide that is paid with state special revenue. Rep. Connelly said she has a list and it is from those various sources.

Senator Keating asked with regard to page 11 of HB 5, Section 12, regarding the Women's Correction Center, if it was the intent that the state would build a women's correction facility and have it operated like the men's prison at Deer Lodge. Rep. Connelly said that is the way it is presently because of the bill Rep. Brooks has stating it would be state bonding and that is why it is included.

Senator Hammond questioned page 4, repairs for building roof and so forth for \$339,000. He said the School for the Deaf and Blind was only built a few years ago. Mr. O'Connell said it was built in 1968. When questioned by Senator Hammond if that is where a portion of the wall is giving way, Mr. O'Connell said the building where the brick had separated from the structure was the gymnasium building. He noted they worked with the contractor and had that repaired at no cost to the state.

Representative Fritz questioned the figure for the business administration building at the University of Montana and asked if that was 12 percent. Rep. Connelly said yes, that was the amount they had to come up with for the match. When asked by Senator Fritz if HB 5 authorizes the construction of that building once the 12 percent is raised, Rep. Connelly said that was correct, that the money for the planning is in HB 5, page 9. Senator Fritz asked if there were discussions on the overall question, philosophy of requiring private money to build a public building. Rep. Connelly said a lot of time was spent on that and they thought they should not do it, but they could not find another way to get that much money. She said the Governor wanted to do it. She concluded they took several votes on it and ended up reducing it to 12 percent.

Senator Aklestad said with regard to the women's prison and the idea of getting communities to come up with the financing and leasing it back, he wondered if that was not being considered anymore. Rep. Connelly said it was discussed in House Appropriations Committee but Rep. Brooke's bill was passed, which required bonding be done by the state. She noted there was much discussion about concerns that the communities possibly could not come up with the monies. She added there was discussion about whether to start over to reapply since the rules had changed but nothing came of that. She concluded it is still in her bill to have the communities select the site.

Senator Keating asked if the cigarette tax, for the most part, is the long range building funding source. Rep. Connelly said no, there is some coal tax. Jim Haubein, LFA, said the cash account is primarily from a portion of the cigarette tax. There is some interest that goes in and fees charged by Architecture and Engineering. He added in this particular bill there is also one million dollars from the Mansfield foundation.

Senator Keating questioned where we are at with the cigarette tax revenue; is it increasing or decreasing. Mr. O'Connell said he does not have the figures handy but could advise that in the last two bienniums the cigarette tax has gone from approximately 10 million dollars down to 5 million dollars the last biennium and an estimated revenue of about 7 million this biennium. There has been a steady decline for five or six bienniums. The only reason for the increase to about 7 million dollars this biennium is because of passage of a bill last session that increased the tax by two cents, which was for construction of the Eastern Montana Veterans Home. The money has been set aside for that facility even though the federal participation of that has not been approved yet. The continuation of that tax has been figured in to the revenue estimate for the building program that has been presented to the legislature.

Senator Keating asked if there is any danger at some point the decline in the cigarette tax will not service the debt on the

bond. Mr. O'Connell said with the program presented to the legislature, he did not see that as a problem. He added there are still a few bills being introduced that substantially raise that tax and change the percentages that go to the building program.

Closing by Sponsor:

Representative Connelly closed.

HEARING ON HOUSE BILL 6

Presentation and Opening Statement by Sponsor:

Representative Connelly, District 8, Flathead County, sponsor, said HB 6 is another long range building bill which appropriates money to the Department of Natural Resources and Conservation for grants and loans from the water development and renewable resources development programs. She said she has a list of those projects (Exhibit 2).

Proponents' Testimony:

None

Opponents' Testimony

None

Questions from Committee Members:

Senator Nathe asked on page 4, line 7, what the Montana state library is doing on drought monitoring system. Rep. Connelly said it will implement two recommendations in the state water planning process. John Tubbs, Bureau Chief of Resource Development Bureau, said the Montana state library contains the natural resource information system which is housed there. He said part of the drought plan that was one of the components of the state water planning effort was to take information collected and compile that and allow the natural resource information system to distribute that. He concluded it is designed to get drought information out to the public and other agencies.

Senator Keating asked if it was part of the cataloguing of the hydrology studies as well. Mr. Tubbs said no. He added it is additional work they are going to do. The drought plan called for dividing the state into several smaller units. At the present time there are six major divisions they keep drought statistics for. It is a detailed approach to collecting drought information.

Senator Hammond questioned how they would sell this project and what it would do for us. Mr. Tubbs said the project was an

outgrowth of state water planning process that developed as one of the components. He noted it starts with identification of topics, and this past year the topics were storage and drought. This was an effort to provide more detailed information to the agencies.

Senator Beck questioned page 4, line 16, private applicant, asking what that involved. Rep. Connelly said that will be used to design and construct a new wastewater lagoon at Stockett, Montana. She noted it is contingent on the applicant forming a water sewer district.

Senator Keating asked for an estimate of the amount of money that will be available from each account; what is the money that is appropriated. Mr. Haubein, LFA, said funds available would be almost \$987,000 worth of water development money; \$577,000 worth of renewable resources, almost 2.7 million dollars worth of reclamation costs. All of that comes from RIT interest or a portion of that plus coal tax.

Senator Keating stated he did not understand the connection between Section 13 funds available where it says it is the intent of the legislature to spend a minimum of one million dollars from each of those accounts. Rep. Connelly said those were set up because so much of the RIT money was being used for administrative costs or other things.

Senator Hammond questioned if renewable resource grants were only given to agencies. Mr. Tubbs said they are for local governments, conservation districts, irrigation districts formed under public guidelines as well as state agencies. The only thing excluded from renewable resources are private applicants, corporations, private persons.

Senator Hammond noted his concern that there is duplication and people are doing it to check on each other. Senator Hockett said there is a neutron probe program to monitor irrigation water needs. He indicated it will save a lot of water and determine whether it is available and how much we will need and that is a continuation of a project already started.

Senator Beck questioned page 14, lines 14 and other underlined material, regarding eastern Sanders conservation district and additional sampling of surface and ground water for herbicides and pesticides being conducted. He noted it earmarks one area of sampling and questioned if there was a specific problem in that area or why was that included in HB 6. Mr. Tubbs indicated there was a specific problem in the headwaters of that area. He said this program will be reviewing surface and ground water.

Senator Aklestad questioned the stricken language on pages 7 through 9 and wondered if it was because some of it was not approved here but was approved in some other area of the bill.

Rep. Connelly said the bill was written based on the people that had applied. She added they did not know until after they met whether the projects were approved or not. They only had so much money so they set priorities for what was the most important and would do the most good for the people in Montana. She noted they have a priority list if anyone is interested in reviewing it.

With regard to a question from Senator Aklestad regarding the many changes in HB 6, Mr. Haubein said the committee was originally looking at prioritizing both water development and renewable resources all in one list. When that was done, it changed priorities on the list. In order to amend those in the bill it was easier to strike the front section and put the renewable resources in the order they are now seen. When the list was put together, it changed priorities and that is the reason for so many changes in the bill.

Closing by Sponsor:

Representative Connelly closed.

HEARING ON HOUSE BILL 7

Presentation and Opening Statement by Sponsor:

Representative Connelly, District 8, Flathead County, sponsor said HB 7 appropriates funds to the Department of Natural Resources and Conservation for water development loans and authorizes the issuance of coal severance tax bonds. The source of funds for these loans is from bond proceeds with the bonds being backed by the Coal Tax Trust Fund. Section 8 of this bill authorizes the Board of Examiners to issue revenue bonds to replace the water development bonds.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Bengtson questioned if it is common that the Board of Investments charges a certain percentage to people getting the loans.

Anna Miller, Department of Natural Resources, said when a bond is issued, there are bond counsel costs and things like that which are all pro rata, distributed back to the borrowers. They participate in any costs incurred.

Senator Bengtson asked regarding revenue bonds that can be sold in addition to the bonds backed by the coal tax, and wondered if they are selling revenue bonds for these programs as well as general obligation bonds and how long they have been doing that. Anna Miller said this is something new that they want the option to do. She said right now the only G.O. bonds that are sold are in the water development program and renewable resource program. The coal severance tax bonds are large public loans. She said there is a situation with these bonds where at some point in time it may be advantageous for the state to refund those bonds and reissue them as revenue bonds. She noted they would like the authority to do that but that has not been done to date.

Senator Hockett said there was much committee discussion on zero percent interest loans and noted it caused much controversy. He mentioned he would like to have the Department comment on this. Ray Beck, Administrator of Conservation and Resource Development Division, said there was a request that came to them and that there is confusion on the process. He indicated when the committee considered executive action on this bill that he would be glad to meet with them and walk them through the process on the grant and loan application process. He said there was an application that came to them at zero percent request and the legislature in the past had not funded a zero percent loan request. He noted there were several things that factored into this on why it was passed onto the legislature at zero percent. The project supports a unique and important wildlife area. The facility will increase safety for people that live downstream and water users supplied directly by the reservoir and there was minimal cost displacement for the users. The committee had a difficult time struggling through this because it would set a precedent. The committee felt a three percent loan would be more appropriate; there are four or five other loans at three percent but no loans at a reduced rate below three percent. He concluded he could get additional information on this for executive action.

Senator Bianchi said regarding loans at the three percent level and talking about loans at one or two percent below the bonding rate, what bonding rate are we talking about; what kind of subsidy are we presenting to the people at three percent. Anna Miller said it mostly depends on the time the bonding is done. The last G.O. bond they got at about nine and one-half percent. They anticipate now that might be lower because of the economic climate. When questioned by Senator Bianchi if the rate at the present time is nine and one-half percent, Ms. Miller said a little lower now, maybe nine percent. Senator Bianchi asked if we did not loan this money and kept it in the coal severance tax fund and invested it in the normal bonding market, would the interest earned on that go into the general fund. Ms. Miller said that money would probably flow into the permanent tax trust where it would stay and interest earnings would go to the general fund to be spent. She said she wanted to state the bonds that went out at the nine percent rate were for private entities. If

we did a loan for these particular people because they are public entities, we would be dealing with tax exempt bonds and the rate would probably be more like seven or eight percent.

Senator Bianchi questioned how much we would have in the general fund if we did not do any of this. Ms. Miller said it is hard to equate on what kind of a hit it would be on the general fund. She said in the last five or ten years this program has had a history of using about half a million dollars a year out of the revenue stream from the permanent coal tax trust fund. Regarding a question from Senator Bianchi on the total amount for the entire program, Ms. Miller said if this were a normal loan where the normal proceeding was gone through, it would probably still average about half a million dollars a year. She said she was referring to the Lima Dam project.

Senator Bianchi asked on that particular project on the Lima Dam, how many people are involved, and how many people are we subsidizing. Ray Beck said he did not have that figure with him but could get it. Senator Bianchi said he had a problem with the Lima Dam being characterized as a unique wildlife area in that the Dam went dry, and he wondered how it could be described as unique. Mr. Tubbs said it is unique as a wildlife area in that it is a trumpeter and Canadian geese area when water is there in the spring.

Closing by Sponsor:

Representative Connelly closed.

HEARING ON HOUSE BILL 8

Presentation and Opening Statement by Sponsor:

Representative Connelly, District 8, Flathead County, sponsor, said this bill appropriates money to the Department of Natural Resources and Conservation for projects under reclamation and development grants program. HB 8 authorizes 25 reclamation grants for \$4,160,992. These grants are funded with 46 percent of the balance remaining from the RIT funds after program appropriations.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Aklestad questioned regarding oil and gas

conservation, do they fall under the category of existing statute where they are supposed to find the liable party. He asked if in all of these projects they have not been able to find the liable party to fund the abandoned wells and cleanup. Representative Connelly said they do look for a responsible party but if they can't find someone, they have this program.

Senator Aklestad asked if all of them have gone through the screening process to find the liable parties. Mr. Tubbs said yes.

Senator Aklestad questioned regarding nonpoint source pollution in different projects in HB 8 and asked if there is duplication of effort. Mr. Tubbs said there is apparent duplication and salinity control association is going to concentrate most of its efforts on salinity and problems associated with saline seep in Montana. He added there are many areas of concern in nonpoint source pollution and in his opinion would be more complimentary to each other than duplicative.

Senator Bengtson asked Rep. Connelly if this is all RIT money. Rep. Connelly said 46 percent is RIT interest earnings. Senator Bengtson questioned if when grants and loans are given out they are based mostly on critical need or is there geographical distribution as well. Rep. Connelly said it is both, that they try to take care of the worst problems first. When questioned by Senator Bengtson if it is coal and gas and oil that pay into the RIT development, Mr. Haubein said it comes from several mineral taxes. It goes into a trust fund and the trust fund is not to be spent until it reaches a total of one hundred million dollars. However the interest from this is where the funds come from and the reclamation and development receives 46 percent of interest from that trust fund.

Senator Beck asked with regard to page 4, line 23, if this is Clark's Fork of Yellowstone River Basin or for the Clark's Fork and the Yellowstone River Basin. Mr. Tubbs said it is the Clark's Fork of the Yellowstone. He noted it is shown that way because of the confusion of Clark's Fork River in western Montana.

Senator Keating said with regard to page 4, line 6, there is a coordinator for upper Clark River Basin, and he questioned how that got in. Rep. Connelly said it was added in the Appropriations committee. Mr. Haubein said it was put in long range building, and it was Senator Lynch's amendment. Senator Keating asked if there was any discussion in the committee as to the value of the coordinator in that project. He stated he recalled an appropriation to establish a coordinator and questioned if it was a useful tool or if we were providing a job for someone.

Senator Jacobson said Butte Silver Bow has been working with the EPA. She said there are a number of problems in Butte Silver

Bow, starting with the Pit and going through Silver Bow Creek and on to the Clark Fork. They felt it was vital to have somebody in the area that was working to get some of the things done and that person has been very helpful. The committee felt it is such vital concern to the state and the Clark Fork River, and all things in between, that it would be helpful to have that person continue.

In answer to a question from Senator Bengtson, Rep. Connelly said they are in a prioritized list.

Senator Bengtson asked regarding Yellowstone County LIS/GIS project. Mr. Tubbs said GIS is geographical information system. Yellowstone County came in with the program to introduce a system at the County level. Initially they recommended no funding because it was so broad and the project was not pulled together, but later on they first did a pilot project and then expanded it. He noted they were given a possibility of receiving funding but are still approximately one million dollars out of the anticipated funding. When questioned by Senator Bengtson if it was the intention as a pilot project that it could be used statewide, Mr. Tubbs said that was correct, that was an anticipated benefit of the program.

Senator Hammond questioned why there are several grants made to the same organization in two different bills. Mr. Tubbs said the bills already have language that says if one is funded out of one source of money, you cannot fund it out of the other. He noted on some projects, they have divided into subprojects. When asked by Senator Hammond if any in the Chinook irrigation district was on the reservation, Mr. Tubbs said he didn't believe so. It would not include reservation properties, but the Milk River rehabilitation plan encompasses the tribes as well.

Closing by Sponsor:

Representative Connelly closed.

HEARING ON HOUSE BILL 9

Presentation and Opening Statement by Sponsor:

Representative Connelly, District 8, Flathead County, sponsor, said HB 9 appropriates money for the cultural and aesthetics grants program. HB 9 contains funding for 97 grants for that program. The report will be given to the next legislature. It contains \$1,259,000 state special revenue fund appropriation. They are funded by a portion of the earnings from the Parks Acquisition Trust fund which receives its revenues from a portion of the coal tax revenues.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Jacobson asked if there is less money than anticipated, all projects will be funded but maybe at a lesser amount. Rep. Connelly said that was correct.

Closing by Sponsor:

Representative Connelly closed.

HEARING ON HOUSE BILL 842

Presentation and Opening Statement by Sponsor:

Representative Connelly, District 8, Flathead County, sponsor, stated that HB 842 would revise the cultural and aesthetic grant award procedure. It requires a grant for a facility owned by a county or municipality to have financial and in-kind support for the project from the county or municipality.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Connelly closed.

HEARING ON HOUSE BILL 10

Presentation and Opening Statement by Sponsor:

Representative Bardanouve, sponsor, stated HB 10 is a \$2,835,000 oil overcharge appropriation. It is money from an oil overcharge lawsuit in which the United States government sued major oil companies when they violated price controls. The money will be used for various energy efficient programs and energy related programs. He said these lawsuits have been going on for

several years and some of them have not as yet been settled. Once the lawsuits are settled, the overcharge money will no longer come in. Montana has been receiving and will continue to receive money. This is money that has come in since the 1989 session.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Bardanouve closed.

HEARING ON HOUSE BILL 963

Presentation and Opening Statement by Sponsor:

Representative Bardanouve, sponsor, said HB 963 is a bill providing for the consolidation of the Montana Developmental Center campus and providing for the funding by bonds issued through the Montana health facilities authority. It allows the Department of Institutions to enter into loan agreement with the Authority for 8.7 million dollars in bond proceeds to provide funding for downsizing the Center at Boulder. It establishes a limited obligation debt secured by a mortgage of the facility and requires the reimbursement revenues from the facility from Medicaid, insurance, private and other sources be pledged to pay the debt service for the loan. Any reimbursement revenues in excess of those needed for debt service are deposited in the general fund. He concluded it will not be a general fund obligation. After the principal and interest are paid off, the savings will continue and will be a benefit to the general fund because those savings will go on for many years.

Proponents' Testimony:

Curt Chisholm, Director, Department of Institutions, stated his support of HB 963 and added his thought that it would better enable the state to keep Boulder certified. He concluded the winners would be the residents of the Montana Developmental Center.

Opponents' Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Bardanouve closed.

EXECUTIVE ACTION ON HOUSE BILL 963

Motion:

Senator Nathe moved that House Bill 963 BE CONCURRED IN.
Motion carried unanimously.

Discussion:

Representative Bardanouve said the Department of
Institutions has some amendments to the bill to make it work.
(See exhibit 3)

Amendments, Discussion, and Votes:

Senator Nathe moved that the committee reconsider its action
taken on HB 963 for purposes of amendment. Motion carried
unanimously.

Senator Nathe moved the amendments (See exhibit 3).

Mr. Chisholm said the amendments were adopted by the House
Appropriations Committee but because of a clerical error did not
get incorporated into the bill. The amendments clean up language
that is needed in order to make it a revenue bonded issue with
the Health Facilities Authority.

Senator Nathe's motion to amend HB 963 carried unanimously.

Recommendation and Vote:

Senator Nathe moved that HB 963 AS AMENDED BE CONCURRED IN.

Motion that HB 963 AS AMENDED BE CONCURRED IN carried
unanimously.

HEARING ON HOUSE BILL 498

Presentation and Opening Statement by Sponsor:

Representative Stepler, District 21, sponsor, said HB 498 authorizes the Department of Natural Resources and Conservation to use \$678,526 unspent proceeds from Renewable Resource GO bonds for water development loans, and increases limit on renewable resource development loans. By doing this, DNRC will not have to issue water development GO bonds for loans to private entities. Loan repayment proceeds will be deposited into the renewable resources state special revenue account. It also increases the loan limit for renewable resource development loans from \$100,000 to \$200,000.

Proponents' Testimony:

Ray Beck, Administrator, Conservation and Resource Development Division, Department of Natural Resources and Conservation, stated HB 498 was a request to use the proceeds from the 1985 series bonds and was a recommendation from the State's bond counsel, Dorsey and Whitney. The bond counsel felt the funds should be used and HB 498 would give them the flexibility to do so. He concluded that raising the renewable resource development loans from \$100,000 to \$200,000 would give them a consistent amount in the two loans.

Opponents' Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Stepler closed.

HEARING ON HOUSE BILL 524

Presentation and Opening Statement by Sponsor:

Representative Bob Raney, Livingston, sponsor, said HB 524 provides a \$70,000 oil overcharge appropriation from the stripper well payments to DNRC for a study to assess the ability of the present electrical transmission system in Montana and the pacific northwest to accommodate the development of wind farms in Montana. The appropriation will be matched at least \$2 to \$1 with private or federal funds. This bill makes this project priority after the low income leaking underground storage tanks replacement program, and before the institutional conservation program in HB 10. He concluded with HB 524, if private enterprise and the federal government do not want to move forward towards a real bonafide sited project, then the money will not be spent and next time we will have \$70,000 for our ending fund balance.

Proponents' Testimony:

Van Jamison, Administrator of Energy Division, Department of Natural Resources and Conservation, indicated his support of HB 524 and said the wind program is contained in the most recent Northwest Power Planning Council's power plan. He added the plan calls for a transmission assessment to determine what costs are necessary in order to develop this in a cost effective fashion. This will give essential information necessary to make financial commitments required to develop commercial wind farms in the state.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Jacobson asked Rep. Raney regarding the funding in HB 524 and questioned why it was not a part of HB 10. Rep. Raney said he did not understand the process of HB 10 when he put the bill in. He said he was interested in insuring that something be done for wind energy. Then the oil overcharge became the only source of revenue. What oil overcharge was set up to do fit with his proposals to move the state forward in wind energy. He added the House Appropriations Committee could combine the two together but chose not to. When asked by Senator Jacobson what it does to the priority list in HB 10, Rep. Raney said the House Appropriations Committee took it from top priority to second from the bottom priority. He noted the weatherization projects are the only things falling below this; there is ample money available for the weatherization project so the Department is sure they have the money available to do this, not only from money appropriated this time, but from reversion money from last session.

Regarding a question from Senator Jacobson about stripper well payments, Rep. Raney said that is the oil overcharge fund. Mr. Jamison said they have made conservative estimates of putting together the oil overcharge proposal and stated it was his feeling they would probably receive more revenue than is going to be appropriated during the course of the session. He noted there is some uncertainty as to how much revenue will come in. If there is excess, it will be for the 1993 legislature to appropriate.

Senator Hockett noted his concern that the large number of wind generators near Livingston have blown away and questioned if it did not work before, how would it work now. Rep. Raney said Livingston was an experimental site. Many small companies were building generators and locating them near Livingston with the assumption that anything that could survive that wind would be good generators, and most of those could not do it. There are some still operating near Livingston, and those are the European

style that were designed as wind generators and not as propellers. Much technology has been developed and they are certain the windmills are now available to withstand the Montana winds and to last for many years. He concluded nobody will do it yet because there is no siting knowledge as to where wind farms can be put up and actually market the electricity, and that is what HB 524 does.

Senator Nathe stated it is a good idea and something that should be looked at. He questioned if FERC has changed its thought that if we get into this, utilities have to buy the electricity at replacement cost. Rep. Raney said on the wind farms that BPA is willing to back, they will subsidize the purchase of the power just to get some commercial wind farms on line. At that point it will change. He added it has more of a purpose than just to generate.

Senator Keating noted his concern about the aesthetic view of Montana and how this would affect that. Rep. Raney said there would be no long term damage to the environment. Senator Keating said there is successful reclamation in mining and oil and gas exploration as well and they clean up the environment after they have extracted the benefits from nature and he wanted everybody to understand that.

Senator Hammond questioned Rep. Raney if included in HB 524 was anything regarding people working on energy development by windmills and making deals with REA whereby they would have energy flowing back into the lines as well as what is mined out. Rep. Raney said they are looking at commercial size generators, something on a rather large scale. When asked by Senator Hammond if that could become a part of the bill, Rep. Raney said anything that moves wind forward will help experimental windfarms and others. He noted the long term effects will get to the people. Senator Hammond said much time has been spent on this and REA looked favorably on this and he hoped it could be included in this and they could extend to others their expertise.

Van Jamison said as they envision HB 524, REA would be invited to participate in this review. He added they recognize they are part of the grid and it is important for us to understand how the system would function.

Closing by Sponsor:

Representative Raney closed by noting it will have to be known that we are moving ahead toward wind energy in Montana or the money won't be spent.

HEARING ON HOUSE BILL 528

Presentation and Opening Statement by Sponsor:

Representative Vivian Brooke, Missoula, sponsor said HB 528 is a bill authorizing the construction of the Women's Correctional Facility. It contains the process for site evaluation and selection for the women's correctional facility. It establishes the criteria for the selection, identifies the makeup of the site selection committee and places the decision for the selection with the committee. The bill specifies the facility will be a 120 bed facility. The funding for the construction of this facility is in HB 5 with the source of funding being G.O. bonds. The general fund appropriation of \$5,000 is for the site selection committee expenses. (See exhibit 4). She presented a letter in support of HB 528 from Sheryl Hoffarth (See exhibit 5), as well as a letter of support from Margaret L. Borg (See exhibit 6).

Rep. Brooke said in HB 528 she was trying to avoid the kind of political football these type of projects become and offered this in an attempt to have the legislature be a part of the process in determining the site and to create the ideal situation. She hopes we are able to come up with a program and a facility that would serve the needs of people that at this time are housed in an old, crowded nurses dormitory. She concluded by encouraging the committee to give this careful consideration with the fact that we are looking at the needs of the women inmates and the fact that the legislature should be in the process of developing an impartial site selection process.

Proponents' Testimony:

Representative Dorothy Cody, Wolf Point, stated her support of HB 528 and discussed the criteria used for the site selection committee. She added she is testifying in support of the bill because she thinks it is much wiser not only for the Department's benefit but also the benefit of the legislature to put into statute what we believe the criteria should be for this. She encouraged the committee to keep the selection committee as it is because it is the wise thing to do and also put in criteria for this institution that is so important to Montana.

Diane Sands, Executive Director of Montana Womens Lobby, stated her support of the bill as it currently addresses the needs for site selection process and addressing the needs of women inmates as the first priority. She concluded the needs of women in this facility are pressing at this time and thinks the site selection committee will balance that objectively and professionally to select a site without undue political considerations.

Scott Crichton, Executive Director of American Civil Liberties Union in Montana, said there are many studies that have been done discussing size and need. He indicated the site selection process outlined in HB 528 is the most impartial and that they have tried to remain impartial about where the prison is built.

Harley Warner, Montana Association of Churches, stated his support of the project and added the only thing he did not like about it was the fact it was referred to as a women's prison rather than a women's correctional facility.

Curt Chisholm, Director, Department of Institutions, stated his support of HB 528. He stated he has concerns about the bill and would like to see amendments made during executive session. He noted this has been a controversial issue and indicated their Department solicited interest from various communities and received much interest which now has boiled down to eight communities. He noted HB 528 leaves them to select a site where it will be constructed and a committee to choose that. He suggested that amendments be made to HB 528 to make sure it is explicitly clear that no proposal can be considered other than the eight already received by the Department. He added his thought that that is what everybody's intent was and thinks there is language doing that. He noted the committee would make a fair and impartial decision as to where that facility should be located. He felt there should be some final authority to make sure there is no error in process or in fact. The Department suggested amendments to Sections 9, 10, 11 and 13 which codifies the facility and gives it the name Women's Correctional Facility. That has not been the name of the intended facility from the Department of Institutions' perspective. They feel it should be Women's Correctional Center and that is the name they would like to have the facility called. Other problems in HB 528 include in Section 3 that communities respond in an RFP fashion to information required in the bill, ten items under construction and five items under service information that must be contained in an RFP received by the Department January 30, 1991. That has already been received. Section 6 of the bill indicates that the programs are going to be evaluated on 17 issues; a number of those items were not required in the RFP process. He said that is something locked in the law that the committee should be concerned about. He concluded he did not think the bill is in passable, workable shape at the present time. He said he does not want the bill killed, but thinks it is flawed in terms of working mechanism that could render it inoperable. He stated that all eight communities will be watching this selection committee carefully and will challenge at every opportunity to make sure everything is done appropriately. He suggested HB 528 be given to a subcommittee to make sure we are comfortable with it and that it is in workable shape and then return it to the full committee to take action on.

Representative Menahan stated he was the person putting in some of the amendments in the House Appropriations Committee and also appreciated the work of Representative Cody. He concluded his support of the recommendation that some aspects of the bill should be looked at before executive action.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Waterman said she would like a response on whether a compromise could be worked out on Section 6 of the bill in a short period of time. Senator Jacobson said she plans to put a subcommittee of five on this overnight to see if we can get together with them.

Senator Waterman said she would like to offer an amendment on some technical errors in the site language some of the amendments in the House did not work out. Senator Jacobson suggested Senator Waterman submit her amendments in executive action.

Senator Keating asked Mr. Chisholm regarding an idea that a private nonprofit organization would build a facility and then the State would contract for the housing of the clientele in the facility for the purpose of that bill, and he wondered if that idea was still being considered. Mr. Chisholm said he did not think that was being considered and that the State would now simply build the facility. When questioned by Senator Keating if it would then become another State building and State institution, Mr. Chisholm said that is correct.

Senator Bengtson asked Representative Brooke regarding the process in place that prompted the language in HB 528, who comprised the selection committee and the criteria. Rep. Brooke said she believed that the administration or executive branch of government and legislative branch have obligations each in their own way. At the time the legislature convened there was no language for this branch of government to authorize any of the process. If we had gone with just the bonding authorization that would be the only part of the authority to involve the legislature with this process of this major project. She felt it necessary to engage in the process with the executive branch to put in legislation approved by the legislature.

Senator Bengtson asked Rep. Brooke if she had ever served on a site selection committee and Rep. Brooke said she had not.

Senator Nathe questioned Mr. Chisholm if he felt if the communities did not respond to the November proposals because they had to build it themselves, and would they would get an entirely different response if they knew the State would construct the facility. Mr. Chisholm said he was not sure and it could be that some may now be interested. He added they told the responding communities that this is subject to legislative approval and changes they may want to make. Senator Nathe said he asked that because there are communities that probably would not feel, as local government entities, that they had the financial wherewithal, and there seemed to be criteria this had to be located in one of the postsecondary educational towns or

cities. Mr. Chisholm said they went through great efforts to advise the communities that their abilities to raise the necessary capital would be assisted by the fact that it was ultimately going to be the state that would pay off their debt service and he did not think that could or should have been an issue with them. He said with regard to postsecondary educational issues, much of that was purposely placed in the criteria to ensure that there was communities responding that could provide all the services that would be required to nurture this kind of a program.

Closing by Sponsor:

Representative Brooke closed.

Senator Jacobson appointed a subcommittee to work with the sponsor, proponents and the Department to see if they could come up with an agreement. She appointed Senator Hockett to chair the subcommittee, along with Senators Vaughn, Bianchi, Nathe and Beck.

HEARING ON HOUSE BILL 684

Presentation and Opening Statement by Sponsor:

Representative Jerry Driscoll, District 92, Billings, sponsor, said HB 684 is \$250,000 from local impact funds to Department of Natural Resources for a loan to MHD-Corette plant in Billings. Due to unanticipated coal tax revenue from an audit, the local impact account has \$1.016 million for which the Coal Board does not have fiscal 1991 spending authority. This would have to be matched one to one by private sources for development of the MHD project in Billings. Proposed amendments would appropriate half a million dollars from the same account to Eastern Montana College to create a clean coal technology center at Eastern to put together information from all over the world about technology and burning coal with least amount of emissions. He said this would be a one time appropriation in that they need seed money to get started.

Proponents' Testimony:

Senator Crippen, Billings, said the bill was amended in House Appropriations Committee and eliminated the clean coal provision of the original bill. He discussed an amendment to bring back into focus that aspect of the bill and would reduce the figure from one million to one-half million dollars. He said during the interim they worked with U. S. Senator Burns who pointed out a committee is looking at two site locations in the country to provide monies to institutions of higher education with regard to this technology, and one of them is Eastern

Montana College. He said Eastern Montana College is a natural site for it, and he added the amendment is important to get some matching funds from the federal government.

Keith Colbo, representing MHD Development Corporation, stated his support of HB 684. (See exhibit 7) He said the amendments offered by the sponsor are appropriate. He said this bill would benefit not only Billings but the entire state as well as our resources. It is a demonstration project that could impact the nation's energy generation in the future, and brings focus on Montana as an area of the country with the capabilities in research and technology to accomplish these kinds of things.

Steve Huntington, also representing MHD Development Corporation, stated his support of HB 684 (See exhibit 8)

Don Peoples, President of Montana Technology Companies and vice president of MHD Development Corporation, stated his support in HB 684 as an exciting opportunity for the state in technology in that it would allow MHD Corporation to go forward with application for federal funds and make this project a possibility. He said MHD will come up with \$250,000. The cost of the application is very high; they are anticipating a cost of over \$500,000 for preparation of the project. He concluded if the legislature should approve this \$250,000, MHD will match it dollar for dollar. He asked for support of Montana's basic natural resource, which is coal.

James Tutwiler, Montana Chamber of Commerce, stated his support of the bill and added it is a positive leading step towards promoting the use of clean coal.

Cal Cumin, Yellowstone County economic director, stated his support and noted Montana is the first of 15 major states that produce coal and Montana has the most resources and most reserves; we are first in coal. He indicated that \$735,000 goes into the coal impact fund. This is the money they are after to finance HB 684 as amended. He presented to the committee draft legislation submitted by Senator Burns as part of a national energy strategy bill (See exhibit 9).

Dan Farmer, Billings Chamber of Commerce, stated his support of the bill and said that coal is one of the aces in Montana.

J. A. Ziegler, Sr., Yellowstone County Commissioner, indicated his support of the bill and added the impact the project will have on the county and state and nation and urged support of the bill as amended.

Herschel Robbins, Musselshell Valley Development Corporation, stated his support of HB 684 as amended.

Ken Heikes, Montana University System, speaking on behalf of the Board of Regents stated their support of HB 684 and the

amendment.

Opponents' Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Driscoll closed.

HEARING ON HOUSE BILL 777

Presentation and Opening Statement by Sponsor:

Representative Joe Quilici, sponsor, said HB 777 is a request to authorize 3 million dollars in bonds to the Department of Natural Resources and Conservation for weatherization of state buildings. There would be \$400,000 of oil overcharge funds.

Proponents' Testimony:

Tom Livers, Department of Natural Resources and Conservation, stated his support of HB 777 (See testimony, exhibit 10).

Nobby Johnson, School District 1, Great Falls, stated his support and distributed to the committee a summary of the savings generated by the most recent building done under this plan in Great Falls (See exhibit 11).

Hugh Jesse, University of Montana, stated his support of HB 777 and indicated there was a potential for 1.9 million dollars of savings at the University in the next ten years.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Jergeson asked Representative Quilici if he saw a conflict between this bill and House Bill 10. Rep. Quilici said he did not believe there was.

Closing by Sponsor:

Rep. Quilici closed by indicating this would have to be approved every biennium by the legislature.

HEARING ON HOUSE BILL 990Presentation and Opening Statement by Sponsor:

Representative Sheila Rice, District 36, Great Falls, sponsor, said HB 990 provides an appropriation for funding the Lewis and Clark Historic Trail Interpretive Center in Great Falls. She noted she had amendments prepared to HB 990 (See exhibit 12). The amendments propose a one percent increase in the motel/hotel lodging tax which could be used for the Center. She said traditionally the bed tax has been used for tourism promotion and she said she is asking the committee that an additional one percent for infrastructure, for buildings, to give the tourists something to see and enjoy while they are here. She added people come to Montana to see the Center and adds diversity to our tourism offerings. She concluded that the one percent increase in bed tax will represent an investment in the state for the lodging industry.

Proponents' Testimony:

Bob Bivens, Interpretive Center steering committee, testified in support of HB 990 (See exhibit 13).

James Parker Shields, a member of the Chippewa Tribe, testified in support of HB 990 (See exhibits 14, 15).

Marsha Stagmiller, Great Falls, indicated her support of HB 990 and emphasized the importance of this project in Montana. She showed to the committee a map with the Lewis and Clark trail that are officially designated in historic sites that have already received national attention. She noted the Interpretive Center will add great credibility to all the sites, and the bed tax is serving a very important need and we must be ready for the visitors by providing them with facilities to experience while they are in Montana.

Opponents' Testimony:

Keith Colbo, Montana Tourism Coalition, said he is reluctantly speaking in opposition to HB 990. He said they do support interpretive centers but they oppose it because they question if the return from the centers will be creating something we will be able to support, and is a good image for Montana. He noted the costs of these programs are a very real concern. He noted that one percent addition to the accommodation tax does not seem like much at first, however, if we do that we are reaching the limit of what the tax will be at for a long time. He added that more study and work needs to be done on this and he would like the opportunity to work with the coalition formed by the sponsor of HB 990. He noted there is a problem in state parks. We are looking at a funding base that is too narrow to support the efforts of the bill. The funding source is not broad enough to support state parks, interpretive centers and

visitors centers. He said a concern with the proposed amendments in the statement "funds may be used to replace 1.5 million dollars of general fund appropriations in House Bill 2 for state parks". He said this a concern that the tourism industry had when they supported the imposition of a four percent accommodations tax.

Stuart Doggett, Montana Innkeepers Association, stated they oppose HB 990 as amended. He said they support the concept of tourism information centers but they are not convinced the proposed amendment to HB 990 is the right approach. He noted tourism information centers are a high priority for the state tourism office. The amendments puts the tourism information centers in with state parks and other areas. He concluded he would support improving the tourism infrastructure but is opposed to mandating changes at this time by adding one percent.

James Tutwiler, Montana Chamber of Commerce, stated he is concerned with the amendment being offered that would provide for a one percent increase in the accommodations tax. He noted the bed tax as it is working now has proven to be the primary reason why we can look to tourism as a growing industry. He felt the amendment to HB 990 would set a precedent and concluded that the bed tax right now that is primarily used in promoting Montana as a desirable place to visit is the best investment of the revenue that we can possibly make.

Questions From Committee Members:

Senator Keating said the bill originally called for one million dollars from the income and earnings of the coal tax permanent trust fund. He asked Rep. Rice out of what portion of those earnings was this intention directed. Rep. Rice said after the bill was drafted, she learned that 15 percent of the coal tax fund was dedicated to school foundation money. She said it was general fund money they were searching for in the House when the bill was introduced.

Senator Bengtson asked Mr. Colbo regarding his reference to HB 2 in funding the parks program and she questioned how the parks program was funded. Mr. Colbo said it was mentioned that funds could be offset in HB 2 with the one percent for the maintenance in parks in the amount of 1.5 million dollars.

Senator Bengtson said she didn't want any confusion on how parks were funded in HB 2 and we did not allude to getting anything from the tourism dollar or the bed tax at all. That was in the Governor's budget and funded by general fund which is a commitment by our committee.

Closing by Sponsor:

Representative Rice closed by saying we need infrastructure improvements and this would be beneficial for every area of

Montana.

EXECUTIVE ACTION ON HOUSE BILL 514

Amendments, Discussion, and Votes:

Senator Waterman said she had proposed amendments (See exhibit 16). She added it was with reluctance she was doing this. This amendment is what is known as the pay commission plan. Two years and \$80,000 was spent developing the plan. The bottom line cost general fund dollars is about 49 million although the summary sheet included with exhibit 16 indicates 50 million dollars. She noted she would have liked to have offered and voted for a plan at 65 million dollars worth of general fund because she believes the State employees deserve that much but added it has become apparent to her that money cannot be raised to fund that level. She said State employees are certainly justified in their request and if we are going to move down from 65 million dollars it is fitting that she make the first motion since she represents more State employees than anyone else in the legislature. She added she supports the market base plan more than the flat dollar because it would solve the problems raised by State employees. If we were to spend 65 million dollars we could have repaid the steps that have been lost in the last few years, instituted a market base pay commission plan and established a meaningful longevity system. It is unfortunate that we are not doing that but she added her amendment (exhibit 16) establishes a sound mechanism but without continued commitment in the next biennium this will not solve the pay problems in the state. It does provide a higher level of funding than we are going to see in subsequent motions if this motion fails.

Senator Keating asked Senator Waterman if she was on the Employee Compensation Commission. Senator Waterman said she was not, although she attended most of their meetings and followed their hearings.

Senator Keating said regarding the market base philosophy which was a part of the committee's purpose in adjusting the matrix, he questioned to what extent the amendment applies those factors from the committee as they were applied in another bill presented at the request of the administration with the four and one-half and five percent increase. Senator Waterman said the amendments that she presented would implement the pay commission proposal as it was drafted, and she added the summary sheet outlines that. The Governor's bill reduced the funding. The primary difference is the pay commission proposal would take about four years to reach market. Funding it at the level recommended by the Governor, which is about 28 million dollars, general fund dollars, would take about ten years to get there. She concluded she did not believe it is acceptable to ask State

employees to wait ten years to reach a market that they could reach by walking out the door tomorrow.

Senator Bengtson questioned how this compared to the dollar an hour proposal. Senator Waterman said she had background information that would show the percentage increase each under this plan and under the dollar per hour plan and the Governor's proposed plan. She said this plan does not give as much to employees at the bottom level. Overall it puts more money into the plan than the Governor's proposal. It puts less money into the plan than the one dollar per hour.

Senator Hockett asked Senator Waterman regarding the summary showing teachers with the four percent general increase and one step, is that the university system. Senator Waterman said that line relates to those teachers that are at Mountain View and Pine Hills and said she is not sure how it ties into the university. She added her belief that they get four percent.

Senator Aklestad said in light that we are sending HB 2 out approximately 15 million dollars over budget, and looking at the summary sheet, he believes the Governor's plan had 28 million dollars. He questioned if her proposal was 22 million dollars above the proposed pay plan by the administration. He said funds have not been found yet for 15 million dollars in HB 2 and he questioned the funding mechanism for the increase of 22 million. Senator Waterman said when she ran for the Senate, she was committed to raise funds necessary to fund programs she supported and said she still remains that way and is willing to work with individuals to identify the funding sources.

Senator Aklestad said he would like to explore those ideas and know where the funds will come from. The people in Montana should be entitled to know the funding base for this legislation. Senator Jacobson said we are in the middle of executive action.

Senator Beck asked Tom Schneider regarding the Governor's proposal being under the commission proposal, he questioned how this amendment compares with the commission proposal. Mr. Schneider said as he reads the amendment, it is the committee recommendation in amendment form.

Senator Beck said the offer of \$1 an hour was passed by the House and he noticed in the paper that the labor unions at the Prison voted very strongly to go on strike in the event they did not get the \$1 an hour. He asked Mr. Schneider his perspective on that. Mr. Schneider said he did not represent the Prison but noted his people are voting on \$1 an hour so that pretty much speaks for itself.

Senator Beck asked Mr. McGarvey regarding the Prison vote and said he assumed it was on the \$1 an hour. Mr. McGarvey said he could assure him that these people who are struggling to make a living are going to be very unhappy to see us robbing from the

poor to give to someone else. This will be extremely distasteful and disheartening to them when there is already a message going out that we appreciate the work they do in this state.

Senator Beck said in all reality he has a lot of state employees in his district and the Prison employees are also in his district. He said he wants to see the best raise we can give them but we also have to face reality to a certain extent also. We have to go back with a proposal to the State employees and see exactly where they are coming at and stated he was going to endorse this proposal at this time to see if it this will be palatable to them and see if we can come out of this thing. He concluded his feeling that it was a good proposal.

Senator Waterman closed on her amendment. (see exhibit 16)

Senator Waterman's amendment motion failed on a voice vote.

Senator Jergeson moved amendments to HB 514 (See exhibit 17) He said he is not the person that was involved in all of the details, however the approach included in the amendments is one he suggested in conversations with some of his colleagues. This is an attempt to find a compromise between the pay plan approved by the House and the approach favored by the Governor. It is an attempt to be a compromise in two different areas. Number one, in the area of cost; and number two, in the debate between the flat rate and the market plan. He said the amendments provide a flat 60 cents an hour raise for all State employees. That definitely helps the employees at the bottom of the pay matrix. The second portion of the amendment provides for market entry feature. This is from the pay commission proposal and it provides some assistance in dealing with the problem the State government has in attracting employees at the higher end of the pay matrix. By and large it is a compromise that will cost the general fund about 40 million dollars which is down considerably from the House amount. For those that would like to move completely to the market plan, it has some direction towards their position. For those that are concerned about whether or not families that are dedicated to their jobs at the lower end of the matrix can continue on. He urged adoption by the committee of these amendments.

Senator Aklestad questioned if the monetary amount is about the same as those introduced by Senator Waterman but a different formula pertaining to the higher end of the pay scale to try and keep those people in State government. Senator Jergeson said it is close to 9 million dollars less than those offered by Senator Waterman.

Senator Aklestad asked Senator Jergeson if he had in mind some funding source for these additional dollars. Senator Jergeson said all legislators and especially our committee is dedicated to the proposition that we come up with a balanced budget by the end of the session, and that will include looking

at revenues as well as expenditures. Senator Aklestad asked if at this time he did not have a specific source in mind for funding. Senator Jacobson said that will come together in the next week or so.

Senator Keating said regarding market comparative values, to what extent do these amendments deal with that market base values that were proposed in the Governor's proposal. Senator Jergeson said as he understand it, the first year of the fiscal year the market plan will kick in for grade 14 employees and above. The second year of the biennium it would be a grade 8.

Senator Keating asked how that compared with the Governor's market base proposal. Senator Jergeson said he could not answer that.

Senator Jacobson questioned Senator Keating as to what type of comparison he was talking about. Senator Keating said we weren't able to hear the other proposal's details but it was based on the commission study that what was a fair approach to adjusting the levels of compensation in all areas of the pay plan to compare them more favorably with the private sector pay for the same kind of work. He said he was trying to get a handle on whether these proposals are similar and to what extent. If that is a desirable proposal to have a market based pay scale, then we could listen to the Governor's proposal and have a hearing on it so a comparison could be made on what is the best proposal for employees overall as to how much money we can afford to pay.

Senator Jacobson said we could look at the handouts that have the increases and what they do.

Senator Waterman discussed an amendment (See exhibit 18) that she moved as a substitute amendment to Senator Jergeson's motion. She explained her substitute motion and Senator Jergeson's motion would be a flat \$1 an hour increase which would be 32 million dollars of funding and some money for insurance, longevity. The market entry in Senator Jergeson's motion is about 2 million dollars and in Senator Waterman's substitute motion is about 2.5 million dollars, so the substitute motion adds about a half million dollars general fund to the cost of this proposal. She added the Governor's proposal considered the market entry line at about three percent. Senator Jergeson's proposal has that at four percent. Senator Waterman's proposal is five percent. She noted she asked LFA to draft this amendment to help individuals who are critically behind the market.

Senator Jergeson stated he resisted Senator Waterman's motion. He said for us to ever resolve the pay plan in final form involves adoption of it by our committee, by the Senate floor, either the concurrence of the House to the Senate amendments or conference committee discussions, and finally sending the plan to the Governor and whatever else after the Governor receives the bill in terms of what he can and cannot

live with. He asked the committee to adopt his amendments and get the process on its way to resolve the issues so the State employees and taxpayers in the state know exactly what the final plan is.

Senator Jacobson said she would also resist Senator Waterman's substitute motion. She stated her feeling that there was some question as to whether this would cost half a million or if it would cost more. She noted she and Senator Waterman have been advised that it is uncertain what the cost of the amendment is and in light of that, she will resist the motion.

Senator Beck spoke in support of Senator Waterman's motion. His opinion is it should be taken one step at a time and get our votes recorded.

Senator Waterman's substitute motion failed on a voice vote.

Senator Jergeson said he would close on his amendment motion and noted that this issue is one of the most important decisions that will be made this legislative session. He indicated his amendment is probably not perfect but at this point it is the best compromise we can deal with in order to continue the process and make sure the legislative process and involvement of the Governor and negotiating process can proceed.

Senator Jergeson's motion to amend HB 514 (See exhibit 17) passed on a roll call vote.

Senator Jergeson moved that HOUSE BILL 514 AS AMENDED BE CONCURRED IN.

Senator Aklestad said he would like his previous question regarding a funding source answered. Senator Jacobson said as we go through the process there are many things that will have to pull together in the next week or week and a half and said they are in the process of doing that. She said she did not think the Governor's budget told us exactly what went to each piece of revenue and she said she is not prepared to do that yet today for Senator Aklestad. She said she feels very confident that a package can be put together with a pay plan of 40 million dollars and fund it in a reasonable way. Senator Aklestad said he disputed that argument in that the Governor's office did pinpoint a funding source. He said some of those sources may be in dispute but he did pinpoint funding sources. He said he wanted an idea of where the funding is coming from.

Senator Jergeson said he has at times voted for revenue measures that have been necessary to balance the budget. He added he did not feel it was necessary for him to describe to Senator Aklestad in detail what exact tax bills he would be voting for until he sees what tax bills come out of the tax committee.

Senator Jacobson said to date with the revenue bills that are alive and HB 2 as it was sent out of our committee and HB 514 in the position Senator Jergeson has it, our budget is 27 million dollars in the black right now.

Senator Aklestad asked Senator Jacobson if the Senate democrats are supporting every tax measure that is being proposed that would give the revenue balance she just mentioned. Senator Jacobson said we are now getting off the pay plan bill and onto budgets and we should get back to the pay plan. She said it was her feeling that the Democrats are confident they can put together a balanced plan and pay for it and do it in a very responsible manner.

Senator Franklin offered an amendment to HB 514 (See exhibit 19) relative to nurses that are not included in the pay exception. She noted it is an estimate, but approximately \$89,000 per year for 20 nurses. She noted she calculated this on a grade 13, step 6, although there are a couple nurses at Boulder that are at a higher level than that so there is some fudge factor there. She indicated this would become effective when the next contract is negotiated.

Senator Jacobson asked if this amendment was prepared to the way the bill now stands. Senator Franklin said it was prepared as the bill was before. Senator Jacobson said the motion would be a substitute motion to adopt Senator Jergeson's motion and put her amendment (exhibit 19) in the bill as it presently stands.

Senator Franklin made a substitute motion that her proposed amendment (exhibit 19) be adopted into Senator Jergeson's motion.

Senator Bianchi said there is a tremendous shortage of nurses in Montana and said he wanted to point out there are 80 people at MSU right now that want to be able to finish their nursing program at the university to try to alleviate the shortage.

Senator Franklin's substitute motion passed on a roll call vote.

Senator Waterman said there was a bill that did not pass in the House that would give a salary increase to the State Tax Appeal Board. She noted she did not realize it took a separate statutory appropriation to fund them. They have not received a pay increase for four years. She said she is not going to offer a motion at this time but felt something should be done regarding their salaries.

Senator Aklestad stated he wanted to address the bill. He said the State employees have had an approximately 167 percent increase in salary and benefits in the last ten years and if that is related to the CPI of Montana, which is related to the ability of taxpayers to pay, it would have been a 48 percent increase

over the last ten years. He said he is reluctant to pass an increase onto taxpayers that is over 100 percent of what their ability is to pay as far as comparison to the consumer price index. He said with that he has no choice but to vote against the bill.

Senator Jacobson said these same State employees he is talking about as getting such high increases, in 1988 they received zero percent increase. In 1989 they received zero percent increase. In 1990 and 1991, they received two and one-half percent and that doesn't even come close to inflation. She added her feeling that it was about time something was done for our State employees.

Senator Aklestad said regarding the zero percent increases, they may be cash increases, but he added there have been fringe benefits given to State employees almost every session.

Senator Hammond said it was hard for him to say we have got to do a great deal for the people here when the people where he comes from are doing with much less.

Senator Jergeson said we recognize there are always competing demands for the resources that we have. He said he does not think there is a family in the state that would not like to have their income higher than it currently is. The State employees have pleaded for an increase that we feel is justified. The adoption of his amendments indicates that they are not likely to get that which they had hoped for, but he felt it is a raise that we can justify, both to those who end up paying them and those that will receive them. He concluded in politics the allocation of resources does not always make everybody happy, but this is as far at this point as we can possibly be.

Recommendation and Vote:

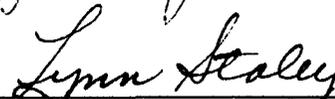
Senator Jergeson's motion that HOUSE BILL 514 AS AMENDED BE CONCURRED IN passed on a roll call vote.

ADJOURNMENT

Adjournment At: 12:45 p.m.



JUDY JACOBSON, Chairman



LYNN STALEY, Secretary

ROLL CALL

FINANCE & CLAIMS COMMITTEE

DATE 4/9/91

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON CHAIRMAN	✓		
SENATOR JERGESON, VICE CHAIRMAN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BENGTON	✓		
SENATOR BIANCHI	✓		
SENATOR DEVLIN			✓
SENATOR FRITZ	✓		
SENATOR HAMMOND	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR KEATING	✓		
SENATOR MANNING			✓
SENATOR NATHE	✓		
SENATOR STIMATZ	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 12
April 9, 1991

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 514 (third reading copy as amended - blue), respectfully report that House Bill No. 514 be amended and as so amended be concurred in:

1. Title, lines 4 through 16.

Strike: the second "AN" on line 4 through "DATE" on line 16
Insert: "AN ACT ADJUSTING THE SALARIES OF STATE EMPLOYEES IN EACH YEAR OF THE BIENNIUM; MANDATING THAT EACH AGENCY NEGOTIATE SHIFT DIFFERENTIALS AND HAZARDOUS DUTY PAY WITH EMPLOYEES; PROVIDING INCREASES TO EMPLOYER CONTRIBUTIONS TO GROUP BENEFITS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-312, 2-18-313, 2-18-314, 2-18-315, AND 2-18-703; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 1.

Strike: everything after the enacting clause

Insert:

"NEW SECTION. Section 1. Shift differential and hazardous duty pay negotiated. (1) Each agency shall negotiate with employees for shift differential pay for those employees who are regularly scheduled to work other than the day shift.

(2) Each agency shall negotiate with employees for hazardous duty pay for those employees who work under hazardous conditions.

Section 2. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1991~~ 1993, the:

(a) pay schedules provided for in 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~51st~~ 52nd legislature;

(b) pay levels provided for in 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~51st~~ 52nd legislature; and

(c) total funds required to implement the pay schedules provided for in 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~51st~~ 52nd legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 3. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay schedules. (1) The pay schedules provided in 2-18-312 must be implemented as follows:

(a) The pay schedules provided in 2-18-312 indicate the annual compensation for the fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for each grade and step for positions classified under the provisions of part 2 of this chapter.

(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee must be established at the end of the probationary period in accordance with rules promulgated by the department.

(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 is that amount corresponding to the grade and step occupied on the last day of fiscal year ~~1989~~ 1991.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1991~~ 1993 is that amount corresponding to the grade and step occupied on the last day of fiscal year ~~1990~~ 1992.

(2) The pay schedules provided in 2-18-312 and the provisions of subsection (1) do not apply to those teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313 through 2-18-315.

(3) The pay schedules provided in 2-18-313 through 2-18-315 must be implemented as follows:

(a) (i) The pay schedules provided for in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed under the authority of the department of institutions or the department of family services for fiscal years ~~1990~~ 1992 and ~~1991~~ 1993.

(ii) ~~On the first day of the first pay period in July 1989, each teacher shall advance three steps on the appropriate pay schedule for fiscal year 1990 from the step that he occupied on June 30, 1989. Each teacher must be placed on the adopted pay schedule according to his educational training and years of experience.~~

(iii) ~~The compensation of each teacher on~~ On the first day of the first pay period in July ~~1990~~ is that amount corresponding to his level of academic achievement and the step occupied on ~~June 30, 1990~~ of each fiscal year, each teacher shall advance one step on the appropriate pay schedule adopted in 2-18-313.

(b) (i) The pay schedules provided in 2-18-314 indicate the maximum hourly compensation for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay schedules provided in 2-18-315 indicate the maximum hourly compensation for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

~~(4) (a) (i) A member of a bargaining unit may not receive the amounts indicated in the respective pay schedules provided in 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, 1991.~~

~~(ii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, 1989, retroactivity to that date may be negotiated.~~

~~(iii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, 1989, members of the bargaining unit involved must continue to receive the compensation they were receiving as of June 30, 1989.~~

~~(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.~~

(5) The current wage or salary of an employee may not be reduced by the implementation of the pay schedules provided for in 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs that enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305. To maintain the internal equity of the statewide pay plan provided for in 2-18-312 and subsection (1) of this section, when a majority of registered nurses classified under the provisions of part 2 of this chapter have been granted a pay plan exception through a collectively bargained agreement, then all other classified registered nurses, including those employed in the university system, must be paid a salary equivalent to the salary negotiated in the negotiated agreement, except that in no case may the salary of a classified registered nurse be reduced by this provision.

(8) The department shall review the competitiveness of the compensation provided to registered nurses and other occupations under this part. If the department finds that substantial problems exist with recruitment and retention because of inadequate salaries when compared to competing employers, the department may establish criteria allowing an adjustment in pay or classification to mitigate the problems. Insofar as these adjustments may apply to employees within a collective bargaining unit, the implementation of these adjustments is a negotiable subject under 39-31-305."

Section 4. Section 2-18-312, MCA, is amended to read:
 "2-18-312. Statewide pay schedules for fiscal years 1990 1992 and 1991 1993. (1) The statewide classification pay schedule for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
 Pay Matrix -- State

Note: Includes Insurance
 Matrix Type -- Annual

GRADE	STEP												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	10,132	10,839	11,041	11,247	11,457	11,671	11,890	12,113	12,340	12,572	12,809	13,050	13,542
2	10,614	11,357	11,569	11,786	12,007	12,232	12,462	12,696	12,935	13,179	13,426	13,682	14,200
3	11,138	11,921	12,145	12,373	12,606	12,843	13,085	13,332	13,584	13,841	14,103	14,370	14,915
4	11,711	12,537	12,773	13,014	13,259	13,509	13,764	14,024	14,290	14,561	14,837	15,119	15,694
5	12,343	13,216	13,466	13,721	13,981	14,246	14,516	14,792	15,073	15,360	15,652	15,950	16,558
6	13,035	13,960	14,224	14,494	14,769	15,050	15,336	15,628	15,926	16,230	16,540	16,856	17,501
7	13,802	14,785	15,066	15,353	15,645	15,943	16,247	16,557	16,873	17,196	17,525	17,861	18,546
8	14,629	15,674	15,973	16,278	16,589	16,906	17,229	17,559	17,895	18,238	18,588	18,945	19,673
9	15,517	16,622	16,940	17,265	17,596	17,934	18,279	18,631	18,989	19,353	19,723	20,099	20,876
10	16,553	17,743	18,083	18,430	18,784	19,145	19,513	19,888	20,271	20,662	21,060	21,466	22,295
11	17,652	18,925	19,289	19,660	20,038	20,424	20,818	21,220	21,630	22,048	22,474	22,909	23,796
12	18,868	20,233	20,623	21,021	21,427	21,841	22,263	22,693	23,132	23,580	24,037	24,503	25,477
13	20,204	21,669	22,088	22,515	22,951	23,395	23,848	24,310	24,780	25,261	25,753	26,255	27,311
14	21,680	23,271	23,720	24,190	24,672	25,166	25,670	26,184	26,709	27,244	27,791	28,347	29,523
15	23,225	24,939	25,418	25,918	26,430	26,954	27,490	28,038	28,597	29,167	29,748	30,340	31,647
16	24,849	26,689	27,198	27,728	28,270	28,824	29,390	29,968	30,558	31,159	31,772	32,396	33,833
17	26,562	28,533	29,072	29,632	30,204	30,788	31,384	31,992	32,612	33,244	33,888	34,544	36,101
18	28,375	30,478	31,047	31,637	32,239	32,853	33,479	34,117	34,767	35,429	36,103	36,789	38,466
19	30,298	32,533	33,122	33,732	34,354	34,988	35,634	36,292	36,962	37,644	38,338	39,044	40,861
20	32,341	34,708	35,317	35,947	36,589	37,243	37,909	38,587	39,277	39,979	40,693	41,419	43,356
21	34,514	37,013	37,642	38,292	38,954	39,628	40,314	41,012	41,722	42,444	43,178	43,924	46,001
22	36,827	39,458	40,107	40,777	41,459	42,153	42,859	43,577	44,307	45,049	45,803	46,569	48,796
23	39,280	42,045	42,714	43,404	44,116	44,840	45,576	46,324	47,084	47,856	48,640	49,436	51,813
24	41,883	44,791	45,480	46,191	46,924	47,670	48,428	49,198	49,980	50,774	51,580	52,398	54,935
25	44,646	47,707	48,416	49,147	49,890	50,646	51,414	52,194	52,986	53,790	54,606	55,434	58,131
.1	12,351	13,127	13,329	13,535	13,745	13,959	14,178	14,401	14,628	14,860	15,097	15,338	15,830
.2	12,833	13,645	13,857	14,074	14,295	14,520	14,750	14,984	15,223	15,467	15,716	15,970	16,488
.3	13,357	14,209	14,433	14,661	14,894	15,131	15,373	15,620	15,872	16,129	16,391	16,658	17,203
.4	13,930	14,825	15,061	15,302	15,547	15,797	16,052	16,312	16,578	16,849	17,125	17,407	17,982
.5	14,562	15,504	15,754	16,009	16,269	16,534	16,804	17,080	17,361	17,648	17,940	18,238	18,846
.6	15,253	16,248	16,512	16,782	17,057	17,338	17,624	17,916	18,214	18,518	18,828	19,144	19,789
.7	16,021	17,073	17,354	17,641	17,933	18,231	18,535	18,845	19,161	19,484	19,813	20,149	20,834

8	16.847	17.962	18.261	18.566	18.877	19.194	19.517	19.847	20.183	20.526	20.876	21.233	21.961
9	17.766	18.950	19.268	19.593	19.924	20.262	20.607	20.959	21.318	21.684	22.057	22.438	23.214
10	18.772	20.031	20.371	20.718	21.072	21.433	21.801	22.176	22.559	22.950	23.348	23.754	24.583
11	19.871	21.213	21.577	21.948	22.326	22.712	23.106	23.508	23.918	24.336	24.762	25.197	26.084
12	21.087	22.521	22.911	23.309	23.715	24.129	24.551	24.981	25.420	25.868	26.327	26.805	27.803
13	22.423	23.957	24.376	24.803	25.239	25.683	26.136	26.607	27.097	27.602	28.117	28.641	29.714
14	24.190	25.857	26.312	26.776	27.250	27.732	28.224	28.736	29.268	29.817	30.377	30.946	32.112
15	26.168	27.984	28.480	28.985	29.501	30.027	30.563	31.121	31.701	32.299	32.909	33.529	34.799
16	28.374	30.356	30.897	31.449	32.012	32.586	33.171	33.780	34.413	35.065	35.730	36.407	37.793
17	30.836	33.003	33.595	34.198	34.814	35.441	36.081	36.746	37.438	38.151	38.879	39.619	41.135
18	33.549	35.921	36.569	37.229	37.903	38.589	39.289	40.017	40.774	41.555	42.351	43.161	44.820
19	36.590	39.190	39.900	40.624	41.363	42.116	42.884	43.682	44.513	45.369	46.242	47.130	47.130
20	39.983	42.839	43.619	44.414	45.226	46.053	46.896	47.773	48.685	49.625	50.584	50.584	50.584
21	43.753	46.893	47.750	48.624	49.516	50.425	51.352	52.316	53.319	54.352	54.352	54.352	54.352
22	47.964	51.421	52.365	53.327	54.309	55.309	56.330	57.391	58.495	58.495	58.495	58.495	58.495
23	52.715	56.529	57.571	58.633	59.717	60.821	61.947	63.118	63.118	63.118	63.118	63.118	63.118
24	58.048	62.264	63.415	64.588	65.786	67.006	68.251	68.251	68.251	68.251	68.251	68.251	68.251
25	63.950	68.610	69.883	71.180	72.504	73.853	73.853	73.853	73.853	73.853	73.853	73.853	73.853

(2) The statewide classification pay schedule for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
 Pay Matrix -- State

Note: Includes Insurance
 Matrix Type -- Annual

GRADE	STEP												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	10.932	11.639	11.841	12.047	12.257	12.471	12.690	12.913	13.140	13.372	13.609	13.850	14.342
2	11.414	12.157	12.369	12.586	12.807	13.032	13.262	13.496	13.735	13.979	14.228	14.482	15.000
3	11.930	12.721	12.945	13.173	13.406	13.643	13.885	14.132	14.384	14.641	14.903	15.170	15.715
4	12.511	13.337	13.573	13.814	14.059	14.309	14.564	14.824	15.090	15.361	15.637	15.919	16.494
5	13.143	14.016	14.266	14.521	14.781	15.046	15.316	15.592	15.873	16.160	16.452	16.750	17.358
6	13.835	14.760	15.024	15.294	15.569	15.850	16.136	16.428	16.726	17.030	17.340	17.656	18.301
7	14.602	15.585	15.866	16.153	16.445	16.743	17.047	17.357	17.673	17.996	18.325	18.661	19.346
8	15.429	16.474	16.773	17.078	17.389	17.706	18.029	18.359	18.695	19.038	19.388	19.745	20.473
9	16.347	17.462	17.780	18.105	18.436	18.774	19.119	19.471	19.830	20.196	20.569	20.950	21.726
10	17.353	18.543	18.883	19.230	19.584	19.945	20.313	20.688	21.071	21.462	21.860	22.266	23.095
11	18.452	19.725	20.089	20.460	20.838	21.224	21.618	22.020	22.430	22.848	23.274	23.709	24.596
12	19.668	21.033	21.423	21.821	22.227	22.641	23.063	23.493	23.932	24.380	24.839	25.317	26.315
13	21.004	22.469	22.888	23.315	23.751	24.195	24.648	25.119	25.609	26.114	26.629	27.153	28.226
14	22.680	24.271	24.726	25.201	25.695	26.201	26.718	27.245	27.783	28.331	28.892	29.462	30.626
15	24.425	26.204	26.721	27.249	27.786	28.334	28.895	29.465	30.047	30.640	31.247	31.864	33.125
16	26.454	28.418	28.980	29.552	30.136	30.732	31.339	31.960	32.592	33.237	33.895	34.566	35.935
17	28.683	30.815	31.425	32.047	32.680	33.326	33.986	34.658	35.344	36.044	36.758	37.485	38.972
18	31.146	33.469	34.125	34.801	35.491	36.193	36.909	37.641	38.387	39.148	39.924	40.715	42.330
19	33.853	36.374	37.095	37.829	38.578	39.343	40.123	40.918	41.729	42.557	43.401	44.262	44.262
20	36.808	39.552	40.336	41.135	41.950	42.783	43.631	44.497	45.380	46.280	47.198	47.198	47.198
21	40.058	43.048	43.902	44.773	45.662	46.568	47.492	48.435	49.397	50.378	50.378	50.378	50.378
22	43.626	46.884	47.814	48.764	49.733	50.720	51.728	52.750	53.803	53.803	53.803	53.803	53.803
23	47.529	51.081	52.096	53.130	54.187	55.263	56.361	57.481	57.481	57.481	57.481	57.481	57.481
24	51.818	55.691	56.799	57.929	59.080	60.255	61.452	61.452	61.452	61.452	61.452	61.452	61.452
25	56.528	60.757	61.965	63.198	64.454	65.735	65.735	65.735	65.735	65.735	65.735	65.735	65.735

1	13.812	14.675	14.877	15.083	15.293	15.507	15.726	15.949	16.176	16.408	16.645	16.886	17.378
2	14.293	15.193	15.405	15.622	15.843	16.068	16.298	16.532	16.771	17.015	17.264	17.518	18.036
3	14.818	15.757	15.981	16.209	16.442	16.679	16.921	17.168	17.420	17.677	17.939	18.206	18.751
4	15.391	16.373	16.609	16.850	17.095	17.345	17.600	17.860	18.126	18.397	18.673	18.955	19.530
5	16.022	17.052	17.302	17.557	17.817	18.082	18.352	18.628	18.909	19.196	19.488	19.786	20.394
6	16.714	17.796	18.060	18.330	18.605	18.886	19.172	19.464	19.762	20.066	20.376	20.692	21.337
7	17.481	18.621	18.902	19.189	19.481	19.779	20.083	20.393	20.709	21.032	21.361	21.697	22.382
8	18.308	19.510	19.809	20.114	20.425	20.742	21.065	21.395	21.731	22.074	22.424	22.781	23.509
9	19.227	20.498	20.816	21.141	21.472	21.810	22.155	22.507	22.866	23.232	23.605	23.986	24.762
10	20.232	21.579	21.919	22.268	22.620	22.981	23.349	23.724	24.107	24.498	24.896	25.302	26.131
11	21.332	22.761	23.125	23.498	23.874	24.260	24.654	25.058	25.466	25.884	26.310	26.745	27.632
12	22.548	24.069	24.459	24.857	25.263	25.677	26.099	26.529	26.968	27.416	27.875	28.353	29.351
13	23.883	25.505	25.924	26.351	26.787	27.231	27.684	28.155	28.645	29.150	29.665	30.189	31.262
14	25.650	27.405	27.860	28.324	28.798	29.280	29.772	30.284	30.816	31.365	31.925	32.494	33.660
15	27.629	29.532	30.028	30.533	31.049	31.575	32.111	32.669	33.249	33.847	34.457	35.077	36.347
16	29.835	31.904	32.445	32.997	33.560	34.134	34.719	35.328	35.961	36.613	37.278	37.955	39.341
17	32.296	34.551	35.143	35.746	36.362	36.989	37.629	38.294	38.986	39.699	40.427	41.167	42.683
18	35.109	37.576	38.224	38.884	39.558	40.244	40.944	41.671	42.428	43.208	44.004	44.813	46.471
19	38.271	40.976	41.686	42.409	43.148	43.900	44.668	45.466	46.296	47.151	48.024	48.912	50.730
20	41.800	44.770	45.550	46.344	47.155	47.981	48.824	49.700	50.612	51.551	52.510	53.485	55.485
21	45.722	48.987	49.844	50.717	51.609	52.517	53.444	54.407	55.409	56.442	57.496	57.496	57.496
22	50.101	53.696	54.640	55.601	56.583	57.583	58.603	59.663	60.766	61.903	61.903	61.903	61.903
23	55.042	59.009	60.051	61.112	62.196	63.299	64.425	65.585	66.812	66.812	66.812	66.812	66.812
24	60.589	64.973	66.124	67.297	68.495	69.714	70.958	72.251	72.251	72.251	72.251	72.251	72.251
25	66.726	71.572	72.844	74.140	75.464	76.812	78.188	78.188	78.188	78.188	78.188	78.188	78.188

Section 5. Section 2-18-313, MCA, is amended to read:

"2-18-313. Teachers' pay schedules. (1) (a) The 12-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080 Note: Includes Insurance
 Term -- Twelve Months Matrix Type -- Annual

	Education Level					
STEP	BA	BA+1	BA+2	BA+3	MA	MA+1
1	21,228	21,870	22,529	22,850	23,173	23,832
2	21,983	22,699	23,416	23,775	24,134	24,859
3	22,738	23,529	24,302	24,706	25,110	25,905
4	23,494	24,362	25,206	25,652	26,097	26,949
5	24,247	25,206	26,115	26,598	27,084	27,995
6	25,016	26,060	27,027	27,548	28,071	29,041
7	25,786	26,908	27,934	28,496	29,056	30,083
8	26,561	27,760	28,847	29,446	30,045	31,127
9	27,335	28,610	29,756	30,392	31,033	32,172
10	28,108	29,464	30,664	31,340	32,018	33,218
11	28,884	30,286	31,571	32,288	33,005	34,260
12	28,884	30,286	31,571	32,288	33,005	34,260
13	28,884	30,286	31,571	32,288	33,005	34,260
1	23,516	24,175	24,817	25,138	25,461	26,120
2	24,271	24,987	25,704	26,063	26,426	27,169
3	25,026	25,817	26,599	27,013	27,427	28,242
4	25,782	26,660	27,525	27,982	28,438	29,312

5	26,542	27,525	28,457	28,952	29,450	30,384
6	27,330	28,401	29,392	29,926	30,462	31,456
7	28,120	29,270	30,321	30,897	31,471	32,524
8	28,914	30,143	31,257	31,871	32,485	33,594
9	29,707	31,014	32,189	32,841	33,498	34,665
10	30,500	31,890	33,120	33,813	34,507	35,737
11	31,295	32,732	34,049	34,784	35,519	36,806
12	31,295	32,732	34,049	34,784	35,519	36,806
13	31,295	32,732	34,049	34,784	35,519	36,806

(b) The 9-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- ~~1480~~ 1560 Note: Includes Insurance
 Term -- Nine Months Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
1	16,451	16,933	17,427	17,668	17,910	18,404
2	17,017	17,554	18,092	18,361	18,631	19,168
3	17,583	18,176	18,757	19,056	19,352	19,933
4	18,151	18,801	19,422	19,749	20,074	20,697
5	18,715	19,422	20,087	20,441	20,796	21,463
6	19,283	20,047	20,755	21,136	21,518	22,228
7	19,846	20,667	21,418	21,829	22,239	22,990
8	20,414	21,291	22,086	22,524	22,963	23,754
9	20,980	21,913	22,751	23,217	23,685	24,519
10	21,546	22,537	23,416	23,910	24,406	25,304
11	22,113	23,139	24,079	24,606	25,144	26,085
12	22,113	23,139	24,079	24,606	25,144	26,085
13	22,113	23,139	24,079	24,606	25,144	26,085

1	18,427	18,909	19,403	19,644	19,886	20,380
2	18,993	19,530	20,068	20,337	20,607	21,144
3	19,559	20,152	20,733	21,032	21,328	21,909
4	20,127	20,777	21,398	21,725	22,050	22,673
5	20,691	21,398	22,063	22,417	22,772	23,439
6	21,259	22,023	22,731	23,112	23,494	24,204
7	21,822	22,643	23,394	23,805	24,215	24,966
8	22,390	23,267	24,062	24,500	24,939	25,730
9	22,956	23,889	24,727	25,193	25,661	26,509
10	23,522	24,513	25,392	25,886	26,393	27,314
11	24,089	25,115	26,058	26,598	27,150	28,114
12	24,089	25,115	26,058	26,598	27,150	28,114
13	24,089	25,115	26,058	26,598	27,150	28,114

(2) (a) The 12-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080 Note: Includes Insurance
 Term -- Twelve Months Matrix Type -- Annual
 Education Level

STEP	BA	BA+1	BA+2	BA+3	MA	MA+1
1	22,028	22,670	23,329	23,650	23,973	24,632
2	22,783	23,499	24,216	24,575	24,938	25,681
3	23,538	24,329	25,111	25,525	25,939	26,754
4	24,294	25,172	26,037	26,494	26,950	27,824
5	25,054	26,037	26,969	27,464	27,962	28,896
6	25,842	26,913	27,904	28,438	28,974	29,968
7	26,632	27,782	28,833	29,409	29,983	31,036
8	27,426	28,655	29,769	30,383	30,997	32,106
9	28,219	29,526	30,701	31,353	32,010	33,177
10	29,012	30,402	31,632	32,325	33,019	34,249
11	29,807	31,244	32,561	33,296	34,031	35,318
12	29,807	31,244	32,561	33,296	34,031	35,318
13	29,807	31,244	32,561	33,296	34,031	35,318

1	25,064	25,723	26,365	26,686	27,009	27,668
2	25,819	26,535	27,252	27,611	27,974	28,717
3	26,574	27,365	28,147	28,561	28,975	29,790
4	27,330	28,208	29,073	29,530	29,986	30,860
5	28,090	29,073	30,005	30,500	30,998	31,932
6	28,878	29,949	30,940	31,474	32,010	33,004
7	29,668	30,818	31,869	32,445	33,019	34,072
8	30,462	31,691	32,805	33,419	34,033	35,142
9	31,255	32,562	33,737	34,389	35,046	36,213
10	32,048	33,438	34,668	35,361	36,055	37,285
11	32,843	34,280	35,597	36,332	37,067	38,354
12	32,843	34,280	35,597	36,332	37,067	38,354
13	32,843	34,280	35,597	36,332	37,067	38,354

(b) The 9-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- ~~1480~~ 1580
 Term -- Nine Months

Note: Includes Insurance
 Matrix Type -- Annual

Education Level

STEP	BA	BA+1	BA+2	BA+3	MA	MA+1
1	17,251	17,733	18,227	18,468	18,710	19,204
2	17,817	18,354	18,892	19,161	19,431	19,968
3	18,383	18,976	19,557	19,856	20,152	20,733
4	18,951	19,601	20,222	20,549	20,874	21,497
5	19,515	20,222	20,887	21,241	21,596	22,263
6	20,083	20,847	21,555	21,936	22,318	23,028
7	20,646	21,467	22,218	22,629	23,039	23,790
8	21,214	22,091	22,886	23,324	23,763	24,554
9	21,780	22,713	23,551	24,017	24,485	25,333
10	22,346	23,337	24,216	24,710	25,217	26,138
11	22,913	23,939	24,882	25,422	25,974	26,938
12	22,913	23,939	24,882	25,422	25,974	26,938
13	22,913	23,939	24,882	25,422	25,974	26,938

1	19,663	20,145	20,639	20,880	21,122	21,616
2	20,229	20,766	21,304	21,573	21,843	22,380
3	20,795	21,388	21,969	22,268	22,564	23,145
4	21,363	22,013	22,634	22,961	23,286	23,909
5	21,927	22,634	23,299	23,653	24,008	24,675
6	22,495	23,259	23,967	24,348	24,730	25,440
7	23,058	23,879	24,630	25,041	25,451	26,202
8	23,626	24,503	25,298	25,736	26,175	26,966
9	24,192	25,125	25,963	26,429	26,897	27,745
10	24,758	25,749	26,628	27,122	27,629	28,550
11	25,325	26,351	27,294	27,834	28,386	29,350
12	25,325	26,351	27,294	27,834	28,386	29,350
13	25,325	26,351	27,294	27,834	28,386	29,350"

Section 6. Section 2-18-314, MCA, is amended to read:
 "2-18-314. Liquor store occupations pay schedules. (1) The pay schedule for liquor store occupations for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Retail Clerk
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

L1	0.000
L2	8.040
L3	8.540
L4	8.820
L5	9.110
L6	9.720
L7	10.380
L8	11.130

L1	0.000
L2	9.178
L3	9.681
L4	9.962
L5	10.253
L6	10.866
L7	11.529
L8	12.283

(2) The pay schedule for liquor store occupations for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Retail Clerk
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

L1	0.000
L2	8.425
L3	8.925
L4	9.205

E5	9.495
E6	10.105
E7	10.765
E8	11.515

L1	0.000
<u>L2</u>	<u>9.924</u>
<u>L3</u>	<u>10.428</u>
<u>L4</u>	<u>10.709</u>
<u>L5</u>	<u>11.000</u>
<u>L6</u>	<u>11.613</u>
<u>L7</u>	<u>12.276</u>
<u>L8</u>	<u>13.030"</u>

Section 7. Section 2-18-315, MCA, is amended to read:
 "2-18-315. Blue-collar pay schedules. (1) The pay schedule for blue-collar workers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Blue-Collar
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

B1	8.51
B2	8.91
B3	9.31
B4	9.71
B5	10.11
B6	10.51
B7	10.91
B8	11.31
B9	11.71
B10	12.11
B11	12.51
B12	12.91
B00	13.31

B1	9.264
<u>B2</u>	<u>9.666</u>
<u>B3</u>	<u>10.068</u>
<u>B4</u>	<u>10.469</u>
<u>B5</u>	<u>10.871</u>
<u>B6</u>	<u>11.273</u>
<u>B7</u>	<u>11.675</u>
<u>B8</u>	<u>12.077</u>
<u>B9</u>	<u>12.479</u>
<u>B10</u>	<u>12.881</u>
<u>B11</u>	<u>13.282</u>
<u>B12</u>	<u>13.684</u>
<u>B00</u>	<u>14.086</u>

(2) The pay schedule for blue-collar workers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Blue-Collar
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

B1	8.90
B2	9.30
B3	9.70
B4	10.10
B5	10.50
B6	10.90
B7	11.30
B8	11.70
B9	12.10
B10	12.50
B11	12.90
B12	13.30
B00	13.70

<u>B1</u>	<u>10.010</u>
<u>B2</u>	<u>10.412</u>
<u>B3</u>	<u>10.815</u>
<u>B4</u>	<u>11.216</u>
<u>B5</u>	<u>11.618</u>
<u>B6</u>	<u>12.020</u>
<u>B7</u>	<u>12.422</u>
<u>B8</u>	<u>12.824</u>
<u>B9</u>	<u>13.226</u>
<u>B10</u>	<u>13.628</u>
<u>B11</u>	<u>14.029</u>
<u>B12</u>	<u>14.431</u>
<u>B00</u>	<u>14.834"</u>

Section 8. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~\$130~~ \$170 per month for the fiscal year ending June 30, ~~1990~~ 1992, and ~~\$150~~ \$195 per month for the fiscal year ending June 30, ~~1991~~ 1993, and for each fiscal year thereafter. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if

the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than \$10 per month.

(4) Unused employer contributions for any state employee must be transferred to an account established for this purpose by the department of administration and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 9. Appropriation. There is appropriated to the office of budget and program planning \$40,689,000 in general fund money and \$39,739,000 in other funds for the biennium ending June 30, 1993, to be allocated to each branch and agency to implement the provisions effects of [this act] for all classified and exempt employees as follows:

	FY 1992	FY 1993
State Government		
General Fund	\$8,970,000	\$17,669,000
Other Funds	12,094,000	23,683,000
University System		
General Fund	4,763,000	9,287,000
Current Unrestricted	1,343,000	2,619,000

NEW SECTION. Section 10. {standard} Codification instruction. [Section 1] is intended to be codified as an integral part of Title 2, chapter 18, part 1, and the provisions of Title 2, chapter 18, part 1, apply to [section 1].

NEW SECTION. Section 11. {standard} Effective date. [This act] is effective on passage and approval."

Signed: Judy H. Jacobson
Judy H. Jacobson, Chairman

MA 4-9-91
M.A. Coord.

SB 4-9 2:15
Sec. of Senate

CLERICAL

H Bill No. 514

Date: 4-10-91

Time: 5:30 pm

MER
(Legislative Council Staff)

Finance & Claims
S / H Standing Committee

(Chairman) ~~Judy H. Jacobson~~
JACOBSON

S / H Committee of the Whole
(Sponsor)

In accordance with the Rules of the Montana Legislature, the following clerical errors may be corrected:

Amendment #1, in insert
Following "2-18-703"
Insert "MCA"

#2, insert, in section 5, in (2)(b)
Following "1480"
1580 ² 1560

JAK 4-11-91
9:00am

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 9, 1991

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 263 (third reading copy -- blue), respectfully report that House Bill No. 263 be amended and as so amended be concurred in:

1. Title, line 15.

Following: ", "

Insert: "APPROPRIATING THE LOAN PROCEEDS; PROVIDING A STATUTORY APPROPRIATION; "

2. Page 2, line 12.

Following: "\$8,665,000"

Strike: ", "

Insert: "for construction and related costs, plus the necessary amounts for capitalized interest, debt service, reserves, and financing costs, "

3. Page 2, line 20.

Following: "LOAN"

Strike: "AGREEMENT"

4. Page 3, line 6.

Following: "FUND"

Strike: ", "

Insert: "and"

5. Page 3, line 8.

Following: "AGREEMENT"

Strike: ", AND"

Insert: ". Principal and interest payments"

6. Page 3, line 23.

Following: "SPECIAL"

Insert: "limited"

Signed: _____

Judy H. Jacobson, Chairman

4-9-91
Amd. Coord.

SP, 4-9-91 2:45
Sec. of Senate

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 9 1991 House Bill No. 514 Time _____

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK	✓	
SENATOR BENGTON	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		✓
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	
SENATOR KEATING		✓

Lynn Staley
Secretary

Chairman

Motion: Senator Jergeson motion that HB 514 as amended be concurred in.

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL Bill No. _____ Time _____

NAME	YES	NO
SENATOR MANNING		
SENATOR NATHE		✓
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING	✓	
SENATOR FRANKLIN	✓	

Secretary _____

Chairman _____

Motion: _____

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 9, 1991 House Bill No. 514 Time _____

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK	✓	
SENATOR BENGTON	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN		
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	
SENATOR KEATING		✓

Lynn Stealey
Secretary

Chairman

Motion: Senators Franklin substitute motion
to amend (exhibit 19) into Sen. Jergeson motion

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL Bill No. _____ Time _____

NAME	YES	NO
SENATOR MANNING		
SENATOR NATHE		✓
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING		
SENATOR FRANKLIN	✓	

Secretary

Chairman

Motion: _____

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL 9, 1991 House Bill No. 514 Time _____

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON	✓	
SENATOR AKLESTAD		✓
SENATOR BECK	✓	
SENATOR BENGTON	✓	
SENATOR BIANCHI	✓	
SENATOR DEVLIN	✓	
SENATOR FRITZ	✓	
SENATOR HAMMOND		✓
SENATOR HARDING		✓
SENATOR HOCKETT	✓	
SENATOR KEATING		✓

Lynn Stealey
Secretary

Chairman

Motion: Senator Jergeson motion on amendment
to HB 514 (See exhibit 17)

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

Date APRIL Bill No. _____ Time _____

NAME	YES	NO
SENATOR MANNING		
SENATOR NATHE		✓
SENATOR STIMATZ	✓	
SENATOR TVEIT		✓
SENATOR VAUGHN	✓	
SENATOR WATERMAN	✓	
SENATOR WEEDING	✓	
SENATOR FRANKLIN	✓	

Secretary _____

Chairman _____

Motion: _____

DATE 4-9-91

COMMITTEE ON Finance Claims

HR 5, 6, 7, 8, 9, 10, 498, 524, 528, 684, 777, 842, 963, 990

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Ray Beel	DNR	67, 8, 10, 498	X	
Dave Nelson	MHC		X	
Donald Rabin	Mont. Valley Dev. Corp	HB 684	X	
CAL CIMMIN	YELLOWSTONE CO	HB 8	X	
Theresa Sardo	Williamson Hotel	HB 528	X	
Scott Christ	ACLU MT	HB 528	X	
MARK LANGOLF	AFSCME	HB 963	X	
Sheila Stearns	Univ of Montana			
John Smith	DNR	67, 8, 498	X	
Walter Johnson	Sch Dist # 1 Ot Falls	777	X	
Arthur H. Gray	House Dist # 20	HB 528	X	
Timothy Swadke	AD 56	HB 528	X	
Ray Foster	Billings Chamber	HB 684	X	
Kenn Heikes	Mont. Univ. System	HB 684	X	
Kate Chobawa	MT Womens Lobby	HB 528	X	
J.A. ZIEGLER SR	YELLOWSTONE CO.	HB 684	X	
DAN FARMER	Billings Chamber City Council	HB 684	X	
JAMES TETWILER	MT Chamber	HB 684	X	
Steve Huntington	MHD Development	HB 684	X	
Don Peoples	MTE / MHD Dev	HB 684	X	
Stuart Doyette	MT Link-ups	Asanandal HB 990		X
Long O'Sullivan	G.F. Public Schools	HB 990	X	
JAMES TETWILER	MT Chamber	HB 990		X A. NEWMAKER

Amendments to House Bill No. 5
Third Reading Copy

Requested by Representative Connelly

Prepared by Jim Haubein
April 8, 1991

1. Page 12, line 3.
Strike: "\$68,957,560"
Insert: "\$60,860,830"

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 4-9-91
BILL NO. HB 5

**WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT FINANCE AND CLAIMS
PROGRAM COMBINED RANKING OF AND FUNDING RECOMMENDATIONS**

FOR PROJECTS PROPOSED TO THE 1991 LEGISLATURE

DATE 4-9-91
BILL NO. 486

RECOMMENDED ACCUMULATIVE
FUNDING TOTAL

RANK	PROJECT SPONSOR	PROJECT NAME	FUNDING	TOTAL
1	CHINOOK IRR DISTRICT	MILK RIVER WATER SUPPLY PROJ	\$100,000	\$100,000
2	LOWER MUSSELSHELL CD	RIVER MGMT TOOLS FOR MUSSELSHELL RIVER	\$72,539	\$172,539
3	GLASGOW IRRIGATION DISTRICT	IMPROVING WATER USE	\$100,000	\$272,539
4	YELLOWSTONE COUNTY CD	STREAMBANK RE-ENFORCEMENT & EROSION CONTROL	\$100,000	\$372,539
5	GREENFIELDS IRRIGATION DIST	GREENFIELDS GRAVITY IRRIGATION	\$100,000	\$472,539
6	MT ST LIBRARY	DROUGHT MONITORING SYSTEM	\$58,364	\$530,903
7	JEFFERSON VALLEY CD	CEREAL-LEGUME CROPPING ROTATIONS	\$48,677	\$579,580
8	FLATHEAD JOINT BD OF CONTROL	FLATHEAD IRRIGATION INFORMATION SYSTEM	\$92,000	\$671,580
9	NEIHART, TOWN OF	NEIHART WATER SYSTEM	\$50,000	\$721,580
10	L&C COUNTY CD	NILAN WATER CONSERVATION PROJECT	\$100,000	\$821,580
11	EKALAKA, TOWN OF	WATER SUPPLY & STORAGE PROJECT	\$49,975	\$871,555
12	MSU/MT WATERCOURSE	MONTANA WATERCOURSE	\$100,000	\$971,555
13	STILLWATER CONSERVATION DIST	EVAL OF PLASTIC LINING/FABRICATION PROCESS	\$56,848	\$1,028,403
14	BROADWATER CD	IRRIGATION WATER MGMT: CONSTRUCTION PROJECT	\$100,000	\$1,128,403
15	DNRC/WATER MGMT/Hydrosciences	BEAVERHEAD CO GROUNDWATER STUDY	\$100,000	\$1,228,403
16	POLSON, TOWN OF	WELLHEAD PROTECTION PROJECT	\$76,055	\$1,304,458
17	THREE FORKS, TOWN OF	THREE FORKS WATER SYSTEM IMPROVEMENTS	\$100,000	\$1,404,458
18	FORT SHAW IRRIGATION DISTRICT	R&B STUDY	\$50,000	\$1,454,458
19	BUTTE-SILVER BOW GOVERNMENT	BLACKTAIL CREEK RESTORATION PROJECT	\$100,000	\$1,554,458
ANTICIPATED FUNDING LINE.....				\$1,564,177
20	PRIVATE	WATER DAM-FEASIBILITY STUDY	\$14,708	\$1,569,166
21	LIBERTY COUNTY CD	SWEETGRASS HILLS E. BUTTE GROUNDWATER STUDY	\$100,000	\$1,669,166
22	PRIVATE	WASTEWATER COLLECTION TREATMENT SYSTEM	\$50,000	\$1,719,166
23	FORT SHAW IRRIGATION DISTRICT	REHAB OF HEADWORKS & "A" SYSTEM	\$50,000	\$1,769,166
24	MSLA CO CD	IRRIGATION DIVERSION ALTERNATIVES	\$82,250	\$1,851,416
25	FALLON COUNTY	BAKER LAKE EROSION CONTROL & REC PATH	\$15,361	\$1,866,777
26	DUTTON, TOWN OF	DUTTON WATER RESERVOIR	\$91,319	\$1,958,096
27	DARBY SCHOOL DISTRICT NO. 9	SCHOOL PARK	\$25,300	\$1,983,396
28	PHILLIPS CD	MOISTURE MONITORING PROJECT	\$53,382	\$2,036,778
29	MEAGHER COUNTY CD	SOUTH SIDE CANAL LINING PROJECT	\$37,500	\$2,074,278
30	PRIVATE (NF)	SUN RIVER WATER SYSTEM	\$7,500	\$2,081,778
31	DNRC	BATTLE CREEK STORAGE PROJECT	\$82,000	\$2,163,778

AMENDMENT TO HOUSE BILL 963
Prepared by
Department of Institutions

1. Title, line 15.
Following: "DEPARTMENT".
Insert: "APPROPRIATING THE LOAN PROCEEDS; PROVIDING A STATUTORY APPROPRIATION;".
2. Page 2, line 12.
Following: "\$8,665,000".
Strike: "1".
Insert: "for construction and related costs; plus the necessary amounts for capitalized interest, debt service reserves and financing costs".
3. Page 2, line 20.
Following: "LOAN".
Strike: "AGREEMENT".
4. Page 3, line 8.
Following: "AGREEMENT".
Strike: ", AND".
Insert: "Principal and interest payments".
5. Page 3, line 23.
Following: "SPECIAL".
Insert: "limited".

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

DATE 4-9-91

BILL NO. HB 963

HOUSE BILL 528

A bill for an act entitled: "An act requiring the Dept. of Institutions to develop a request for proposals to solicit proposals from Montana local governmental units for the siting of a womens correctional facility; requiring the department to solicit proposals according to the request; specifying certain criteria for the site of the facility; creating a committee to evaluate the proposals; providing for the evaluation of the proposals and selection of a facility site; appropriating money for the purposes of the site selection committee; amending sections of law.

Capacity: 120 beds

SECTION 3-- Request for Proposals

The RFP must specify a January 30, 1991 deadline for submittal and contain the information required under subsection 2, and other information determined necessary by the department. The requirements of subsection 2 are as follows:

1. Site acreage
2. Owner's name
3. How the site will be acquired
4. Configuration and topography
5. Access to paved streets and reliable utilities including water, sewage, natural gas, electricity, telephone, and refuse disposal
6. compatibility with zoning requirements
7. flood hazard information
8. subsurface soils analyses and water table location
9. climate
10. location plan drawings, areawide master plan, and site plan drawings
11. service availability information, including:
 - a. proximity to emergency medical services
 - b. proximity to 24 hour fire protection services
 - c. proximity to law enforcement and level of their capability to respond to emergencies
 - d. proximity to interstate transportation
 - e. proximity to counties committing inmates

PAGE 24, LINE 3-- The department may accept in full or partial compliance, information from subsection 2, information provided to the dept.

SECTION 4-- Site Requirements

- A. 15-20 acre site
- B. Access to utilities

1

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 4
DATE 4-9-91
BILL NO. HB 528

- C. Not located in 100 year floodplain
- D. Soils and water table which will allow a basement
- E. Access to EMS and Fire Protection
- F. Located reasonably close to counties contributing majority of inmates
- G. Be in a community served by interstate transportation

SECTION 5--Site Selection Committee

- A. A/E Representative-advisory only
- B. 3 Representatives of the public, not from applicant city
- C. 2 Representatives of Institutions
- D. 2 Members of the House
- E. 2 Members of the Senate
- F. 2 Representatives of women's organizations

The Committee shall meet as often as necessary to perform the duties assigned by sections 1 through 8. The committee shall consider, evaluate, and select the location for the women's correctional facility according to procedure and criteria in section 6.

SECTION 6--Site Selection Procedure and Criteria

The site selection committee may not consider a proposal unless the proposal:

- 1. is submitted within the time frame required
- 2. applies to a site satisfying the requirements of section 4
- 3. contains the construction site information and service availability information required by section 3, subsection 2.

The committee shall determine a maximum numeric value for each of the criteria provided in subsection 3. Criteria that the committee determines to be of more relative importance must be awarded a greater maximum value. The committee shall rate each proposal by using a weighted scale process that assigns a numeric score for each criteria and then totals the score for each proposal. The score for each criteria and proposal must be determined by the extent to which each criteria is satisfied, based upon a documented demonstration of:

- 1. Proximity, availability and number of resources satisfying the criteria;
- 2. the strength and quality of the resources satisfying the criteria; and,
- 3. the local governmental unit's willingness and ability to provide resources satisfying the criteria.

The CRITERIA to be used are the availability of:

- 1. medical services with a 24 hour ER and attending physician

2. hospital offering medical specialties needed by female inmates
3. dental services
4. chemical dependency treatment
5. mental health services with appropriate women's programs
6. vocational education and post-secondary institution
7. licensed foster care and all levels of child care
8. public transportation
9. court system and legal services
10. motel or hotel accommodations
11. Vendors of food, fuel, and other supplies
12. Adequate skilled workforce for employment
13. Affordable housing for facility staff
14. Established women's organizations
15. Established native american organizations
16. Employment for facility inmates outside the facility
17. Proximity of a certified local law enforcement agency capable of an emergency response.

SECTION 7--Site Visitation and Hearings

The site selection committee shall determine the four proposals with the highest numeric scores and eliminate the other proposals from further consideration. As soon as possible after elimination of the other sites, the committee shall conduct on-site reviews of the four remaining candidates sites by conducting both an on-site tour and holding a public hearing. The purpose of the tour and hearing is to receive information concerning the extent to which each candidate site satisfies the criteria in section 4, section 6 (3), and section 8 (2).

SECTION 8--Site Selection

After completing the on-site reviews, the committee shall again score each of the four candidate sites by applying the criteria and scoring method provided in section 6. If two or more proposals receive the same score, the committee shall determine the leading proposal by assigning maximum point values for and scoring those proposals on the following criteria:

1. Strength of community volunteer resources
2. Ability of community's post-secondary educational programs to provide appropriate interns for the facility
3. Receptiveness of the public school district or districts to enrolling the children of facility inmates
4. Ethnic and cultural diversity of the community.

The facility must be located at the site whose proposal receives the highest numeric score. Upon selection of the winning proposal by the committee, the committee will inform the the director of the department of its selection and the director shall make a public announcement of the committee's selection. The committee shall

submit its selection no later than 100 days after the effective date of this act.

\$5,000 for site selection committee expenses.

Good Morning Mr. Chairman and Committee Members:

I am Sheryl Logan Hoffarth, Director of the Women's Life Skills Center (A pre-release center) located in Billings, Montana. I have functioned as the director of that facility since 1982. However, my experience in corrections goes back to 1978 when I was employed as a counselor attendant at the same facility that I am currently managing. The past 13 years have been exceedingly stimulating; they have allowed me to gain a first-hand intimate knowledge of the woman offender and her unique needs.

What follows are my opinions and observations on the woman offender:

The issues and challenges facing women's prisons in the 1990's are definitely complex. In some ways women's prisons have benefitted from benign neglect and stereotypic attitudes; they were able to create and maintain quasi-humane environments because they housed women. Yet, there was a price that was paid for those benefits. Women's prisons did not receive equitable funding for many needed programs. Women are often subject to procedures such as classification systems, which have not been tested for their appropriateness for female offenders. Certainly, many, perhaps most, correctional policies and procedures are applicable to both male and female offenders. However, they must be carefully examined to ensure that male and female offenders are treated equitably.

Corrections is the ultimate in equal opportunity and non-discrimination; it has virtually no disqualifying criteria for entry. A modern day Noah's Ark, with at least two of everybody, but often operated from the "one size fits all" perspective.

Women offenders have been looked at as homogenous rather than being looked at individually. However, common themes emerge when viewing female offenders as a group and those are:

1. Association with offenders and criminal justice personnel reveal a widespread consensus to the high incidence of physical, sexual, and mental abuse among women offenders. Correctional staff report a large proportion of women they have served have been victims of incest, rape, and other forms of sexual assault prior to incarceration. One of the problems with determining prevalence of abuse among women offenders is that they often fail to identify such treatment as abuse. Their self-esteem is so low that they believe they deserve such treatment. This low self-esteem is doubtlessly related to the criminal activity of many women because it makes them more susceptible to the influence of others.
2. The observation that dependence is a common characteristic of women offenders clearly indicates that a climate must be established that will foster independent decision making and self-responsibility. Even when women exhibit assaultive behavior, the same kind of high security environment necessary in male prisons is not required in female institutions.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 4-9-91

HB 528

Undoubtedly, there will be a pool of women who need close supervision, but this need should not limit the range of options available to less assaultive women offenders. Walls and guns can be replaced by personnel and stringent rules, and bars by constant vigilance. However, rules and regimentation restrict the inmate's ability to make choices. She is reduced to the status of child-like dependence, when her greatest need is to acquire independence. The regulations and types of programs traditionally imposed are just what women offenders do not need. Development of each woman's capacity to be self-directed, so she can function on her own in the community, is necessary. This means, ultimately, securing a reliable and adequate income for herself and her dependents and becoming adept at making decisions and using support systems to meet her needs. To reach this stage a woman must have the opportunity to make decisions and experience the consequences of the decisions. To be self-directed, to be motivated, to think for herself, to solve problems, and to depend less on others to make decisions, the woman offender should be encouraged to practice responsibility in all phases of her life.

3. Women committed and sentenced to corrections usually come from the most socially, economically, and physically deprived groups in our society. Often, their youth was governed by the effects of parental violence, abuse of alcohol or drugs, unstable employment, or marginal social and economic circumstances. These conditions contribute to a woman's self worth as dependent on an ability to be pleasing, attractive, passive, dependent and emotional rather than assertive, autonomous, rational and aggressive models of their male peers. Nothing in their experience predicts that hard work and perseverance will lead to economic and social improvements in their lives. Consequently, they often lack motivation to improve knowledge and skills.
4. A full (80%) of Montana female offenders are mothers. Most of that number reflect single head-of-household homes. These women receive no assistance from a mate. Children of incarcerated women are a hidden population. While a massive bureaucracy exists to punish the woman offender, the children and their caretakers are often left to fend for themselves - very little is known about these children. Being convicted of a crime does not mean that a woman is a bad mother any more than living in a community guarantees that she is a good mother. The tragedy is that for most children of incarcerated parents, there is so little way to be involved in implementing new plans. While institutional staff may sympathize with the problems faced by the incarcerated mother, the solution is outside of their jurisdiction and expertise. They are the jailers of the mothers, not trained children's workers. For most mothers, this leads to loss of decision making concerning their children's lives. As time goes on this loss of involvement in ongoing decision making multiplies and plans for reunification become less and less realistic. For many women, their prison is not being locked behind bars but being separated from their children. Needless to say, this enforced separation also causes the children significant pain. With continued, prolonged separation from children, the incarcerated woman appears to suffer serious loss of identity and self-esteem. The maternal role has been found to be closely associated with the level of self-esteem of incarcerated mothers.

It is essential that the correctional system work at reducing the obstacles to the maintenance of mother-child relationships and for minimizing the negative effects of extended separation. For the simple fact is, that the offender's anxiety and guilt are reduced and self-esteem is increased when mothers are able to maintain some measure of material role functioning.

In order for the state of Montana to meet the unique needs of women offenders, there needs to be a facility that has the proximity and availability of the following resources:

1. Medical services
2. Dental services
3. Chemical dependency
4. Mental health services including psychiatric care, clinical services, in-patient and out-patient treatment
5. Vocational education
6. Public or private post-secondary institutions
7. Licensed foster care
8. Established organizations whose primary missions are specific to women's needs.

This testimony is not a criticism of existing services, since women's corrections staff struggle with few resources and less support than other parts of the system. Rather, it is an urgent recommendation for change. The Department of Institutions, in cooperation with the Governor's Criminal Justice and Corrections Advisory Council have developed a comprehensive plan addressing the woman offender. That plan must be put into effect if we are to meet the mandate of equity for female offenders.

April 9, 1991

Senator Judy Jacobson, Chair
Senate Finance and Claims Committee
State Capitol Building
Helena, MT 59620

Re: House Bill 528

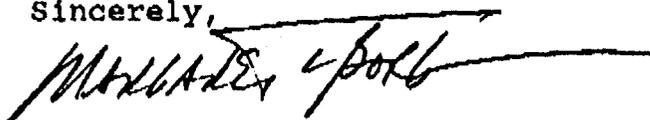
Dear Senator Jacobson and Members of the Committee:

I am a member of the Governor's Criminal Justice and Corrections Advisory Counsel and its Sub-Committee on the Women's Correctional Facility. Because I am personally unable to appear before your Committee, I write in support of House Bill 528, third reading, as amended.

I am in favor of a process which has as its priority the selection of a site for the Women's Correctional Facility which takes into account first and foremost the needs of the woman offender and her rehabilitation. The siting criteria of the Bill addresses that goal. The appointment of a Site Selection Committee is critical to attaining that goal. A diverse, balanced and informed committee can choose a site based upon the best interest of the women to be served, not the best interests of the competing locations. It has always been my goal, and that of the Sub-Committee on the Women's Correctional Facility, that influences unrelated to the needs of women offenders and their treatment not dictate the location of the new facility.

I appreciate your consideration of my remarks.

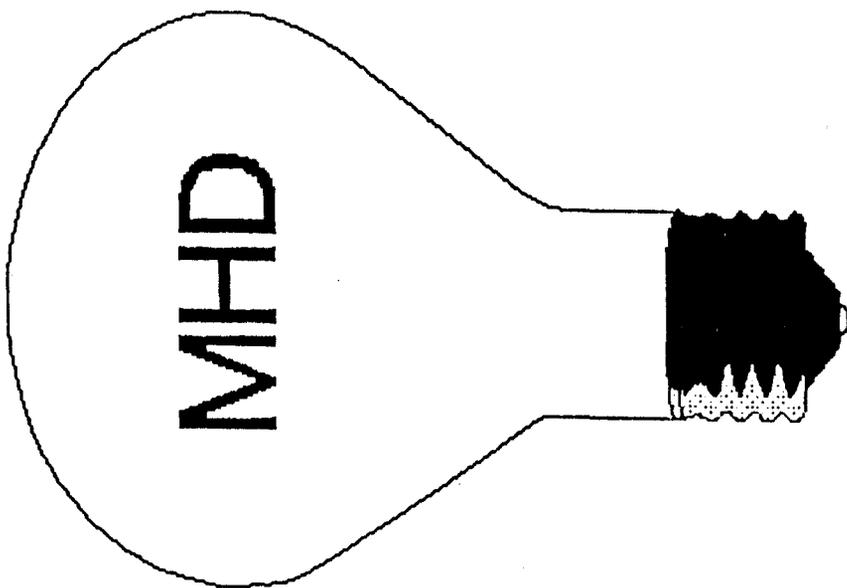
Sincerely,



Margaret L. Borg

MLB:sc

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 6
DATE 4-9-91
BILL NO. HB 528



ELECTRIC POWER FROM COAL

MONTANA TECHNOLOGY COMPANIES, INC. SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4-9-91

DATE 11/2/84

MHD
MAGNETOHYDRODYNAMICS

THE GENERATION OF ELECTRIC POWER
BY PASSING A FLUID CONDUCTOR
THROUGH A MAGNETIC FIELD

RESULTING IN

CLEANER, MORE EFFICIENT BURNING OF COAL
TO GENERATE ELECTRICITY

MONTANA TECHNOLOGY COMPANIES, INC.

BENEFITS OF MHD

- HIGHER EFFICIENCY
- ENVIRONMENTAL PERFORMANCE
- LOWER COST OF ELECTRICITY
- COAL RESOURCE UTILIZATION

MONTANA TECHNOLOGY COMPANIES, INC.

MHD RETROFIT WHY MONTANA?

- REJUVENATION OF MONTANA COAL INDUSTRY
- INVESTMENT OF COAL TAX FUNDS IN THE INDUSTRY
THAT PROVIDES THEM
- COMPETITION BETWEEN STATES FOR CLEAN COAL
FUNDS

MONTANA TECHNOLOGY COMPANIES, INC.

MHD RETROFIT BENEFITS TO MONTANA

- INCREASE TAX BASE
- JOBS FOR CONSTRUCTION
- JOBS FOR OPERATION OF PLANT
- INCREASED COAL SALES IN MONTANA AND ELSEWHERE
- ESTABLISH MONTANA AS A LEADER IN COAL DEVELOPMENT
- CAPITALIZE ON FEDERAL COMMITMENT TO MONTANA
- PRESERVE ENVIRONMENT AND QUALITY OF LIFE

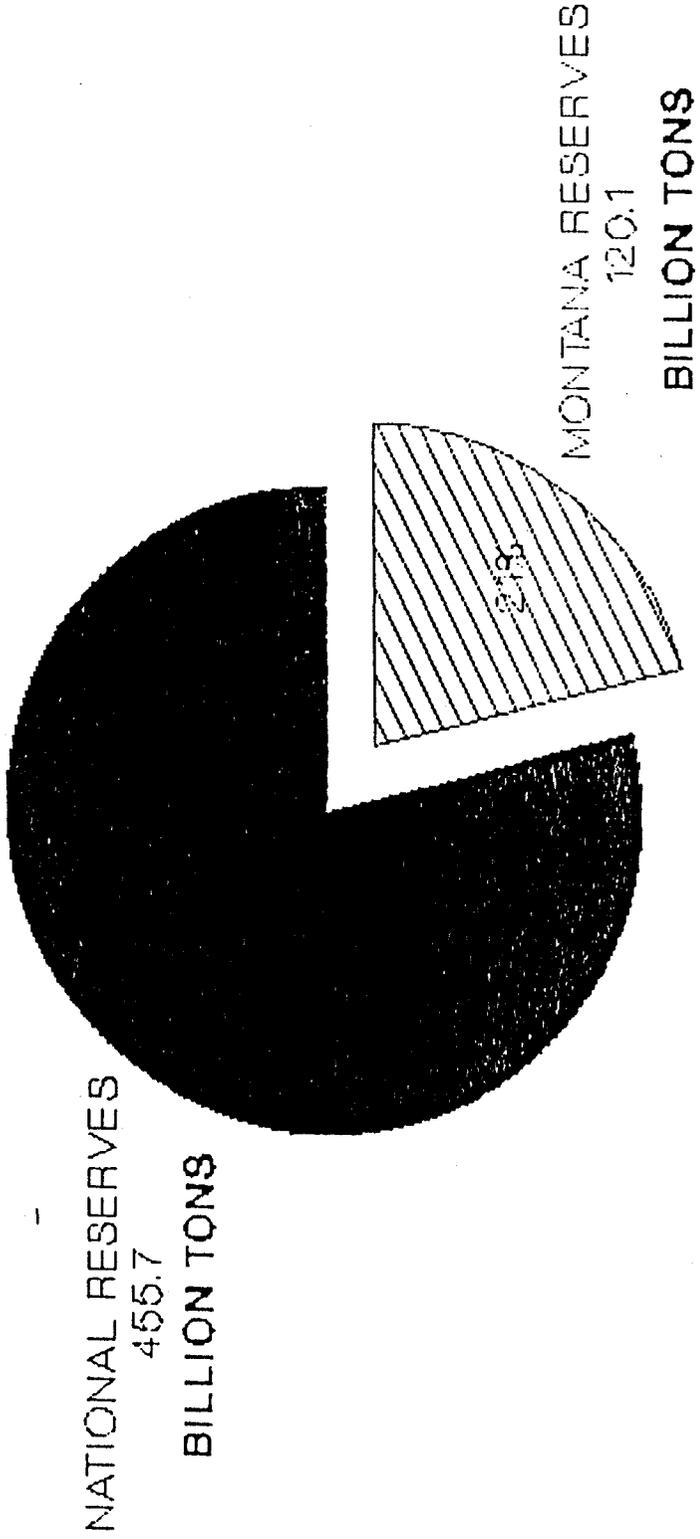
MONTANA TECHNOLOGY COMPANIES, INC.

CLEAN COAL INVOLVEMENT

OHIO	\$100 MILLION OF STATE BONDS TO BE RETIRED FROM GENERAL REVENUE
KENTUCKY	\$3 MILLION PER YEAR FROM THE UNIVERSITY BUDGET
WYOMING	\$30 MILLION INVESTMENT OF STATE FUNDS
ILLINOIS	\$5 MILLION PER YEAR FROM UTILITY TAX FUND

MONTANA TECHNOLOGY COMPANIES, INC.

NATIONAL COAL RESERVES MONTANA'S RANKING



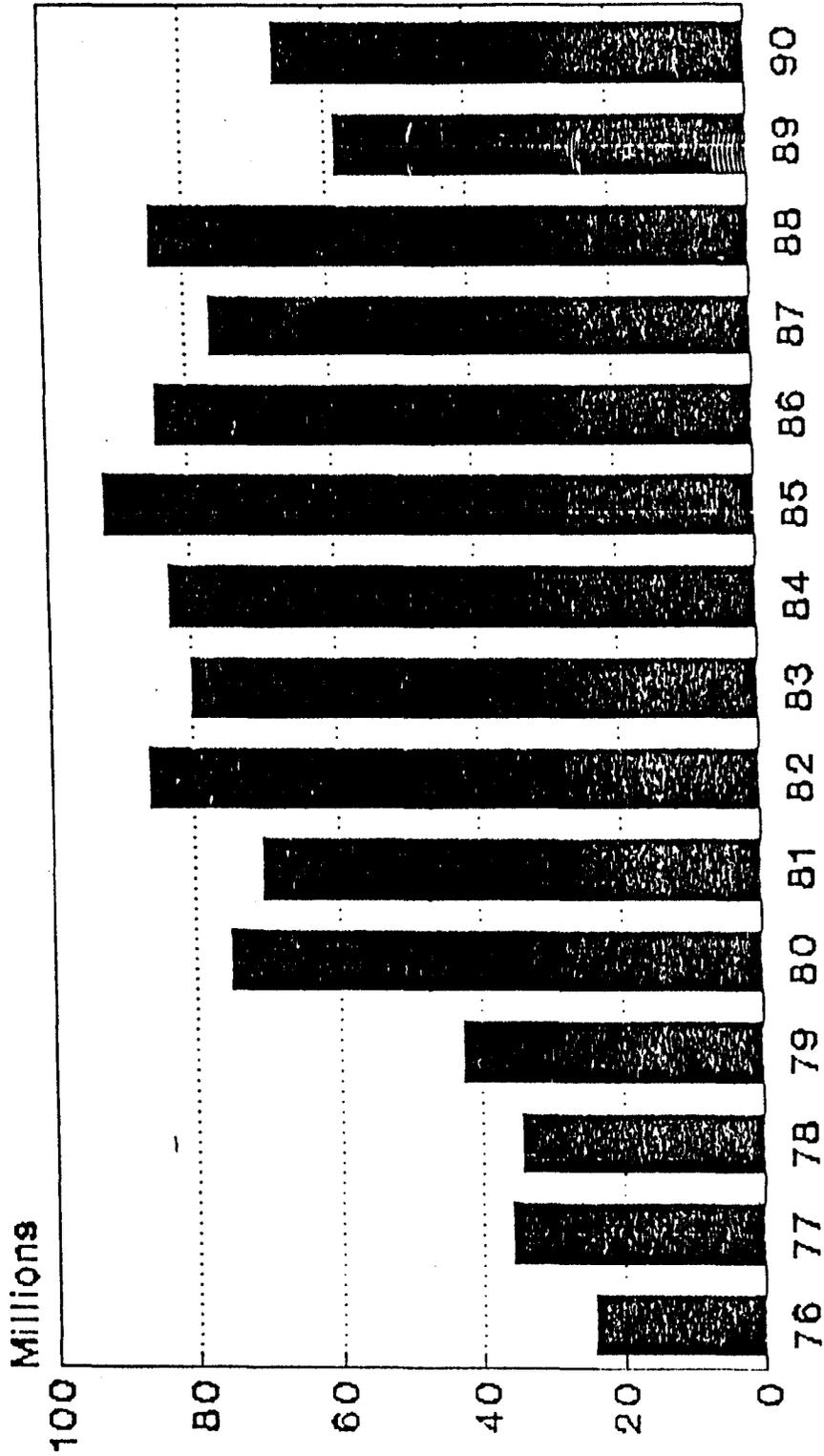
RESERVES OF 15 MAJOR COAL PRODUCING STATES
MONTANA RANKS FIRST IN COAL RESOURCES AND RESERVES

**COAL SEVERANCE TAX
EXPENDITURES
FOR
CLEAN COAL DEVELOPMENT**

\$350,000

MONTANA TECHNOLOGY COMPANIES, INC.

COAL SEVERANCE TAX COLLECTIONS



Series 1

TOTAL - \$994,311,000 (NEARLY \$1 BILLION)

MHD RETROFIT
CLEAN COAL PROGRAM AWARD

<u>POSSIBLE FUNDING SOURCES</u>	<u>AMOUNT</u>
MONTANA	\$ 50 - \$60 MILLION
FEDERAL CLEAN COAL FUNDS	120 MILLION
MHD PROOF-OF-CONCEPT PROGRAM EXTENSION	40 MILLION
CONGRESSIONAL LINE ITEM OPERATING FUNDS	70 MILLION
VENTURE CAPITAL	50 MILLION
OTHER SOURCES	<u>70 MILLION</u>
TOTAL	\$400+ MILLION

MONTANA TECHNOLOGY COMPANIES, INC.

HOUSE BILL 684

While Montana possesses vast coal resources and is known for its aggressive coal severance tax, it has devoted nearly nothing to the advancement of technologies which can enhance the attractiveness and marketability of its coal. In fact, the only use of Coal Tax dollars for coal research was the Science and Technology Alliance's loan of \$350,000 to help Western Energy develop its Coal Beneficiation Project which recently received a major funding commitment from the U.S. Government and secured private financing for construction. The Science and Technology Alliance can now expect to get its money back plus a significant return on its investment over the coming several years.

Through the efforts of a consortium of private companies which make up the MHD Development Corporation, Montana has felt the benefit of millions of federal and private dollars being spent to develop this cutting edge technology in Montana. A significant amount of economic, financial, and technical analysis must be completed in order to put together an application to seek up to \$160 million in U.S. Department of Energy funding to develop the first commercial test of the technology at site of the Corette Power Plant in Billings. Private sources are being asked to put up \$250,000 of the \$500,000 estimated cost of this application effort. The loan authorized by HB 684 is intended to cover the rest of the cost.

HB 684 contains the following two major provisions:

- 1) It appropriates \$250,000 to the Department of Natural Resources and Conservation from the Coal Tax Local Impact Account to make a loan to the MHD-Corette Project. The Local Impact Account is projected to have a fiscal year end balance of \$1 million. (Under statute, all funds remaining in the Local Impact Account at fiscal year end revert to the school equalization account.) HB 684, as amended by the Appropriations Committee, makes available the \$250,000 loan amount and allows the remaining \$750,000 to revert.
- 2) A loan in the amount of \$250,000 is awarded in the first year of the 1993 biennium to the MHD-Corette project for its use in completing its analysis and to partially fund the process of securing federal Clean Coal financing from the Department of Energy. The loan must be matched on a 1:1 basis and is to be repaid to the school equalization account at 12% annual interest from any proceeds derived through sale or lease of the MHD technology or from sale or lease of the MHD facility.

8
4/9/91
HB 684

The following is draft legislation submitted by Montana Senator Conrad Burns to the Senate Energy Committee as part of a National Energy Strategy Bill. (Burns is a member of the Senate Energy Committee.)

**Subtitle B--National Clearinghouse for Coal Fuels
Technology Act of 1991**

SEC. 4201. NATIONAL CLEARINGHOUSE FOR COAL FUELS TECHNOLOGY.

(a) To improve ambient air quality and to reduce emissions into the atmosphere, the Secretary of Energy (hereafter referred to in this Section as the "Secretary") shall establish, within the United States Department of Energy, a clearinghouse for the collection and dissemination of information and data on technology relating to coal, and coal-derived fuels.

SEC. 4202. ESTABLISHMENT OF CLEARINGHOUSE.

(a) In establishing a clearinghouse pursuant to section 4201 and otherwise carrying out the provisions of this section, the Secretary shall, among other things--

(1) collect information and data on technology relating to coal, and coal-derived fuels, which can be utilized to improve environmental quality and increase energy independence;

(2) disseminate to appropriate individuals, governmental departments agencies, and instrumentalities, institutions of higher education, and other entities, information and data collected pursuant to this provision;

(3) maintain a complete library of technology publications and treatises relating to technology information and data collected pursuant to this provision;

(4) organize and conduct seminars for government officials, utilities, coal companies, and other entities or institutions relating to the technology using coal, and coal-derived fuels, which will improve environmental quality and increase energy independence;

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 9

DATE 4-9-91

BILL NO. HB 6821

(5) gather information on research grants made for the purpose of improving or enhancing technology relating to the use of coal, and coal-derived fuels, which will improve environmental quality and increase energy independence;

(6) translate into English foreign research papers, articles, semina proceedings, test results that affect, or could affect, clean coal use technology, and other documents;

(7) encourage, during the testing of technologies, the use of coal from a variety of domestic sources, and collect or develop, or both, complete listings of test results using coals from all sources;

(8) establish and maintain an index or compilation of research projects relating to clean coal technology carried out throughout the world; and

(9) conduct economic modeling for feasibility of projects.

SEC. 4203. INSTITUTIONS OF HIGHER EDUCATION.

(a) To assist the Secretary in carrying out the provisions of this Act, the Secretary is authorized to select, with their approval, two institutions of higher education. In selecting such institutions, one shall be located in the western part of the United States and one shall be located in the easter part of the United States. In making his selection, the Secretary shall give careful consideration to the selection of the unit of the University of Montana located in Billings, Montana, and to the University of Kentucky, Lexington, Kentucky, both institutions being situated in major coal producin States and uniquely qualified to assist the Secretary in carrying out the provisions of this Act.

(b) In carrying out the provisions of this Act, the Secretary is authorized to enter into agreements with, and make grants to, the two institutions of higher education selected pursuant to subsection (a). Any such grant shall be made at such time or times, in such amount, and subject to such terms and conditions as the Secretary may prescribe.

SEC. 4204. COORDINATION OF PURPOSES.

In carrying out the provisions of this Act, the Secretary shall, from time to time, consult and coordinate his activities with other appropriate Federal departments, agencies and instrumentalities. All Federal departments agencies, and instrumentalities shall cooperate to the fullest extent possible with the Secretary to enable him to carry out the provisions of thi Act.

SEC. 4205. ADDITIONAL FUNDING.

The Secretary is authorized to solicit and accept donations from non-Federal sources to assist in defraying expenses incurred in carrying out the provisions of this Act.

SEC. 4206. APPROPRIATIONS.

For the purpose of carrying out the provisions of this Act, including th making grants, there are authorized to be appropriated for fiscal year 1992, \$5,000,000, and for each of the next following four fiscal years, \$20,000,000.

Subtitle C--Other Coal Provisions

SEC. 4301. MAGNETOHYDRODYNAMICS.

(a) The Department of Energy will conduct the Magnetohydrodynamic (MHD)

Proof of Concept Program sure that the engineering and design information required to successfully design, construct, and operate an MHD retrofit plant. The plant will be based upon conceptual designs of a "MHD Retrofit System to a Coal Fired Generating Plan" which have been completed under Department of Energy contracts.

(b) \$90 million is authorized for this purpose.

(c) The Department of Energy is authorized to extend the Proof of Concept Program to September 30, 1995.

TITLE V--ELECTRICITY

SEC. 5101. FUEL CELLS JOINT VENTURE

(a) Subsection 6(c) of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (Public Law 101-218) is amended by adding a new paragraph (6) as follows:

"(6)(A) The Secretary of Energy shall solicit proposals for, and provide financial assistance to, at least one joint venture for the demonstration of fuel cells technology in accordance with the provisions of this paragraph.

"(B) The purpose of joint ventures supported under this paragraph shall be to design, test, and demonstrate critical enabling technologies for the production of electric energy from fuel cells in order to accelerate commercial application of fuel cells.

"(C) There are authorized to be appropriated to the Secretary not to exceed \$3,000,000 for each of the fiscal years 1992, 1993, and 1994 to carry out the provisions of this paragraph."

SEC. 5102. FUEL CELL PROGRAM

Title V of the National Energy Conservation Policy Act (42 U.S.C. 8251-8261) is amended by adding the following new part after section 569:

"Part 5--Fuel Cells

"SEC. 571. DEFINITIONS.

"For purposes of this subtitle the term--

"(1) 'Federal building' shall mean 'Federal building' as defined by section 549(6); and

"(2) 'Task force' shall mean the Interagency Energy Management Task Force established pursuant to section 547, except that, for purposes of this subtitle, the term 'task force' shall include the Environmental Protection Agency.

"SEC. 572. FUEL CELL PROGRAM.

"The Secretary, in consultation with the task force, shall conduct a program to promote the early commercial application of fuel cell systems for the production of electricity by the demonstration of such systems in Federal buildings.

"SEC. 573. PURPOSES.

"The purposes of this program are to--

"(1) improve the efficiency and reduce the environmental consequence of the Nation's electric generation capability;

"(2) stimulate the creation of new industries and job opportunities in efficient and environmentally sound energy technologies; and

"(3) develop cost, efficiency, performance, environmental, and

County of Yellowstone



COMMISSIONERS

March 4, 1991

(406) 256-2701

Box 35000
Billings, MT 59107

Chairperson Bardanouve and Members
House Appropriations Committee
Room 104
Montana Legislature
Helena, MT 59620

Dear Committee Members:

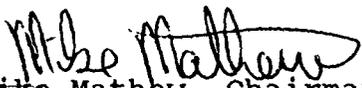
We urge your support of HB 684, creating a central facility for information and marketing of Montana's clean fuels and clean coal opportunities.

Such an information center will complement our existing natural resource industry; keep Montana competitive in leading-edge, clean fuels information development and dissemination; assist the State's coal area governments in proper use and administration of coal development issues; and, provide more value-added worth to one of our largest natural resources.

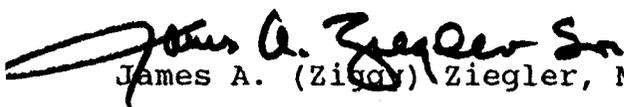
This is a sound project that will have long-term benefits for the people of this State.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA


Mike Mathew, Chairman


Dwight MacKay, Member


James A. (Ziggy) Ziegler, Member

:mar

BOARD OF COMMISSIONERS

County of Carbon



Red Lodge, Montana
59068

March 4, 1991

Representative Francis Bardanoue, Chairman
House Appropriations Committee
Montana Legislature
Helena, MT 59601

Dear Representative Bardanoue and Committee Members

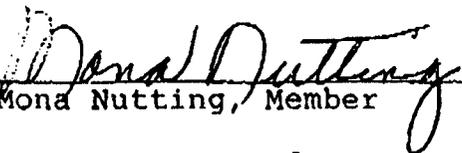
We would like to urge your support of HB 684 which uses the money remaining in the Local Impact Account to coordinate development, use, and marketing of Montana's coal and clean fuel resources.

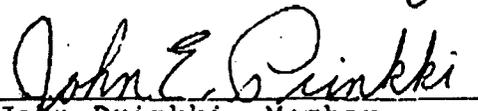
Montana has received \$994,000 from coal severance taxes and put very little back into the effort of planning and development of our clean fuel and coal resources.

HB 684 will properly utilize designated impact dollars for important development-related programs. It is not a new appropriation, and we urge your support.

Thank you.


Don Taylor, Chairman


Mona Nutting, Member


John Prinkki, Member



BEARTOOTH

RESOURCE CONSERVATION & DEVELOPMENT AREA

Drawer J ♦♦ Joliet, Montana 59041 ♦♦ Phone 406-962-3571

Representative Francis Bardanouve
Chairman House Appropriations
State Capital
Helena, MT 59620

Dear Sir:

I am writing in Support of HB684 which would fund a Clean Fuels Information Center to be located at Eastern Montana College. It is extremely important to promote technological information exchange for the development of clean fuels and coal reserves of which Montana has a need for and has in good supply.

In order for Montana to be competitive regionally and internationally, we need to focus on obtaining the scientific and technological resources for our available natural resources. Montana needs a system in place to provide current technical assistance to companies for their needs whether its field, laboratory, or production activities. A well formulated and focused marketing effort is also necessary.

A coal technology clearinghouse is needed for several reasons including:

- a. The 1990 Clean Air Act requires less pollution and provides opportunity for the use of clean burning Montana coal,
- b. There is an increased demand for electricity in California and the northwest which improves the potential for use of Montana coal,
- c. A Western Clearinghouse would store and provide information for supporting development and export of Montana coal and the upcoming clean fuels industry,
- d. The use of Montana coal means enhancing economic development and creates jobs, and
- e. The development of Montana coal would increase the tax base.

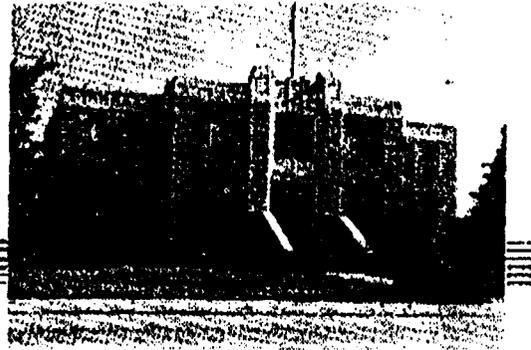
Your support for this legislation would be greatly appreciated.

Sincerely,

Bob Tribelhorn, Coordinator
Beartooth RC&D Area, Inc.

BIG HORN COUNTY

HARDIN, MONTANA 59034



BOARD OF COMMISSIONERS
DRAWER H
(406) 665-3520

March 4, 1981

Rep. Francis Bardanouve
Montana State Representative
Capitol Station
Helena, MT 59620

RE: HB 684

Dear Rep. Bardanouve:

We, the Board of Commissioners, Big Horn County, would like to express our support of HB 684 appropriating \$1,000,000.00 from the Local Impact Account to be used by June 30, 1993, for a Study of Natural Resources and Community Infrastructure and for a clean fuels information center.

Please present our letter to the Appropriation Committee Members.

Very truly yours,

BOARD OF COMMISSIONERS
BIG HORN COUNTY, MONTANA

John Doyle
John Doyle, Chairman

Shelly Boeckel
Shelly Boeckel, Member

Robert Koyama
Robert Koyama, Member



County of Stillwater State of Montana

BOARD OF COUNTY COMMISSIONERS

P.O. Box 147

Columbus, Montana 59019

February 28, 1991

Francis Bardanoue
House Appropriations Committee
State Capitol
Helena, Mt. 59620

Dear Francis:

We would like to go on record in support of HB684, an act which would create a clean fuels information depository at Eastern Montana College.

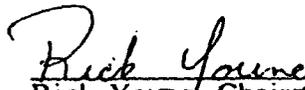
With the new Clean Air Act recently passed by Congress, we feel this fill could go a long way bringing business and technology together to help our nation reach our goal of cleaner air.

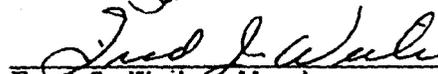
While we have no coal deposits in Stillwater County natural gas deposits are plentiful. Market development for this resource, as well as other clean fuels, is a crucial link.

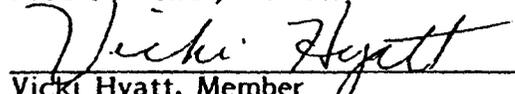
Please consider giving this bill a "do pass" recommendation.

Sincerely,

BOARD OF COUNTY COMMISSIONERS


Rick Young, Chairman


Fred J. Weiler, Member


Vicki Hyatt, Member

RY/br

c.c. Cal Cumin, Yellowstone County Development Office



County of Musselshell

ROUNDUP, MONTANA

BOARD OF COUNTY COMMISSIONERS

M. D. BREWER
SUE M. OLSON
KELLY GEBHARDT

JANE E. MANG
Clerk & Recorder

MARY C. NELSON
Treasurer
Supt. of Schools
Assessor

G. PAUL SMITH
Sheriff

VICKI KNUDSEN
County Attorney

DONA C. ROBSON
Clerk of District Court

JOHN RAE
Coroner

COLETTE Y. MADISON
Public Administrator

ROBERT E. MIHALOVICH
Justice of the Peace

March 4, 1991

Rep. Francis Bardanouve, Chairman
House Appropriations Committee
Montana Legislature
Helena, MT. 59601

Dear Representative Bardanouve and Committee Members:

The Musselshell County Commissioners would like to encourage your support of HB684. Using the remaining monies from the Local Impact Account to establish this program will go a long ways in coordinating development, use and marketing of Montana clean fuel resources, including coal.

Because of the hundreds of millions in coal severance taxes Montana has received and the fact that this particular Local Impact Account balance is not a usually anticipated revenue, we believe HB684 is an excellent application of impact dollars. The return to Montana could be enormous.

Thank you for your consideration.

Sincerely,

Musselshell County Commissioners

Sue M. Olson
Sue M. Olson, Chairman

M.D. Brewer
M.D. Brewer, Member

Kelly Gebhardt
Kelly Gebhardt

CHRIS G. MOHRY
Commissioner

ARTHUR KLEINJAN
Commissioner

EDITH BENSON
Commissioner

LUCILEY OFIMCKE
Clerk and Recorder

MIRLEY GRUND
Treasurer

BILLIE MC WARTER
Assessor

R.D. OEHMCKE
Justice of Peace



LEONARD H. LANGEN
District Judge

KAY O'BRIEN JOHNSON
Clerk of Court District #17

DONALD A. BANSTROM
County Attorney

LESLIE W. HARRINGTON
Health and Public Administrator

CAROL L. ELLIOT
Superintendent of Schools

MARVINA EDWARDS
Coroner

B.W. MC QUINE
Justice of Peace

BLAINE COUNTY

Chinook, Montana 59523

March 4, 1991

Representative Francis Bardsnouve
Chr. and the House Appropriation Committee
Montana Legislature
Capitol Station
Helena, MT 59620

Dear Francis:

We would like to voice our support for HB684, we feel that a Natural Resource and Infrastructure Inventory/Analysis would be a valuable tool to provide information to new businesses starting up and existing companies wishing to expand. It would be a vital link in the promotion of our natural resources.

The NRIIA would collect all available information concerning our natural resources and the infrastructure of this information would be compiled and computerized in a geographic information system. The data base would be accessible to local governments, planning agencies and industry at one source, Eastern Montana College.

We feel that this system is needed to promote the development of our natural resources and would appreciate your support of this bill.

Thank You.

Best regards,

BLAINE COUNTY COMMISSIONERS

Chris G. Mohry Chr.

Arthur Kleinjan
Edith Benson



COMMISSIONERS
 Box 948 - Phone 778 2803
 Ronald D. Shepherd, Chairman
 Donald Rieger, Mayor
 Allen Rusted, Mayor

CLERK & NEGOTIATOR
 Mary Lee Diaz
 Box 240 - Phone 778 2803

COUNTY ATTORNEY
 Dennis H. Young
 Box 320 - Phone 778 2803

JUSTICE OF THE PEACE
 Charles E. Larson
 Box 260 - Phone 778 2803

FALLON COUNTY

BAKER, MONTANA 59313

ASSESSOR
 Curtis Muether
 Box 489 - Phone 778 2803

CLERK OF COURT
 Carol Wade
 Box M - Phone 778 2803

SHERIFF
 Leland Gundlach
 Box 809 - Phone 778 2878

SUPT. OF SCHOOLS
 Marlene A. Perrel
 Box 1117 - Phone 778 2803

TREASURER
 Faye M. Koenig
 Box 787 - Phone 778 2803

March 4, 1991

Representative Bardanoue
 House of Representatives
 State Capitol
 Helena, Montana 59620

Dear Mr. Chairman (Appropriations):

As a concern of FALLON COUNTY COMMISSIONERS, in regard to support of HB684, which is entitled "An act appropriating \$1,000,000.00 from the Local Impact Account to be used by June 30, 1993, for a Study of Natural Resources and Community Infrastructure and for a Clean Fuels Information Center; and providing an immediate effective date."

Even though FALLON COUNTY is not in this region, we feel the need is vital for such a system. This may only be the first step in such a program, however, we hope this plan will grow to include our area or even the entire state.

Again as FALLON COUNTY COMMISSIONERS, we urge full support on this HB684.

Sincerely Yours;

Ronald D. Shepherd

FALLON COUNTY COMMISSIONERS
 RONALD SHEPHERD, CHAIRMAN

cc: Musselshell County Commissioners



CENTRAL MONTANA
RESOURCE CONSERVATION & DEVELOPMENT AREA

March 4, 1991

House Appropriations Committee
Rep. Francis Bardanouve, Chairman
Montana Legislature
Helena, MT 59601

Dear Chairman Bardanouve and Committee Members:

On behalf of the Executive Committee of the Central Montana RC&D Council I would like to urge your support for HB-684. Funding this effort at Eastern Montana College would be a major step forward, compatible with two of the RC&D Council's identified objectives; better utilization and management of RC&D area mineral resources and expansion of business opportunities.

We believe in this concept to create a centralized, coordinated information center working on development related programs. Using existing severance tax dollars for planning and development of Montana's clean fuel and coal resources is not only appropriate, but timely. A very real opportunity may exist to leverage this funding with federal dollars, i.e., Department of Energy Clean Coal and Alternative Fuels Program.

Eastern Montana College, located within a major natural resource region, is an excellent site for such an effort. Involvement and participation opportunities for the education community, including students, serve to strengthen this concept.

Your favorable consideration of HB-684 will be in the best interests of our State.

Thank you.

Sincerely,

Monty L. Sealey
Coordinator

ALSO HAVE
SUPPORT OF
FERGUS COUNTY
COMMISSIONERS.

February 7, 1991

Representative Francis Bardanoue
Montana House of Representatives
State Capitol
Helena, MT 59601

Dear Francis:

As you may be aware, I am Vice-Chairman of the Montana Coal Board. An audit has established that \$1,016,851 of non-appropriated funds exists in the Local Impact Account. The Coal Board administers this account.

My personal view, and that shared by the 80 member Musselshell Valley Development Corporation and others from Central and Southeastern Montana, is that these dollars should be allocated to promote economic development and clean coal technology in Montana. A bill is being prepared, sponsored by Representative Driscoll, toward these ends and I would request your support.

Best personal regards,



Alan Evans
Roundup, MT.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
TESTIMONY ON HOUSE BILL 777

INTRODUCTION

My name is Tom Livers. I'm representing the Department of Natural Resources and Conservation, and I'm here to support House Bill 777.

Two years ago the Montana Legislature unanimously established a bond-financed energy conservation program for state buildings. This program uses the proceeds from general obligation bonds to pay for energy efficiency improvements, then uses the energy cost savings to pay the debt service on the bonds.

Under this program, the Department of Natural Resources and Conservation is directed each biennium to present to the Governor's Office, and subsequently to the Legislature, a proposed energy retrofit package. House Bill 777 contains the retrofit package proposed by DNRC and the Governor's Office for the 1992-93 biennium.

WHAT HOUSE BILL 777 DOES

House Bill 777 does four things:

1. It authorizes up to \$3 million in general obligation bonds for energy conservation projects for the coming biennium.
2. It drops from the existing legislation the statutory appropriation to the Department of Natural Resources and Conservation for a portion of the bond proceeds.
3. It withdraws the \$3 million bond authorization approved for this program last biennium.
4. It reappropriates \$400,000 in oil overcharge money to the Department as seed money for the program.

I'll speak briefly to each of these actions.

1. \$3 million bond authorization for 1992-1993 biennium

The \$3 million in bond proceeds will fund energy efficiency improvements at the University of Montana in Missoula, Eastmont Human Services Center in Glendive, the Pine Hills School in Miles City, and the Cogswell Building here on the capitol complex. I've included in your packet a summary of these projects, and I would be happy to answer questions on them at the end of the testimony.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 10

DATE 4/9/91

BILL NO. HB 777

2. Removing the statutory appropriation

The statutory appropriation in the existing law is not necessary to the operation of this program; it is being dropped at the request of the Legislative Fiscal Analyst.

Each biennium, a portion of the bond proceeds is set aside to pay for next biennium's engineering analyses, design work, training and administration. DNRC will submit a package similar to this one for approval by each Legislature. Each session, the Legislature will have the authority to approve DNRC's appropriation for the coming biennium, rather than these funds being appropriated statutorily.

3. Withdrawal of bond authorization for 1990-1991 biennium

The previous Legislature authorized DNRC to sell up to \$3 million in general obligation bonds for energy work at the Montana Developmental Center in Boulder, the Montana State Hospital at Galen and Warm Springs, the Center for the Aged in Lewistown, and the School for the Deaf and Blind in Great Falls. Because of major changes proposed at the large institutions, DNRC put much of this work on hold. The Galen project was delayed until further notice, and the Boulder project was scaled down from over \$1.3 million to about \$130,000. The remaining projects, including Warm Springs, were scaled back slightly or came in under budget.

With these projects scaled back, DNRC was able to proceed with the remaining work without selling bonds, relying instead entirely on oil overcharge money appropriated by the 1987 Legislature. The uncertainty surrounding Boulder, Galen and Warm Springs raised questions about whether the savings would pay off the bonds before changes took place. As a result, DNRC chose not to put the state in debt for these projects; instead, we're funding only those measures that pay for themselves quickly and that can be funded through existing oil overcharge funds.

We have not and do not intend to sell bonds during this current biennium, fiscal years 1990 and 1991. The withdrawal of last session's bond authorization for the current biennium merely formalizes DNRC's intent.

4. Reappropriation of oil overcharge funds

Last session the Legislature appropriated \$550,000 of oil overcharge money to DNRC to pay for engineering analyses, design work, training of state building operators and program administration. Because of the delays and changes mentioned above, DNRC has only spent \$150,000 of this money, to pay for

the engineering analyses at the University, Eastmont, Pine Hills and the Cogswell Building. The remaining \$400,000 has not been spent. This bill would reappropriate this money to DNRC to use for the same purposes for which it was originally approved.

This oil overcharge seed money enables us to complete all the front-end work -- administration, energy analyses and design -- before we sell bonds. Bonds are not sold until we're ready to do the actual installation of the energy improvements. This drastically reduces the time period between when we start incurring interest charges on the bonds and when the revenue stream from the savings is realized. In the future, this seed money will come directly from bond sales. Once established, the program requires no additional infusion of funds other than the bonds themselves, which will be repaid through savings.

SAVINGS

The documentation is solid that this program will provide needed improvements to state buildings and save the state money. The projected energy and cost savings are based on a range of very conservative economic and engineering assumptions. The projects are structured so that measures with longer payback can be dropped if financing terms at the time of the bond sale demand a higher return on investment.

I'd like to call your attention to the chart I've handed out. The top line shows current utility costs for the four facilities, projected over twenty years. This is the projected cost to the state if we do none of this work.

The lower line shows the projected annual cost if the bonds are sold and the energy conservation work is done. It includes both the reduced utility costs and the bond repayment. In this example, the bonds are retired in ten years, which accounts for the sharp drop halfway through on the lower line.

The area between the two lines represents the estimated savings to the state. As you can see, the state realizes a small net savings, even while the bonds are being repaid, and considerably greater savings once the bonds are retired.

I think this chart clearly points out that there is a significant cost to the state associated with not doing this work. In other words, the cost of doing nothing is greater than the cost of doing the work proposed in this bill. We're reaching the point where we can't afford the cost of doing nothing. State government already spends more than \$13 million per year to heat, light and cool its buildings.

In selecting the projects being presented today, DNRC looked both to energy savings potential and to relative stability in long-term use. Our experience with Boulder, Warm Springs and Galen proved that facilities with a high degree of uncertainty in future use are not good candidates for bond investments. The University of Montana constitutes the bulk of the work for the next round and represents a shift toward facilities with more predictable futures.

SUMMARY

- The program that this bill would fund increases the efficiency and reduces the cost of state government. It saves both energy and money.
- It provides needed improvements at the University of Montana, Eastmont, Pine Hills, and the Cogswell Building.
- It saves general fund dollars, especially in the long term.
- The retrofit projects provide work in the private sector, utilizing local engineers, architects, craftsmen and suppliers.

This program was seen as a good idea two years ago when it was unanimously approved by both houses of the Legislature. The program was designed so that the Legislature has an opportunity to review and approve the work proposed each biennium. House Bill 777 represents your opportunity to review and approve the work for the coming biennium. I urge you to support this bill, and I will try to answer any questions you have. Thank you.

SUMMARY OF ENERGY PROJECTS PROPOSED FOR BOND FUNDING

The following summarizes the energy conservation projects proposed at state facilities for the 1992-1993 biennium.

UNIVERSITY OF MONTANA (MISSOULA)

Engineering studies have been completed on the central plant and the following buildings: Health Science, Science Complex, Music, Math, and the Mansfield Library. Studies of the Chemistry-Pharmacy Building and the Pharmacy-Psychology building are underway, and DNRC is now identifying additional buildings to include in the retrofit package.

Electrical efficiency improvements -- Lighting system improvements include installing controls to turn off or reduce lighting when not needed, replacing ballasts in fluorescent fixtures with more efficient models, and upgrading lighting fixtures with more energy efficient systems that also provide higher quality of lighting. Inefficient fans will be replaced with more efficient and more controllable systems.

A cogeneration system is proposed at the central boiler plant. This system will use waste steam from the campus boilers to generate electricity, reducing the amount purchased from the utility.

Heating efficiency improvements -- Steam is used to heat, cool, and provide hot water for most of the buildings on campus. The following measures have been identified: installing more efficient heating controls, reducing heat loss from the buildings by insulating and by reducing unnecessary exhaust, replacing inefficient heating equipment, modifying systems to more effectively deliver conditioned air to the occupants, and reducing heat wasted in the hot water distribution system.

Steam for most of the campus is produced in gas-fired boilers at the central heating plant. In addition to the cogeneration discussed above, equipment will be installed to capture lost energy at the boiler plant.

Additional building improvements -- Studies to be completed by the end of this year will identify improvements to lighting, heating, cooling, domestic hot water, and ventilation systems in three to four more buildings on campus.

Cost and savings estimates -- The total cost of the proposed measures in the studies completed to date is just under \$1.4 million, with an estimated annual savings of approximately \$280,000, for a simple payback of just under 5 years. DNRC anticipates leveraging federal funds in excess of \$500,000, which lowers the cost to the state to less than \$900,000. The work that will be proposed in the additional studies is expected to raise the total state investment to an estimated \$1.7 million, with a similar payback period.

PINE HILLS SCHOOL (MILES CITY)

Energy conservation work is proposed for 16 buildings, including the central heating plant. Projects include updating temperature control systems, converting incandescent lighting to fluorescent, retrofitting the gym lighting system for more efficient and higher quality lighting, converting the heating systems in some of the shop space to gas-fired infrared heating for improved efficiency and comfort, and converting to more efficient heating, ventilation and air conditioning systems in Range Rider and Sundance Lodges.

Proposed energy conservation measures related to the central heating plant and distribution system include insulating steam lines and condensate return lines, installing a pony boiler for meeting the reduced summer time loads of the campus, and installing small point-of-use water heaters for buildings with small domestic hot water loads.

Energy improvement cost:	\$190,000
Estimated annual savings:	\$ 27,000
Simple payback:	7 years

EASTMONT HUMAN SERVICES CENTER (GLEN DIVE)

The energy improvements proposed for the five buildings on this campus include converting from incandescent lighting to fluorescent, upgrading temperature control systems to include night setback, and installing electronic ignition systems on the furnaces.

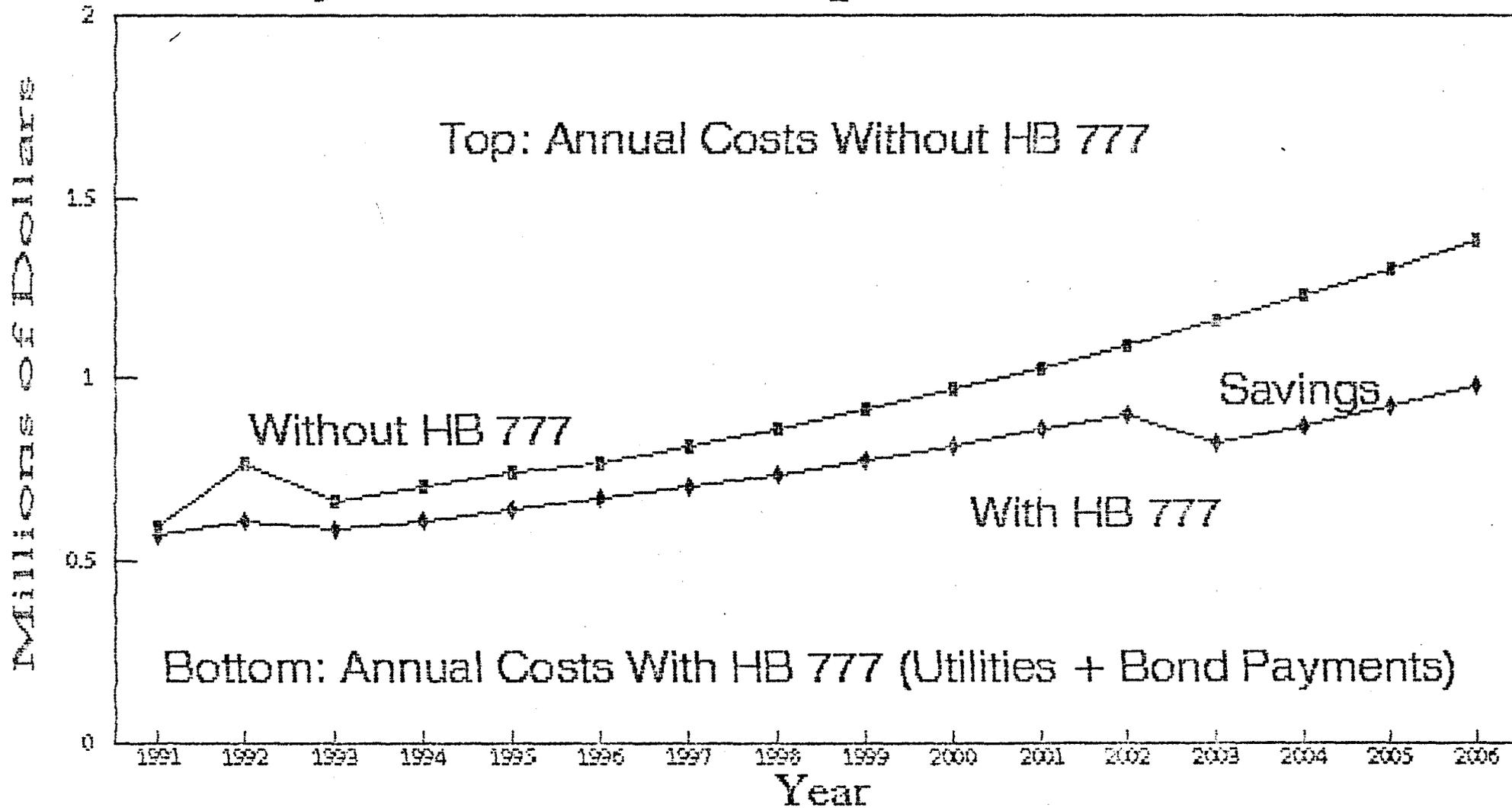
Energy improvement cost:	\$8,600
Estimated annual savings:	\$5,000
Simple payback:	1.75 years

COGSWELL BUILDING (HELENA)

Efficiency improvements -- Steam heating, controls, lighting, and boiler efficiency improvements will be installed on one or two major buildings at the Capitol Complex. Improvement costs and savings are pre-study estimates.

Estimated energy improvement costs:	\$200,000
Estimated annual savings:	\$ 25,000
Simple payback:	8 years

Projected Savings From HB 777



Ntl Gas Savings Valley View School, Gt Ft's, 1990-91

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 11

	1	2	3	4	5	6	7	8
October							DATE 7 4-9 91	8
550 DD							BILL NO. 118 777	
Building	Sq Footage	Current BTU/ Sq Ft/DD	Last year BTU/ Sq Ft/DD	% Change this yr vs. last year	1973/74 Base use BTU/Sq ft/DD	% Change this yr vs. base year	Dollar savings this yr vs base	Current cost
Valley Yr	41223	2.82	6.27	-55	9.1	-69	-635.09	286.19
November								
768 DD								
Building	Sq Footage	Current BTU/ Sq Ft/DD	Last year BTU/ Sq Ft/DD	% Change this yr vs. last year	1973/74 Base use BTU/Sq ft/DD	% Change this yr vs. base year	Dollar savings this yr vs base	Current cost
Valley Yr	41223	4.19	7.71	-45.7	12.4	-66.2	-1144.88	583.52
December								
1525 DD								
Building	Sq Footage	Current BTU/ Sq Ft/DD	Last year BTU/ Sq Ft/DD	% Change this yr vs. last year	1973/74 Base use BTU/Sq ft/DD	% Change this yr vs. base year	Dollar savings this yr vs base	Current cost
Valley Yr	41223	5.58	10.3	-45.8	12.35	-54.8	-1614.41	1328.92
January								
1421 DD								
Building	Sq Footage	Current BTU/ Sq Ft/DD	Last year BTU/ Sq Ft/DD	% Change this yr vs. last year	1973/74 Base use BTU/Sq ft/DD	% Change this yr vs. base year	Dollar savings this yr vs base	Current cost
Valley Yr	41223	5.92	9.33	-36.6	12.38	-52.2	-1607.77	1473.03
February								
906 DD								
Building	Sq Footage	Current BTU/ Sq Ft/DD	Last year BTU/ Sq Ft/DD	% Change this yr vs. last year	1973/74 Base use BTU/Sq ft/DD	% Change this yr vs. base year	Dollar savings this yr vs base	Current cost
Valley Yr	41223	4.87	10.36	-53	10.98	-55.6	-964.41	770.34

Amendments to House Bill No. 990
Third Reading Copy

Requested by Representative S. Rice
For the Committee on Finance and Claims

Prepared by Greg Petesch
April 4, 1991

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 12
DATE 4-9-91
BILL NO. HB 990

1. Title, line 9.
Following: "~~PERMANENT~~"
Insert: "MILLION"
Following: "FROM THE"
Strike: "GENERAL FUND"
Insert: "LODGING FACILITY USE TAX"

2. Title, line 13.
Following: line 12
Insert: "INCREASING THE LODGING FACILITY USE TAX; AMENDING
SECTIONS 15-65-111 AND 15-65-121, MCA;"

3. Page 1, line 16.
Following: "**Appropriation.**"
Insert: "(1)"

4. Page 1, line 18.
Strike: "GENERAL fund"
Insert: "proceeds of the lodging facility use tax deposited in
the account established in 15-65-121(1)(a)"
Following: "~~million~~"
Insert: "million"

5. Page 1, line 25.
Following: line 24
Insert: "(2) If federal matching funds for the Lewis and Clark
national historic trail interpretive center are not
received, the appropriation in subsection (1) must be
retained in the special revenue account established in 15-
65-121(1)(a) for future appropriation by the legislature."

6. Page 3, line 1.
Following: page 2
Insert: "**Section 3.** Section 15-65-111, MCA, is amended to read:
"**15-65-111. Tax rate.** (1) There is imposed on the user of a
facility a tax at a rate equal to ~~4%~~ 5% of the accommodation
charge collected by the facility.
(2) Accommodation charges do not include charges for rooms
used for purposes other than lodging."

Section 4. Section 15-65-121, MCA, is amended to read:
"**15-65-121. Distribution of tax proceeds -- general fund
loan authority.** (1) The proceeds of the tax imposed by 15-65-111
must be deposited in an account in the state special revenue fund
to the credit of the department of revenue. The department may

spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds as provided in subsections ~~(1)(a)~~ (1)(b) through ~~(1)(e)~~ (1)(d), the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical society, and to the university system, as follows:

(a) 20% to a state special revenue account to be used for visitor centers, state parks, and other tourism facilities as determined by the legislature;

~~(a)(b)~~ 1% 0.8% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

~~(b)(c)~~ 2.5% 2% to the university system for the establishment and maintenance of a Montana travel research program; and

~~(e)(d)~~ the balance of the proceeds as follows:

(i) 75% to be used directly by the department of commerce;

(ii) except as provided in subsection ~~(1)(e)(iii)~~ (1)(d)(iii), 25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide;

(iii) if 25% of the proceeds collected annually within the limits of a city or consolidated city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city or consolidated city-county is located is to be distributed to the nonprofit convention and visitors bureau in that city or consolidated city-county.

(2) If a city or consolidated city-county qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city or consolidated city-county is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(4) The department of commerce may use general fund loans for efficient implementation of this section.

(5) The department of fish, wildlife, and parks shall prepare a prioritized list of state park projects and the department of commerce shall prepare a prioritized list of visitor center or tourism facility projects proposed to be funded from the account established in subsection (1)(a). The lists must be presented to each session of the legislature. The lists may propose projects recommended to be built with bond proceeds, the debt service of which is payable from the account established in subsection (1)(a)."

Renumber: subsequent section

Lewis and Clark National Historic Trail Interpretive Center

Citizen Steering Committee

Post Office Box 7374
Great Falls, Montana 59406

MEMBERS:

Sydne Abernathy
Giant Springs Heritage
Park Commission

Margaret Adams
Audubon Society

Bob Bivens
Lewis and Clark Trail
Heritage Foundation

Art Dickhoff
Chamber of Commerce

Orville Gray
Cascade County
Historical Society

Richard Martin
Cascade County 89'ers

John Mooney
City-County Planning Office

Michael Sayer
Malmstrom Air Force Base

Skip Seaver
Montana Power Company

James Parker Shield
Native American
Action Council

Marcia Staigmiller
Portage Route Chapter
Lewis and Clark Foundation

Dave Todd
Montana Department of Fish,
Wildlife and Parks

TESTIMONY GIVEN BY BOB BIVENS
IN SUPPORT OF ~~SENATE H. B. 970~~
~~RESOLUTION NO. 21~~

Introduced by *Shirley Rice*
~~Sen. Gene Thayer~~

Along the historic 6000 mile Lewis and Clark Trail there is no more significant and historic spot than the Great Falls of the Missouri near where the 33 member expedition encamped and portaged its men, equipment and supplies during the arduous days of Jun13th to July 15th. 1805.

From the point where the Portage leaves the river until it rejoins it 18 miles later, the Missouri River forms a long gentle arc. Within the arc lie the five falls and over 360 feet of rise which precluded taking the canoes upriver. It also includes a projected 5.5 mile hiking trail which will connect with the Interpretive Center, Region 4 Headquarters of Montana Fish, Wildlife and Parks, a state fish hatchery, Giant Springs Heritage State Park, 2 Lewis and Clark overlooks, West Bank Park—a registered national historic marker, the Bob Scriver heroic size bronze of Lewis, Clark, York and the dog, Seaman; plus a heck of a lot of good scenery and recreational space such as Broadwater Bay.

At the very center of this arc lies Giant Springs and its shortest river in the world, discovered by Captain William Clark on Jun 18th, 1805. It is here on the bluffs of the Missouri River that the National Lewis and Clark Trail Interpretive Center will be located.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 13
DATE 4-9-91
BILL NO. HB 970

In the words of a noted authority on Lewis and Clark, our own State Senator, Harry Fritz, "All told, the Expedition spent more traveling time and camped more often in Montana than in any other modern state, made its most significant discoveries here, and encountered its greatest dangers. Montana was the geographic and scientific center of the Expedition of Discovery and the written history of the state begins within the Journals of Lewis and Clark."

The Interpretive Center will be of national and international significance. It will not only be on every tourist map published in this country, but it will become a national center of learning. Already, the leading scholars have endorsed it as being centrally located and ideally suited as a depository of the wealth of Lewis and Clark historical material which now resides piece-meal at various locations around the United States. Our Interpretive Center has 423 square feet dedicated to archival space.

The Interpretive Center has been endorsed by the Lewis and Clark Trail Heritage Foundation which is a nationwide association of Lewis and Clark Scholars and Trail Buffs. Great Falls has been designated as the future National Headquarters as well as the future National Archives of this important national organization. Our Interpretive Center has dedicated 215 square feet to headquarters space for the Foundation.

The Interpretive Center is an idea whose time has come. It truly has widespread and heartfelt support by those grassroots Lewis and Clark supporters across the United States who see the Center as their long-awaited mecca.

I urge you to join in on the fulfillment of a long-standing dream. Join those who know beyond all doubt the Interpretive Center is the right thing to do, now. When it is said and done Montana will have a new jewel in its crown called the National Lewis and Clark Historic Trails Interpretive Center.

Can we count on your support?

LEWIS AND CLARK

REPORT TO CONGRESS



NATIONAL HISTORIC
TRAIL INTERPRETIVE
CENTER • MONTANA

PUBLIC LAW 100-552

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 14
DATE Feb 27
BILL NO. 14299

TESTIMONY IN SUPPORT OF HOUSE BILL 990

BY JAMES PARKER SHIELD, GREAT FALLS, MONTANA

In 1989 I was appointed by the Indian Action Council to represent the Native American interests throughout the planning of the Lewis and Clark National Historic Trail Interpretive Center.

This project represents the first opportunity, that I know of, where Indians have had influence in planning decisions in a proposed facility that will portray our culture and history.

Although the purpose of this Center is to interpret the Lewis and Clark story, much of that story will include the interaction that the expedition had with Indians in our region, and what those Indian cultures were like, and the subsequent impacts as a result of the Lewis and Clark Expedition.

This facility will be the first to present the complete story of the Expedition. Support of House Bill 990 will demonstrate Montana's commitment to helping finance a facility that will accurately portray Indians living in our region at that time.

The Lewis and Clark Center, because of its emphasis on Indian culture, will help increase domestic and foreign interest in Indian culture which will result in a dramatic increase in visitation to our state. Increased visitation, in turn, will provide spin-off tourism trade to Montana's Indian reservations and historic sites such as the Bighorn Battlefield, Chief Joseph Battlefield, and Bighole Battlefield. Such tourism trade will also have a long-lasting positive effect on the marketing of Indian crafts. The Lewis and Clark Interpretive Center will be a catalyst for increasing REAL Indian participation in the tourism industry.

ALSO,

Members of the Committee...you have the opportunity to provide our state, our country and our Indian people with a facility that will do for many thousands of people, for many years to come, what the hit movie "Dances With Wolves" has done for America...provide understanding of Indian culture to non-Indians, and provide Indians with pride in their ancestry.

Years ago, the mini-series "Roots" sparked our country's interest in knowing who we are, as a people, and where we came from. Through the Lewis and Clark Center we can show where we went, the Native people that were met, and how each of our lives were changed and our destinies determined.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 15
DATE 4-9-91
BILL NO. HB 990

Amendments to House Bill No. 514
Third Reading Copy

Requested by Representative Mignon Waterman
For the Committee on Senate Finance and Claims

Prepared by Sheri S. Heffelfinger
April 9, 1991

1. Title, lines 4 through 15.

Following: "ENTITLED:" on line 4

Strike: ""AN" on line 4 through "DATE."" on line 15

Insert: ""AN ACT AMENDING THE LAWS RELATING TO STATE EMPLOYEE
COMPENSATION; ARTICULATING A MARKET-BASED PAY PHILOSOPHY;
REMOVING THE EXEMPTION FROM THE STATE CLASSIFICATION AND PAY
PLAN FOR EMPLOYEES OF THE STATE COMPENSATION MUTUAL
INSURANCE FUND; PROVIDING PAY ADJUSTMENTS FOR STATE
EMPLOYEES FOR FISCAL YEARS 1992 AND 1993; PROVIDING SHIFT
DIFFERENTIAL PAY TO PERMANENT EMPLOYEES; INCREASING EMPLOYER
CONTRIBUTIONS FOR GROUP BENEFITS; PROVIDING AN
APPROPRIATION; AMENDING SECTIONS 2-18-101, 2-18-103, 2-18-
301, 2-18-303, 2-18-304, 2-18-305, 2-18-312, 2-18-313, 2-18-
314, 2-18-315, AND 2-18-703, MCA; AND PROVIDING AN EFFECTIVE
DATE."

STATEMENT OF INTENT

In order to recruit and retain competent and qualified public employees to perform required services for the citizens of the state, it is the intent of the legislature to provide for a state employee compensation system based on the prevailing compensation practices found in relevant public-sector and private-sector labor markets.

To achieve this end, 2-18-301 requires that the department of administration provide a salary survey report to the legislature. The report may include but is not limited to:

(1) data showing the average salaries paid to employees in Montana's labor market for comparable positions;

(2) recommendations provided in 2-18-303 for administering the pay increases; and

(3) recommendations for adjusting the pay schedules provided in 2-18-312 in order to maintain an internally equitable and competitive salary structure for Montana's state employees.

Labor markets relevant to state employees must have positions comparable to those in Montana state government and must compete with Montana for qualified employees."

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 16

DATE 4-9-91

BILL NO. HB 514

SUMMARY

Amendments To HB 514

Adopts the Interim Study Committee's recommendations:

- **A 6.5% average pay increase for state employees in each year of the biennium**

This is based on data showing wages have been moving 3% per year. The 4% provides a 1% "catch-up" in each year of the biennium and therefore has a long-term strategy to making up for lost increases.

- **Converts the statewide step plan to an open range plan**

This is based on the Interim Committee's conclusion that the step plan is too rigid and does not allow the state to direct money into problem areas. The plan establishes competitive entry rates so the state can recruitment qualified employees. Also, the pay ranges based on prevailing wages will help improve retention.

- **Provides a market-based "catch-up" increase for employees on the statewide pay plan of .25% for every 1% that an employee's current salary is below the prevailing wage for his job**

This will move employees toward the market average and addresses the pay compression caused by past pay practices. This also addresses retention problems for employees in grades where salaries have slipped the furthest behind the prevailing wage.

- **Provides teachers with the 4% general increase and one step**
- **Provides Blue Collar, Liquor Store, and exempt employees (including the university faculty) with a 4% general increase to keep up with the movement of wages in the market**
- **Provides a shift differential of \$1.00 per hour for each regularly scheduled hour an employee works between 6 p.m. and 7 a.m**
- **Provides an increase in employer contributions to health insurance of \$20 in FY 92 and \$25 in FY 93 as is currently provided in HB 514**
- **Costs \$80,000,000 over the biennium, \$50,000,000 in general fund money**

2. Page 1.

Strike: everything after the enacting clause

Insert: "

Section 1. Section 2-18-101, MCA, is amended to read:

"2-18-101. Definitions. As used in parts 1 through 3 and part 10 of this chapter, the following definitions apply:

(1) "Agency" means a department, board, commission, office, bureau, institution, or unit of state government recognized in the state budget.

(2) "Base salary" or "wage" means the amount of compensation paid to an employee excluding:

(a) state contributions to group benefits provided in 2-18-703;

(b) overtime;

(c) fringe benefits as defined in 39-2-903; and

(d) the longevity allowance provided in 2-18-304.

~~(2)~~(3) "Board" means the board of personnel appeals established in 2-15-1705.

~~(3)~~(4) "Class" means one or more positions substantially similar with respect to the kind or nature of duties performed, responsibility assumed, and level of difficulty so that the same descriptive title may be used to designate each position allocated to the class, similar qualifications may be required of persons appointed to the positions in the class, and the same pay rate or pay grade may be applied with equity.

~~(4)~~(5) "Class specification" means a written descriptive statement of the duties and responsibilities characteristic of a class of positions and includes the education, experience, knowledge, skills, abilities, and qualifications necessary to perform the work of the class.

~~(5)~~(6) "Compensation" means the annual or hourly wage or salary and includes the state contribution to group benefits under the provisions of 2-18-703.

~~(6)~~(7) "Department" means the department of administration created in 2-15-1001.

~~(7)~~(8) Except in 2-18-306, "employee" means any state employee other than an employee excepted under 2-18-103 or 2-18-104 from the statewide classification system.

(9) "Entry salary" means the entry-level base salary for each grade provided in 2-18-312.

~~(8)~~(10) "Grade" means the number assigned to a pay range within a pay schedule in part 3 of this chapter.

~~(9)~~(11) "Job sharing" means the sharing by two or more persons of a position that is considered an aggregate or permanent position.

(12) "Market salary" means the amount established by the legislature as the market-based salary for each grade in the pay schedules provided in 2-18-312 and representing the middle of the pay range between the entry-level salary and the maximum salary for a grade.

~~(10)~~(13) "Permanent position" means a position ~~so~~ designated as permanent on the appropriate agency list of authorized positions referenced in 2-18-206 and approved as ~~such~~ permanent in the biennium budget.

~~(11)~~(14) "Permanent status" means the state an employee

attains after satisfactorily completing an appropriate probationary period in a permanent position.

~~(12)~~(15) "Personal staff" means those positions occupied by employees appointed by the elected officials enumerated in Article VI, section 1, of the Montana constitution or by the public service commission as a whole.

~~(13)~~(16) "Position" means a collection of duties and responsibilities currently assigned or delegated by competent authority, requiring the full-time, part-time, or intermittent employment of one person.

(17) "Prevailing rate" means the average base salary, as determined by the department's salary survey of the relevant labor market, that public and private employers, other than the state of Montana, pay to employees in comparable occupations of each grade in the pay schedules provided in 2-18-312 through 2-18-315.

~~(14)~~(18) "Program" means a combination of planned efforts to provide a service.

~~(15)~~(19) "Seasonal position" means a position so designated as seasonal on the appropriate agency list of authorized positions referenced in 2-18-206 and which that is a permanent position but which is interrupted by the seasonal nature of the position.

~~(16)~~(20) "Temporary position" means a position so designated as temporary on the appropriate agency list of authorized positions referenced in 2-18-206, created for a definite period of time not to exceed 9 months."

Section 2. Section 2-18-103, MCA, is amended to read:

"2-18-103. Officers and employees excepted. Parts 1 and 2 do not apply to the following positions in state government:

- (1) elected officials;
- (2) county assessors and their chief deputy;
- (3) officers and employees of the legislative branch;
- (4) judges and employees of the judicial branch;
- (5) members of boards and commissions appointed by the governor, the legislature, or other elected state officials;
- (6) officers or members of the militia;
- (7) agency heads appointed by the governor;
- (8) academic and professional administrative personnel with individual contracts under the authority of the board of regents of higher education;
- (9) academic and professional administrative personnel and live-in houseparents who have entered into individual contracts with the state school for the deaf and blind under the authority of the state board of public education;
- (10) teachers under the authority of the department of institutions or family services;
- (11) investment officer, assistant investment officer, executive director, and three professional staff positions of the board of investments;
- (12) four professional staff positions under the board of oil and gas conservation;
- (13) assistant director for security of the Montana state lottery;

(14) executive director and senior investment officer of the Montana board of science and technology development; and
(15) executive director and employees of the state compensation mutual insurance fund."

Section 3. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the market-based compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, ~~for the biennium ending June 30, 1991, the:~~

(a) compensation plans for state employees, excluding those employees excepted in 2-18-103 or 2-18-104, be based on an analysis of the labor market as provided by the department in a salary survey report to the legislature by the start of each legislative session;

(b) in each year of the biennium ending June 30, 1993, the market salaries provided in 2-18-312 match the prevailing rate;

~~(a)(c)~~ pay schedules provided for in 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~51st~~ 52nd legislature;

~~(b)(d)~~ pay levels provided for in 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~51st~~ 52nd legislature; and

~~(e)(e)~~ total funds required to implement the pay schedules provided for in 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~51st~~ 52nd legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 4. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay schedules. (1) The pay schedules provided in 2-18-312 must be implemented as follows:

(a) The pay schedules provided in 2-18-312 indicate ~~the annual compensation~~ an entry salary and a market salary for the fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for each grade and step for positions classified under the provisions of part 2 of this chapter.

(b) ~~Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee must be established at the end of the probationary period in accordance with rules promulgated by the department~~ newly hired by the state of Montana must be hired at the entry rate, except as provided in subsection

(7).

(c) ~~(i)~~ ~~The compensation of each employee Except as provided in subsection (1)(f), on the first day of the first complete pay period in fiscal year 1990 1992, is that amount corresponding to the grade and step occupied each employee hired before July 1, 1991, is entitled to the amount of the employee's base salary as it was on the last day of fiscal year 1989. June 30, 1991, plus the following increases:~~

~~(i) an increase of 4% of the employee's base salary; and~~

~~(ii) an additional increase of 1/4 of 1% of the employee's base salary as it was before the 4% increase for each full percentage point that the employee's base salary as it was before the 4% increase is below the market salary for the employee's assigned grade.~~

~~(ii)(d) The compensation of each employee Except as provided in subsection (1)(f), on the first day of the first pay period in fiscal year 1991 1993, is that amount corresponding to the grade and step occupied each employee hired before July 1, 1992, is entitled to the amount of the employee's base salary as it was on the last day of fiscal year 1990. June 30, 1992, plus the following increases:~~

~~(i) an increase of 4% of the employee's base salary; and~~

~~(ii) an additional increase of 1/4 of 1% of the employee's base salary as it was before the 4% increase for each full percentage point that the employee's base salary as it was before the 4% increase is below the market salary for the employee's assigned grade.~~

~~(e) The department shall determine the number of full percentage points that an employee's base salary is below the market salary by dividing the employee's base salary by the market salary for the employee's assigned grade, multiplying the result by 100, and subtracting that total from 100.~~

~~(f) An employee's base salary may not be less than the entry salary for the employee's assigned grade.~~

~~(g) Except as provided in subsections (5) through (8), an employee's base salary may not exceed the market salary by a percentage greater than the percentage that the market salary for the employee's grade exceeds the entry salary for that grade.~~

(2) The pay schedules provided in 2-18-312 and the provisions of subsection (1) do not apply to those teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313 through 2-18-315.

(3) The pay schedules provided in 2-18-313 through 2-18-315 must be implemented as follows:

(a) (i) The pay schedules provided for in 2-18-313 indicate the annual ~~compensation~~ base salary for the contracted school term for teachers employed under the authority of the department of institutions or the department of family services for fiscal years ~~1990 1992 and 1991 1993~~.

(ii) On the first day of the first pay period in July 1989, each teacher shall advance ~~three steps~~ one step on the appropriate pay schedule for fiscal year ~~1990 1992~~ from the step that he occupied on June 30, ~~1989 1991~~.

(iii) The ~~compensation~~ base salary of each teacher on the first day of the first pay period in July ~~1990 1993~~ is that

amount corresponding to his level of academic achievement and the step occupied on June 30, ~~1990~~ 1993.

(b) (i) The pay schedules provided in 2-18-314 indicate the maximum hourly ~~compensation wage~~ for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The ~~compensation wage~~ of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay schedules provided in 2-18-315 indicate the maximum hourly ~~compensation wage~~ for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The ~~compensation wage~~ of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

(4) (a) (i) A member of a bargaining unit may not receive the amounts indicated in the respective pay schedules provided in 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, ~~1991~~ 1993.

(ii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, ~~1989~~ 1991, retroactivity to that date may be negotiated.

(iii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, ~~1989~~ 1991, members of the bargaining unit involved must continue to receive the compensation they were receiving as of June 30, ~~1989~~ 1991.

(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.

(5) The current wage or salary of an employee may not be reduced by the implementation of subsection (1) or the pay schedules provided for in 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs that enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.

(8) The department shall review the competitiveness of the

compensation provided to ~~registered nurses and other~~ all occupations under this part. If the department finds that substantial problems exist with recruitment and retention because of inadequate salaries when compared to competing employers, the department may establish criteria allowing an adjustment in pay or classification to mitigate the problems. Insofar as these adjustments may apply to employees within a collective bargaining unit, the implementation of these adjustments is a negotiable subject under 39-31-305."

Section 5. Section 2-18-304, MCA, is amended to read:

"2-18-304. Longevity allowance. (1) (a) In addition to the compensation provided for in 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted state service shall receive the larger of \$10 a month or ~~10%~~ 9/10 of 1% of the difference between the employee's base salary compensation for his grade and step (where applicable) and the base compensation for the next highest grade and corresponding step (where applicable) multiplied by the number of completed, contiguous 5-year periods of uninterrupted state service.

(b) Service to the state is not interrupted by authorized leaves of absence.

(2) (a) For the purpose of determining years of service under this section, an employee must be credited with 1 year of service for each period of:

(i) 2,080 hours of service following ~~his~~ the employee's date of employment; an employee must be credited with 80 hours of service for each biweekly pay period in which ~~he~~ the employee is in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in the pay period; or

(ii) 12 uninterrupted calendar months following ~~his~~ the date of employment in which ~~he~~ the employee was in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in any ~~one~~ 1 month. An employee of a school at a state institution or the university system must be credited with 1 year of service if ~~he~~ the employee is employed for an entire academic year.

(b) State agencies, other than the university system and a school at a state institution, shall use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

Section 6. Section 2-18-305, MCA, is amended to read:

"2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the respective pay schedules provided in ~~2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be,~~ represent the maximum amount allocated by the state for wages and ~~group benefits,~~ exclusive of longevity as defined in 2-18-304, for an employee covered by a schedule provided in 2-18-313, 2-18-314, or 2-18-315.

(2) Except as provided in subsection ~~(2)~~ (4) of this section, ~~that~~ the amount specifically allocated for group benefits ~~shall be~~ is determined by 2-18-703.

(3) (a) An employee covered under the pay schedules

provided in 2-18-312 who elects not to be covered by a state employee group benefit plan under the provisions of 2-18-703 shall receive as wages the employee's base salary, including adjustments provided in 2-18-303(1)(c) and (1)(d) and 2-18-304.

(b) An employee covered under the pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 who elects not to be covered by a state employee group benefit plan will under the provisions of 2-18-703 shall receive as wages, exclusive of the longevity allowance provided in 2-18-304, the amount shown in the appropriate pay schedule less the state contribution for group benefits as determined by 2-18-703.

~~(2)(4)~~ Employees may, through collective bargaining, determine the allocation of the amounts shown in the pay schedules provided in 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, compensation between wages and group benefits, except that in no case may the group benefits allocation be less than the amounts provided in 2-18-703."

Section 7. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedules for fiscal years ~~1990~~ 1992 and 1991 1993. (1) The statewide classification pay schedule for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080

Note: ~~Includes~~ Does Not Include
Insurance

Pay Matrix -- State

Matrix Type -- Annual

GRADE	STEP												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	10,132	10,839	11,041	11,247	11,457	11,671	11,890	12,113	12,340	12,572	12,809	13,050	13,542
2	10,814	11,357	11,569	11,798	12,007	12,232	12,462	12,696	12,935	13,179	13,428	13,682	14,200
3	11,138	11,921	12,145	12,373	12,606	12,843	13,085	13,332	13,584	13,841	14,103	14,370	14,915
4	11,711	12,537	12,773	13,014	13,259	13,509	13,764	14,024	14,290	14,561	14,837	15,119	15,694
5	12,343	13,216	13,468	13,721	13,981	14,248	14,516	14,792	15,073	15,360	15,652	15,950	16,558
6	13,035	13,960	14,224	14,494	14,769	15,050	15,336	15,628	15,926	16,230	16,540	16,856	17,501
7	13,802	14,785	15,068	15,353	15,645	15,943	16,247	16,557	16,873	17,196	17,525	17,861	18,546
8	14,629	15,674	15,973	16,279	16,590	16,908	17,232	17,560	17,895	18,238	18,589	18,945	19,673
9	15,547	16,662	16,980	17,305	17,638	17,974	18,319	18,671	19,030	19,396	19,769	20,150	20,928
10	16,553	17,743	18,082	18,430	18,784	19,145	19,513	19,888	20,271	20,662	21,060	21,468	22,295
11	17,652	18,925	19,289	19,660	20,038	20,424	20,818	21,220	21,630	22,048	22,474	22,909	23,798
12	18,868	20,233	20,623	21,021	21,427	21,841	22,263	22,693	23,132	23,580	24,037	24,503	25,477
13	20,204	21,669	22,089	22,515	22,951	23,396	23,848	24,310	24,789	25,281	25,783	26,295	27,341
14	21,680	23,271	23,728	24,200	24,672	25,158	25,650	26,148	26,650	27,164	27,691	28,228	29,333
15	23,225	24,889	25,373	25,868	26,372	26,882	27,398	27,920	28,448	28,980	29,526	30,081	31,221
16	24,843	26,589	27,097	27,616	28,145	28,684	29,234	29,784	30,346	30,910	31,486	32,073	33,251
17	27,787	29,667	30,182	30,709	31,247	31,796	32,356	32,916	33,488	34,060	34,644	35,238	36,465
18	30,190	32,151	32,687	33,234	33,792	34,360	34,938	35,526	36,114	36,712	37,310	37,918	39,185
19	32,831	34,891	35,444	36,008	36,582	37,166	37,760	38,364	38,978	39,592	40,216	40,850	42,155
20	35,714	37,891	38,468	39,056	39,654	40,262	40,880	41,508	42,146	42,794	43,452	44,120	45,465
21	38,885	41,102	41,705	42,323	42,946	43,584	44,236	44,902	45,578	46,264	46,960	47,666	49,051
22	42,366	44,644	45,272	45,914	46,570	47,240	47,924	48,622	49,334	50,050	50,780	51,524	52,951
23	46,174	48,639	49,292	49,958	50,638	51,332	52,040	52,762	53,498	54,248	55,012	55,790	57,251
24	50,358	52,977	53,652	54,342	55,046	55,764	56,496	57,242	58,002	58,776	59,564	60,366	61,861
25	54,953	57,779	58,478	59,192	59,920	60,662	61,418	62,188	62,972	63,770	64,582	65,408	66,931

Range: Entry Salary to Market Salary

Grade	Entry Salary	Market Salary
<u>1</u>	<u>8,508</u>	<u>10,009</u>
<u>2</u>	<u>9,165</u>	<u>10,808</u>

<u>3</u>	<u>9,872</u>	<u>11,669</u>
<u>4</u>	<u>10,638</u>	<u>12,605</u>
<u>5</u>	<u>11,496</u>	<u>13,653</u>
<u>6</u>	<u>12,423</u>	<u>14,789</u>
<u>7</u>	<u>13,418</u>	<u>16,012</u>
<u>8</u>	<u>14,544</u>	<u>17,397</u>
<u>9</u>	<u>15,748</u>	<u>18,882</u>
<u>10</u>	<u>17,081</u>	<u>20,530</u>
<u>11</u>	<u>18,531</u>	<u>22,327</u>
<u>12</u>	<u>20,140</u>	<u>24,324</u>
<u>13</u>	<u>21,885</u>	<u>26,495</u>
<u>14</u>	<u>23,817</u>	<u>28,904</u>
<u>15</u>	<u>25,944</u>	<u>31,562</u>
<u>16</u>	<u>28,316</u>	<u>34,532</u>
<u>17</u>	<u>30,963</u>	<u>37,852</u>
<u>18</u>	<u>33,881</u>	<u>41,521</u>
<u>19</u>	<u>37,150</u>	<u>45,639</u>
<u>20</u>	<u>40,799</u>	<u>52,444</u>
<u>21</u>	<u>44,853</u>	<u>55,374</u>
<u>22</u>	<u>49,381</u>	<u>61,115</u>
<u>23</u>	<u>54,489</u>	<u>67,604</u>
<u>24</u>	<u>60,224</u>	<u>74,905</u>
<u>25</u>	<u>66,570</u>	<u>83,004</u>

(2) The statewide classification pay schedule for fiscal year 1991 1993 is as follows:

Annual Hours -- 2080 Note: Includes Does Not Include
Pay Matrix -- State Insurance
Matrix Type -- Annual

GRADE	STEP												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	10,932	11,639	11,841	12,047	12,257	12,471	12,690	12,913	13,140	13,372	13,609	13,850	14,342
2	11,414	12,157	12,369	12,586	12,807	13,032	13,262	13,496	13,735	13,979	14,228	14,482	15,000
3	11,938	12,721	12,945	13,173	13,406	13,643	13,885	14,132	14,384	14,641	14,903	15,170	15,715
4	12,511	13,337	13,573	13,814	14,059	14,308	14,564	14,824	15,089	15,361	15,637	15,919	16,494
5	13,143	14,016	14,266	14,521	14,781	15,046	15,316	15,592	15,873	16,160	16,452	16,750	17,358
6	13,835	14,760	15,024	15,294	15,569	15,850	16,136	16,428	16,726	17,030	17,340	17,656	18,291
7	14,602	15,585	15,866	16,153	16,445	16,743	17,047	17,357	17,673	17,996	18,325	18,661	19,346
8	15,429	16,474	16,773	17,078	17,389	17,706	18,029	18,359	18,695	19,038	19,388	19,745	20,473
9	16,347	17,462	17,780	18,105	18,436	18,774	19,119	19,471	19,830	20,196	20,569	20,950	21,728
10	17,353	18,543	18,883	19,230	19,584	19,945	20,313	20,688	21,071	21,462	21,860	22,266	23,095
11	18,452	19,725	20,089	20,460	20,838	21,224	21,618	22,020	22,430	22,848	23,274	23,709	24,596
12	19,668	21,033	21,423	21,821	22,227	22,641	23,063	23,493	23,932	24,380	24,839	25,317	26,215
13	21,004	22,469	22,888	23,315	23,751	24,195	24,648	25,119	25,600	26,114	26,629	27,153	28,098
14	22,480	24,071	24,526	25,001	25,485	25,981	26,488	27,007	27,538	28,081	28,636	29,203	30,188
15	24,025	25,684	26,169	26,674	27,198	27,734	28,281	28,840	29,411	30,004	30,609	31,247	32,255
16	25,644	27,379	27,884	28,409	28,954	29,511	30,080	30,661	31,264	31,889	32,536	33,207	34,245
17	28,883	30,815	31,355	31,905	32,475	33,056	33,649	34,264	34,891	35,530	36,181	36,854	37,922
18	31,146	33,263	33,823	34,393	34,974	35,567	36,172	36,789	37,418	38,060	38,725	39,414	40,522
19	33,653	35,874	36,454	37,044	37,645	38,258	38,883	39,520	40,170	40,833	41,509	42,208	43,346
20	36,908	39,352	40,052	40,762	41,483	42,215	42,959	43,715	44,484	45,266	46,061	46,879	48,046
21	40,058	43,048	43,768	44,498	45,239	45,991	46,755	47,531	48,320	49,121	49,935	50,762	51,950
22	43,626	46,884	47,624	48,374	49,135	49,907	50,691	51,487	52,295	53,116	53,950	54,797	56,015
23	47,529	51,081	51,841	52,611	53,392	54,184	54,987	55,802	56,629	57,469	58,321	59,185	60,373
24	51,819	55,691	56,471	57,261	58,062	58,874	59,697	60,531	61,377	62,235	63,105	63,987	65,205
25	56,528	60,757	61,556	62,365	63,185	64,016	64,858	65,711	66,575	67,450	68,337	69,237	70,505

Range: Entry Salary to Market Salary

<u>Grade</u>	<u>Entry</u>	<u>Market</u>
1	8,848	10,409
2	9,532	11,240
3	10,267	12,136
4	11,064	13,109
5	11,956	14,199
6	12,919	15,380
7	13,955	16,652
8	15,126	18,093
9	16,378	19,638
10	17,764	21,351
11	19,272	23,220
12	20,945	25,296
13	22,760	27,555
14	24,769	30,060
15	27,982	32,824
16	29,449	35,913
17	32,201	39,366
18	35,236	43,182
19	38,636	47,465
20	42,430	52,254
21	46,647	57,589
22	51,356	63,559
23	56,669	70,308
24	62,633	77,901
25	69,232	86,325"

Section 8. Section 2-18-313, MCA, is amended to read:
"2-18-313. Teachers' pay schedules. (1) (a) The 12-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080 Note: ~~Includes~~ Does Not Include
 Insurance
 Term -- Twelve Months Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
1	21,228	21,870	22,529	22,850	23,173	23,832
2	21,983	22,699	23,416	23,775	24,134	24,859
3	22,738	23,529	24,302	24,706	25,110	25,905
4	23,494	24,362	25,206	25,652	26,097	26,949
5	24,247	25,206	26,115	26,598	27,084	27,995
6	25,016	26,060	27,027	27,548	28,071	29,041
7	25,786	26,908	27,934	28,496	29,056	30,083
8	26,561	27,760	28,847	29,446	30,045	31,127
9	27,335	28,610	29,756	30,392	31,033	32,172
10	28,108	29,464	30,664	31,340	32,018	33,218
11	28,884	30,286	31,571	32,288	33,005	34,260
12	28,884	30,286	31,571	32,288	33,005	34,260
13	28,884	30,286	31,571	32,288	33,005	34,260
<u>1</u>	<u>23,077</u>	<u>23,762</u>	<u>24,430</u>	<u>24,764</u>	<u>25,100</u>	<u>25,785</u>

<u>2</u>	<u>23,862</u>	<u>24,607</u>	<u>25,353</u>	<u>25,726</u>	<u>26,104</u>	<u>26,876</u>
<u>3</u>	<u>24,648</u>	<u>25,470</u>	<u>26,283</u>	<u>26,714</u>	<u>27,145</u>	<u>27,992</u>
<u>4</u>	<u>25,434</u>	<u>26,347</u>	<u>27,246</u>	<u>27,722</u>	<u>28,196</u>	<u>29,105</u>
<u>5</u>	<u>26,224</u>	<u>27,246</u>	<u>28,216</u>	<u>28,731</u>	<u>29,248</u>	<u>30,220</u>
<u>6</u>	<u>27,044</u>	<u>28,158</u>	<u>29,188</u>	<u>29,744</u>	<u>30,301</u>	<u>31,335</u>
<u>7</u>	<u>27,865</u>	<u>29,061</u>	<u>30,154</u>	<u>30,753</u>	<u>31,350</u>	<u>32,445</u>
<u>8</u>	<u>28,691</u>	<u>29,969</u>	<u>31,128</u>	<u>31,766</u>	<u>32,405</u>	<u>33,558</u>
<u>9</u>	<u>29,516</u>	<u>30,875</u>	<u>32,097</u>	<u>32,775</u>	<u>33,458</u>	<u>34,672</u>
<u>10</u>	<u>30,340</u>	<u>31,786</u>	<u>33,065</u>	<u>33,786</u>	<u>34,508</u>	<u>35,787</u>
<u>11</u>	<u>31,167</u>	<u>32,662</u>	<u>34,031</u>	<u>34,796</u>	<u>35,560</u>	<u>36,899</u>
<u>12</u>	<u>31,167</u>	<u>32,662</u>	<u>34,031</u>	<u>34,796</u>	<u>35,560</u>	<u>36,899</u>
<u>13</u>	<u>31,167</u>	<u>32,662</u>	<u>34,031</u>	<u>34,796</u>	<u>35,560</u>	<u>36,899</u>

(b) The 9-month pay schedule for teachers for fiscal year 1990 1992 is as follows:

Annual Hours -- 1480 Note: Includes Does Not Include
Insurance
Term -- Nine Months Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
1	16,451	16,933	17,427	17,668	17,910	18,404
2	17,017	17,554	18,092	18,361	18,631	19,168
3	17,583	18,176	18,757	19,056	19,352	19,933
4	18,151	18,801	19,422	19,749	20,074	20,697
5	18,715	19,422	20,087	20,441	20,796	21,463
6	19,283	20,047	20,755	21,136	21,518	22,228
7	19,846	20,667	21,418	21,829	22,239	22,990
8	20,414	21,291	22,086	22,524	22,963	23,754
9	20,980	21,913	22,751	23,217	23,685	24,519
10	21,546	22,537	23,416	23,910	24,406	25,304
11	22,113	23,139	24,079	24,606	25,144	26,085
12	22,113	23,139	24,079	24,606	25,144	26,085
13	22,113	23,139	24,079	24,606	25,144	26,085
<u>1</u>	<u>18,109</u>	<u>18,610</u>	<u>19,124</u>	<u>19,375</u>	<u>19,626</u>	<u>20,140</u>
<u>2</u>	<u>18,698</u>	<u>19,256</u>	<u>19,816</u>	<u>20,095</u>	<u>20,376</u>	<u>20,935</u>
<u>3</u>	<u>19,286</u>	<u>19,903</u>	<u>20,507</u>	<u>20,818</u>	<u>21,126</u>	<u>21,730</u>
<u>4</u>	<u>19,877</u>	<u>20,553</u>	<u>21,199</u>	<u>21,539</u>	<u>21,877</u>	<u>22,525</u>
<u>5</u>	<u>20,464</u>	<u>21,199</u>	<u>21,890</u>	<u>22,259</u>	<u>22,628</u>	<u>23,322</u>
<u>6</u>	<u>21,054</u>	<u>21,849</u>	<u>22,585</u>	<u>22,981</u>	<u>23,379</u>	<u>24,117</u>
<u>7</u>	<u>21,640</u>	<u>22,494</u>	<u>23,275</u>	<u>23,702</u>	<u>24,129</u>	<u>24,910</u>
<u>8</u>	<u>22,231</u>	<u>23,143</u>	<u>23,969</u>	<u>24,425</u>	<u>24,882</u>	<u>25,704</u>
<u>9</u>	<u>22,819</u>	<u>23,790</u>	<u>24,661</u>	<u>25,146</u>	<u>25,632</u>	<u>26,514</u>
<u>10</u>	<u>23,408</u>	<u>24,438</u>	<u>25,353</u>	<u>25,866</u>	<u>26,394</u>	<u>27,352</u>
<u>11</u>	<u>23,998</u>	<u>25,065</u>	<u>26,045</u>	<u>26,607</u>	<u>27,181</u>	<u>28,184</u>
<u>12</u>	<u>23,998</u>	<u>25,065</u>	<u>26,045</u>	<u>26,607</u>	<u>27,181</u>	<u>28,184</u>
<u>13</u>	<u>23,998</u>	<u>25,065</u>	<u>26,045</u>	<u>26,607</u>	<u>27,181</u>	<u>28,184</u>

(2) (a) The 12-month pay schedule for teachers for fiscal year 1991 1993 is as follows:

Annual Hours -- 2080 Note: Includes Does Not Include
Insurance

Term -- Twelve Months Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
1	22,028	22,670	23,329	23,650	23,973	24,632
2	22,783	23,499	24,216	24,575	24,938	25,681
3	23,538	24,329	25,111	25,525	25,939	26,754
4	24,294	25,172	26,037	26,494	26,950	27,824
5	25,054	26,037	26,969	27,464	27,962	28,896
6	25,842	26,913	27,904	28,438	28,974	29,968
7	26,632	27,782	28,833	29,409	29,983	31,036
8	27,426	28,655	29,769	30,383	30,997	32,106
9	28,219	29,526	30,701	31,353	32,010	33,177
10	29,012	30,402	31,632	32,325	33,019	34,249
11	29,807	31,244	32,561	33,296	34,031	35,318
12	29,807	31,244	32,561	33,296	34,031	35,318
13	29,807	31,244	32,561	33,296	34,031	35,318

<u>1</u>	<u>24,219</u>	<u>24,931</u>	<u>25,626</u>	<u>25,973</u>	<u>26,322</u>	<u>27,035</u>
<u>2</u>	<u>25,035</u>	<u>25,810</u>	<u>26,585</u>	<u>26,973</u>	<u>27,366</u>	<u>28,170</u>
<u>3</u>	<u>25,852</u>	<u>26,707</u>	<u>27,553</u>	<u>28,001</u>	<u>28,449</u>	<u>29,330</u>
<u>4</u>	<u>26,670</u>	<u>27,619</u>	<u>28,555</u>	<u>29,049</u>	<u>29,542</u>	<u>30,488</u>
<u>5</u>	<u>27,492</u>	<u>28,555</u>	<u>29,563</u>	<u>30,098</u>	<u>30,637</u>	<u>31,647</u>
<u>6</u>	<u>28,344</u>	<u>29,502</u>	<u>30,574</u>	<u>31,152</u>	<u>31,731</u>	<u>32,807</u>
<u>7</u>	<u>29,198</u>	<u>30,442</u>	<u>31,579</u>	<u>32,202</u>	<u>32,823</u>	<u>33,962</u>
<u>8</u>	<u>30,057</u>	<u>31,386</u>	<u>32,591</u>	<u>33,255</u>	<u>33,919</u>	<u>35,119</u>
<u>9</u>	<u>30,915</u>	<u>32,328</u>	<u>33,599</u>	<u>34,305</u>	<u>35,015</u>	<u>36,277</u>
<u>10</u>	<u>31,773</u>	<u>33,276</u>	<u>34,606</u>	<u>35,356</u>	<u>36,106</u>	<u>37,437</u>
<u>11</u>	<u>32,632</u>	<u>34,187</u>	<u>35,611</u>	<u>36,406</u>	<u>37,201</u>	<u>38,593</u>
<u>12</u>	<u>32,632</u>	<u>34,187</u>	<u>35,611</u>	<u>36,406</u>	<u>37,201</u>	<u>38,593</u>
<u>13</u>	<u>32,632</u>	<u>34,187</u>	<u>35,611</u>	<u>36,406</u>	<u>37,201</u>	<u>38,593</u>

(b) The 9-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 1480

Note: ~~Includes~~ Does Not Include
Insurance

Term -- Nine Months

Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
1	17,251	17,733	18,227	18,468	18,710	19,204
2	17,817	18,354	18,892	19,161	19,431	19,968
3	18,383	18,976	19,557	19,856	20,152	20,733
4	18,951	19,601	20,222	20,549	20,874	21,497
5	19,515	20,222	20,887	21,241	21,596	22,263
6	20,083	20,847	21,555	21,936	22,318	23,028
7	20,646	21,467	22,218	22,629	23,039	23,790
8	21,214	22,091	22,886	23,324	23,763	24,554
9	21,780	22,713	23,551	24,017	24,485	25,333
10	22,346	23,337	24,216	24,710	25,217	26,138
11	22,913	23,939	24,882	25,422	25,974	26,938
12	22,913	23,939	24,882	25,422	25,974	26,938
13	22,913	23,939	24,882	25,422	25,974	26,938

<u>1</u>	<u>19,052</u>	<u>19,573</u>	<u>20,107</u>	<u>20,368</u>	<u>20,630</u>	<u>21,164</u>
<u>2</u>	<u>19,664</u>	<u>20,245</u>	<u>20,827</u>	<u>21,118</u>	<u>21,410</u>	<u>21,991</u>
<u>3</u>	<u>20,276</u>	<u>20,918</u>	<u>21,546</u>	<u>21,869</u>	<u>22,190</u>	<u>22,818</u>
<u>4</u>	<u>20,891</u>	<u>21,594</u>	<u>22,265</u>	<u>22,619</u>	<u>22,970</u>	<u>23,644</u>
<u>5</u>	<u>21,501</u>	<u>22,265</u>	<u>22,985</u>	<u>23,367</u>	<u>23,751</u>	<u>24,473</u>
<u>6</u>	<u>22,115</u>	<u>22,941</u>	<u>23,707</u>	<u>24,119</u>	<u>24,532</u>	<u>25,300</u>
<u>7</u>	<u>22,724</u>	<u>23,612</u>	<u>24,424</u>	<u>24,869</u>	<u>25,312</u>	<u>26,124</u>
<u>8</u>	<u>23,338</u>	<u>24,287</u>	<u>25,147</u>	<u>25,620</u>	<u>26,095</u>	<u>26,951</u>
<u>9</u>	<u>23,950</u>	<u>24,960</u>	<u>25,866</u>	<u>26,370</u>	<u>26,876</u>	<u>27,793</u>
<u>10</u>	<u>24,563</u>	<u>25,634</u>	<u>26,585</u>	<u>27,119</u>	<u>27,668</u>	<u>28,664</u>
<u>11</u>	<u>25,176</u>	<u>26,286</u>	<u>27,305</u>	<u>27,890</u>	<u>28,487</u>	<u>29,529</u>
<u>12</u>	<u>25,176</u>	<u>26,286</u>	<u>27,305</u>	<u>27,890</u>	<u>28,487</u>	<u>29,529</u>
<u>13</u>	<u>25,176</u>	<u>26,286</u>	<u>27,305</u>	<u>27,890</u>	<u>28,487</u>	<u>29,529</u>

Section 9. Section 2-18-314, MCA, is amended to read:

"2-18-314. **Liquor store occupations pay schedules.** (1) The pay schedule for liquor store occupations for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
Pay Matrix -- Retail Clerk

Note: ~~With~~ Without Insurance
Matrix Type -- Hourly

Grade	\$/Hour
	W/Ins.
L1	0.000
L2	8.040
L3	8.540
L4	8.820
L5	9.110
L6	9.720
L7	10.380
L8	11.130

<u>L1</u>	<u>0.000</u>
<u>L2</u>	<u>8.843</u>
<u>L3</u>	<u>9.363</u>
<u>L4</u>	<u>9.654</u>
<u>L5</u>	<u>9.956</u>
<u>L6</u>	<u>10.590</u>
<u>L7</u>	<u>11.276</u>
<u>L8</u>	<u>12.056</u>

(2) The pay schedule for liquor store occupations for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
Pay Matrix -- Retail Clerk

Note: ~~With~~ Without Insurance
Matrix Type -- Hourly

Grade	\$/Hour
	W/Ins.
L1	0.000
L2	8.425
L3	8.925
L4	9.205
L5	9.495

~~L6~~ ~~10.105~~
~~L7~~ ~~10.765~~
~~L8~~ ~~11.515~~

L1 0.000
L2 9.301
L3 9.842
L4 10.145
L5 10.459
L6 11.119
L7 11.832
L8 12.644"

Section 10. Section 2-18-315, MCA, is amended to read:
"2-18-315. Blue-collar pay schedules. (1) The pay schedule for blue-collar workers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
Pay Matrix -- Blue-Collar

Note: ~~With~~ Without Insurance
Matrix Type -- Hourly

Grade	\$/Hour
	W/Ins.
B1	8.51
B2	8.91
B3	9.31
B4	9.71
B5	10.11
B6	10.51
B7	10.91
B8	11.31
B9	11.71
B10	12.11
B11	12.51
B12	12.91
B00	13.31

<u>B1</u>	<u>8.93</u>
<u>B2</u>	<u>9.34</u>
<u>B3</u>	<u>9.76</u>
<u>B4</u>	<u>10.17</u>
<u>B5</u>	<u>10.59</u>
<u>B6</u>	<u>11.01</u>
<u>B7</u>	<u>11.42</u>
<u>B8</u>	<u>11.84</u>
<u>B9</u>	<u>12.25</u>
<u>B10</u>	<u>12.67</u>
<u>B11</u>	<u>13.09</u>
<u>B12</u>	<u>13.50</u>
<u>B00</u>	<u>13.92</u>

(2) The pay schedule for blue-collar workers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
Pay Matrix -- Blue-Collar

Note: ~~With~~ Without Insurance
Matrix Type -- Hourly

Grade	\$/Hour W/Ins.
B1	8.90
B2	9.30
B3	9.70
B4	10.10
B5	10.50
B6	10.90
B7	11.30
B8	11.70
B9	12.10
B10	12.50
B11	12.90
B12	13.30
B00	13.70

<u>B1</u>	<u>9.40</u>
<u>B2</u>	<u>9.82</u>
<u>B3</u>	<u>10.26</u>
<u>B4</u>	<u>10.69</u>
<u>B5</u>	<u>11.12</u>
<u>B6</u>	<u>11.56</u>
<u>B7</u>	<u>11.99</u>
<u>B8</u>	<u>12.42</u>
<u>B9</u>	<u>12.85</u>
<u>B10</u>	<u>13.29</u>
<u>B11</u>	<u>13.72</u>
<u>B12</u>	<u>14.15</u>
<u>B00</u>	<u>14.59"</u>

Section 11. Section 2-18-703, MCA, is amended to read:

"2-18-703. **Contributions.** (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~\$130~~ \$170 per month for the fiscal year ending June 30, ~~1990~~ 1992, and ~~\$150~~ \$195 per month for the fiscal year ending June 30, ~~1991~~ 1993, and for each fiscal year thereafter. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than \$10 per month.

(4) Unused employer contributions for any state employee must be transferred to an account established for this purpose by

the department of administration and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 12. Shift differential pay -- purpose and eligibility. (1) The purpose of shift differential pay is to compensate employees for a regular work schedule that differs from the customary flexible day shift.

(2) An employee in a permanent position as defined in 2-18-101 must receive \$1 per hour in addition to his base salary for each regularly scheduled hour worked as part of an extended service obligation of an agency after 7 p.m. and before 6 a.m. on any day of the week, including weekends.

NEW SECTION. Section 13. Appropriation. (1) There is appropriated \$49,768,980 from the general fund and \$47,916,023 in expenditure authority for special funds for the biennium ending June 30, 1993, to the office of budget an program planning to implement the provisions of [this act] according to the provisions of subsection (2).

(2) The legislative fiscal analyst shall adjust this appropriation as necessary so that each department is appropriated the necessary money from the general fund and other funds pursuant to [this act], as follows:

(a) In each year of the biennium, each employee covered under the provisions of 2-18-312 must receive a 4% general increase to his base salary in the previous fiscal year plus a 0.25% progression increase for every 1% that his base salary in the previous fiscal year is below the average market salary for his grade as described in [section 3].

(b) In each year of the biennium, each employee covered in 2-18-313 must receive a 4% general increase to his base salary in the previous fiscal year and shall advance one step.

(c) In each year of the biennium, each employee covered under 2-18-314 and 2-18-315 and each employee excepted from the pay plan under the provisions of 2-18-103 must receive a 4% general increase to his base salary for the previous fiscal year.

(d) Employer contributions for all state employees must be increased by \$20 per month to \$170 per month in fiscal year 1992. Employer contributions for all state employees must be increased by \$25 per month to \$195 per month in fiscal year 1993.

NEW SECTION. Section 14. Codification instruction. [Section 12] is intended to be codified as an integral part of Title 2, chapter 18, part 3, and the provisions of Title 2, chapter 18, part 3, apply to [section 12].

NEW SECTION. Section 15. Effective date. [This act] is effective July 1, 1991."

Amendments to House Bill No. 514
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 17
DATE 4-9-91
BILL NO. HB 514

Requested by
For the Committee on Senate Finance and Claims

Prepared by Sheri S. Heffelfinger
April 8, 1991

1. Title, lines 4 through 16.

Strike: the second "AN" on line 4 through "DATE" on line 16
Insert: "AN ACT ADJUSTING THE SALARIES OF STATE EMPLOYEES IN EACH YEAR OF THE BIENNIUM; MANDATING THAT EACH AGENCY NEGOTIATE SHIFT DIFFERENTIALS AND HAZARDOUS DUTY PAY WITH EMPLOYEES; PROVIDING INCREASES TO EMPLOYER CONTRIBUTIONS TO GROUP BENEFITS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-312, 2-18-313, 2-18-314, 2-18-315, AND 2-18-703; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 1.

Strike: everything after the enacting clause
Insert:

"NEW SECTION. Section 1. Shift differential and hazardous duty pay negotiated. (1) Each agency shall negotiate with employees for shift differential pay for those employees who are regularly scheduled to work other than the day shift.

(2) Each agency shall negotiate with employees for hazardous duty pay for those employees who work under hazardous conditions.

Section 2. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1991~~ 1993, the:

(a) pay schedules provided for in 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~51st~~ 52nd legislature;

(b) pay levels provided for in 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~51st~~ 52nd legislature; and

(c) total funds required to implement the pay schedules provided for in 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~51st~~ 52nd legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal

equity, and competitiveness to external labor markets when fiscally able.

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 3. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay schedules. (1) The pay schedules provided in 2-18-312 must be implemented as follows:

(a) The pay schedules provided in 2-18-312 indicate the annual compensation for the fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for each grade and step for positions classified under the provisions of part 2 of this chapter.

(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee must be established at the end of the probationary period in accordance with rules promulgated by the department.

(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 is that amount corresponding to the grade and step occupied on the last day of fiscal year ~~1989~~ 1991.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1991~~ 1993 is that amount corresponding to the grade and step occupied on the last day of fiscal year ~~1990~~ 1992.

(2) The pay schedules provided in 2-18-312 and the provisions of subsection (1) do not apply to those teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313 through 2-18-315.

(3) The pay schedules provided in 2-18-313 through 2-18-315 must be implemented as follows:

(a) (i) The pay schedules provided for in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed under the authority of the department of institutions or the department of family services for fiscal years ~~1990~~ 1992 and ~~1991~~ 1993.

(ii) ~~On the first day of the first pay period in July 1989, each teacher shall advance three steps on the appropriate pay schedule for fiscal year 1990 from the step that he occupied on June 30, 1989~~ Each teacher must be placed on the adopted pay schedule according to his educational training and years of experience.

(iii) ~~The compensation of each teacher on~~ On the first day of the first pay period in July 1990 is that amount corresponding to his level of academic achievement and the step occupied on June 30, 1990 of each fiscal year, each teacher shall advance one step on the appropriate pay schedule adopted in 2-18-313.

(b) (i) The pay schedules provided in 2-18-314 indicate the maximum hourly compensation for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay schedules provided in 2-18-315 indicate the maximum hourly compensation for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

~~(4) (a) (i) A member of a bargaining unit may not receive the amounts indicated in the respective pay schedules provided in 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, 1991.~~

~~(ii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, 1989, retroactivity to that date may be negotiated.~~

~~(iii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, 1989, members of the bargaining unit involved must continue to receive the compensation they were receiving as of June 30, 1989.~~

~~(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.~~

(5) The current wage or salary of an employee may not be reduced by the implementation of the pay schedules provided for in 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs that enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.

(8) The department shall review the competitiveness of the compensation provided to registered nurses and other occupations under this part. If the department finds that substantial problems exist with recruitment and retention because of inadequate salaries when compared to competing employers, the department may establish criteria allowing an adjustment in pay or classification to mitigate the problems. Insofar as these adjustments may apply to employees within a collective bargaining unit, the implementation of these adjustments is a negotiable

subject under 39-31-305."

Section 4. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedules for fiscal years ~~1990~~ 1992 and ~~1991~~ 1993. (1) The statewide classification pay schedule for fiscal year ~~1990~~ 1992 is as follows:

GRADE	Annual Hours -- 2080 Pay Matrix -- State												Note: Includes Insurance
	1	2	3	4	5	6	7	8	9	10	11	12	13
	STEP												
1	10,132	10,839	11,041	11,247	11,457	11,671	11,890	12,113	12,340	12,572	12,809	13,050	13,542
2	10,814	11,357	11,569	11,788	12,007	12,232	12,462	12,696	12,935	13,179	13,428	13,682	14,200
3	11,138	11,821	12,145	12,373	12,606	12,843	13,085	13,332	13,584	13,841	14,103	14,370	14,915
4	11,711	12,537	12,773	13,014	13,259	13,508	13,764	14,024	14,290	14,561	14,837	15,119	15,694
5	12,343	13,218	13,468	13,721	13,981	14,248	14,518	14,792	15,073	15,360	15,652	15,950	16,558
6	13,035	13,960	14,224	14,494	14,769	15,050	15,338	15,632	15,932	16,230	16,540	16,858	17,501
7	13,802	14,795	15,068	15,353	15,645	15,943	16,247	16,557	16,873	17,196	17,525	17,861	18,548
8	14,628	15,674	15,973	16,278	16,590	16,908	17,229	17,556	17,889	18,228	18,588	18,945	19,673
9	15,547	16,662	16,990	17,305	17,638	17,974	18,319	18,671	19,030	19,398	19,769	20,150	20,928
10	16,553	17,743	18,093	18,430	18,784	19,145	19,513	19,889	20,271	20,662	21,060	21,468	22,295
11	17,653	18,925	19,289	19,660	20,038	20,424	20,818	21,220	21,630	22,048	22,474	22,908	23,798
12	18,868	20,233	20,623	21,031	21,437	21,841	22,263	22,693	23,132	23,580	24,037	24,503	25,477
13	20,204	21,689	22,098	22,515	22,951	23,395	23,848	24,310	24,788	25,281	25,783	26,295	27,341
14	21,680	23,271	23,698	24,130	24,578	25,036	25,504	26,000	26,509	27,044	27,591	28,147	29,283
15	23,225	24,839	25,273	25,728	26,193	26,678	27,173	27,689	28,216	28,769	29,336	29,915	31,141
16	24,843	26,479	26,928	27,393	27,878	28,373	28,889	29,416	29,969	30,536	31,115	31,705	33,031
17	26,547	28,207	28,671	29,156	29,651	30,156	30,682	31,219	31,776	32,343	32,922	33,512	34,938
18	28,341	30,025	30,504	30,993	31,492	31,991	32,500	33,019	33,548	34,087	34,636	35,195	36,721
19	30,228	31,937	32,431	32,930	33,439	33,958	34,487	35,026	35,575	36,134	36,703	37,282	38,818
20	32,213	33,947	34,456	34,975	35,494	36,023	36,562	37,111	37,670	38,239	38,818	39,407	40,953
21	34,301	36,060	36,584	37,113	37,642	38,181	38,730	39,289	39,858	40,437	41,026	41,625	43,181
22	36,507	38,284	38,823	39,362	39,911	40,460	41,019	41,588	42,157	42,736	43,325	43,924	45,490
23	38,836	40,639	41,183	41,727	42,271	42,815	43,369	43,923	44,487	45,051	45,625	46,209	47,785
24	41,293	43,121	43,670	44,214	44,758	45,302	45,846	46,390	46,934	47,488	48,042	48,606	50,192
25	43,883	45,736	46,289	46,833	47,377	47,921	48,465	49,009	49,553	50,097	50,641	51,185	52,781

1	12,351	13,127	13,329	13,535	13,745	13,959	14,178	14,401	14,628	14,860	15,097	15,338	15,830
2	12,833	13,645	13,857	14,074	14,295	14,520	14,750	14,984	15,223	15,467	15,716	15,970	16,488
3	13,357	14,209	14,433	14,661	14,894	15,131	15,373	15,620	15,872	16,129	16,391	16,658	17,203
4	13,930	14,825	15,061	15,302	15,547	15,797	16,052	16,312	16,578	16,849	17,125	17,407	17,982
5	14,562	15,504	15,754	16,009	16,269	16,534	16,804	17,080	17,361	17,648	17,940	18,238	18,848
6	15,253	16,248	16,512	16,782	17,057	17,338	17,624	17,916	18,214	18,518	18,828	19,144	19,789
7	16,021	17,073	17,354	17,641	17,933	18,231	18,535	18,845	19,161	19,484	19,813	20,149	20,834
8	16,847	17,962	18,261	18,568	18,877	19,194	19,517	19,847	20,183	20,526	20,876	21,233	21,961
9	17,768	18,950	19,268	19,593	19,924	20,262	20,607	20,959	21,318	21,684	22,057	22,438	23,214
10	18,772	20,031	20,371	20,718	21,072	21,433	21,801	22,176	22,559	22,950	23,348	23,754	24,583
11	19,871	21,213	21,577	21,948	22,326	22,712	23,106	23,508	23,918	24,336	24,762	25,197	26,084
12	21,087	22,521	22,911	23,309	23,715	24,129	24,551	24,981	25,420	25,868	26,327	26,805	27,803
13	22,423	23,957	24,376	24,803	25,239	25,683	26,136	26,607	27,097	27,602	28,111	28,641	29,714
14	24,190	25,857	26,312	26,776	27,250	27,732	28,224	28,736	29,268	29,817	30,377	30,946	32,112
15	26,168	27,984	28,480	28,985	29,501	30,027	30,563	31,121	31,701	32,299	32,909	33,529	34,799
16	28,374	30,356	30,897	31,449	32,012	32,586	33,171	33,780	34,413	35,065	35,730	36,407	37,793
17	30,838	33,003	33,595	34,198	34,814	35,441	36,081	36,746	37,438	38,151	38,879	39,619	41,135
18	33,549	35,921	36,569	37,229	37,903	38,589	39,289	40,017	40,774	41,555	42,351	43,161	44,820
19	36,590	39,190	39,900	40,624	41,363	42,116	42,884	43,667	44,473	45,309	46,142	47,130	47,130
20	39,983	42,839	43,619	44,414	45,228	46,053	46,898	47,773	48,685	49,625	50,584	50,584	50,584
21	43,753	46,893	47,750	48,624	49,516	50,425	51,352	52,316	53,319	54,352	54,352	54,352	54,352
22	47,964	51,421	52,365	53,327	54,309	55,309	56,330	57,391	58,495	58,495	58,495	58,495	58,495
23	52,715	56,529	57,571	58,633	59,717	60,821	61,947	63,118	63,118	63,118	63,118	63,118	63,118
24	58,048	62,264	63,415	64,588	65,786	67,006	68,251	68,251	68,251	68,251	68,251	68,251	68,251
25	63,950	68,610	69,883	71,180	72,504	73,853	73,853	73,853	73,853	73,853	73,853	73,853	73,853

(2) The statewide classification pay schedule for fiscal year 1991 1993 is as follows:

Annual Hours -- 2080
Pay Matrix -- State

Note: Includes Insurance
Matrix Type -- Annual

GRADE	STEP												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	10,832	11,839	11,941	12,047	12,257	12,471	12,690	12,913	13,140	13,372	13,609	13,850	14,142
2	11,414	12,157	12,269	12,598	12,907	13,032	13,282	13,498	13,725	13,979	14,228	14,482	15,000
3	11,938	12,721	12,945	13,173	13,408	13,643	13,895	14,132	14,384	14,641	14,903	15,170	15,715
4	12,511	13,337	13,573	13,814	14,059	14,309	14,564	14,824	15,090	15,361	15,637	15,919	16,494
5	13,143	14,018	14,268	14,521	14,781	15,048	15,318	15,592	15,873	16,160	16,452	16,750	17,358
6	13,835	14,760	15,024	15,294	15,569	15,850	16,138	16,432	16,732	17,030	17,340	17,658	18,204
7	14,602	15,595	15,868	16,153	16,445	16,743	17,047	17,357	17,673	17,998	18,325	18,661	19,248
8	15,429	16,474	16,753	17,078	17,389	17,706	18,029	18,359	18,695	19,038	19,389	19,745	20,473
9	16,347	17,462	17,790	18,105	18,438	18,774	19,119	19,471	19,830	20,198	20,569	20,950	21,728
10	17,353	18,543	18,923	19,230	19,584	19,945	20,313	20,689	21,071	21,462	21,860	22,268	23,095
11	18,452	19,725	20,089	20,460	20,838	21,224	21,618	22,020	22,430	22,848	23,274	23,709	24,598
12	19,669	21,033	21,433	21,821	22,227	22,641	23,063	23,493	23,932	24,380	24,839	25,317	26,245
13	21,004	22,469	22,888	23,315	23,751	24,195	24,648	25,119	25,609	26,114	26,629	27,153	28,128
14	22,890	24,271	24,728	25,201	25,695	26,201	26,719	27,245	27,782	28,331	28,892	29,462	30,488
15	24,425	26,204	26,721	27,249	27,798	28,334	28,895	29,465	30,047	30,640	31,247	31,864	32,925
16	26,454	28,418	28,980	29,552	30,138	30,732	31,339	31,960	32,593	33,237	33,895	34,568	35,695
17	28,682	30,815	31,425	32,047	32,680	33,328	33,988	34,659	35,344	36,044	36,758	37,485	38,672
18	31,148	33,483	34,125	34,801	35,491	36,193	36,909	37,641	38,389	39,148	39,924	40,715	42,030
19	33,853	36,374	37,095	37,829	38,578	39,343	40,123	40,918	41,729	42,557	43,401	44,262	45,628
20	36,909	39,552	40,338	41,125	41,960	42,793	43,631	44,497	45,380	46,290	47,199	47,199	47,199
21	40,058	43,048	43,902	44,773	45,682	46,588	47,492	48,435	49,397	50,378	50,378	50,378	50,378
22	43,628	46,894	47,814	48,784	49,723	50,720	51,728	52,758	53,803	53,803	53,803	53,803	53,803
23	47,529	51,091	52,098	53,130	54,197	55,283	56,381	57,491	57,491	57,491	57,491	57,491	57,491
24	51,818	55,691	56,799	57,929	59,080	60,255	61,452	61,452	61,452	61,452	61,452	61,452	61,452
25	56,529	60,757	61,985	63,199	64,454	65,735	65,735	65,735	65,735	65,735	65,735	65,735	65,735

1	13,812	14,675	14,877	15,083	15,293	15,507	15,726	15,949	16,176	16,408	16,645	16,886	17,378
2	14,293	15,193	15,405	15,622	15,843	16,068	16,298	16,532	16,771	17,015	17,264	17,518	18,036
3	14,818	15,757	15,981	16,209	16,442	16,679	16,921	17,168	17,420	17,677	17,939	18,206	18,751
4	15,391	16,373	16,609	16,850	17,095	17,345	17,600	17,860	18,126	18,397	18,673	18,955	19,530
5	16,022	17,052	17,302	17,557	17,817	18,082	18,352	18,628	18,909	19,196	19,488	19,786	20,394
6	16,714	17,796	18,060	18,330	18,605	18,886	19,172	19,464	19,762	20,066	20,376	20,692	21,337
7	17,481	18,621	18,902	19,189	19,481	19,779	20,083	20,393	20,709	21,032	21,361	21,697	22,382
8	18,308	19,510	19,809	20,114	20,425	20,742	21,065	21,395	21,731	22,074	22,424	22,781	23,509
9	19,227	20,498	20,816	21,141	21,472	21,810	22,155	22,507	22,866	23,232	23,605	23,986	24,782
10	20,232	21,579	21,919	22,266	22,620	22,981	23,349	23,724	24,107	24,498	24,896	25,302	26,131
11	21,332	22,761	23,125	23,496	23,874	24,260	24,654	25,056	25,466	25,884	26,310	26,745	27,632
12	22,548	24,069	24,459	24,857	25,263	25,677	26,099	26,529	26,968	27,416	27,875	28,353	29,351
13	23,883	25,505	25,924	26,351	26,787	27,231	27,684	28,155	28,645	29,150	29,665	30,189	31,262
14	25,650	27,405	27,860	28,324	28,798	29,280	29,772	30,284	30,816	31,365	31,925	32,494	33,660
15	27,829	29,532	30,028	30,533	31,049	31,575	32,111	32,669	33,249	33,847	34,457	35,077	36,347
16	29,835	31,904	32,445	32,997	33,560	34,134	34,719	35,328	35,961	36,613	37,278	37,955	39,341
17	32,296	34,551	35,143	35,746	36,362	36,989	37,629	38,294	38,986	39,699	40,427	41,167	42,683
18	35,109	37,576	38,224	38,884	39,558	40,244	40,944	41,671	42,428	43,208	44,004	44,813	46,471
19	38,271	40,978	41,688	42,409	43,148	43,900	44,668	45,466	46,298	47,151	48,024	48,912	50,730
20	41,800	44,770	45,550	46,344	47,155	47,981	48,824	49,700	50,612	51,551	52,510	53,485	53,485
21	45,722	48,987	49,844	50,717	51,609	52,517	53,444	54,407	55,409	56,442	57,496	57,496	57,496
22	50,101	53,696	54,640	55,601	56,583	57,583	58,603	59,683	60,768	61,903	61,903	61,903	61,903
23	55,042	59,009	60,051	61,112	62,196	63,299	64,425	65,595	66,812	66,812	66,812	66,812	66,812
24	60,589	64,973	66,124	67,297	68,495	69,714	70,958	72,251	72,251	72,251	72,251	72,251	72,251
25	66,726	71,572	72,844	74,140	75,464	76,812	78,188	78,188	78,188	78,188	78,188	78,188	78,188

Section 5. Section 2-18-313, MCA, is amended to read:
"2-18-313. Teachers' pay schedules. (1) (a) The 12-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080 Note: Includes Insurance
Term -- Twelve Months Matrix Type -- Annual
Education Level

STEP	BA	BA+1	BA+2	BA+3	MA	MA+1
1	21,228	21,870	22,529	22,850	23,173	23,832

2	21,983	22,699	23,416	23,775	24,134	24,859
3	22,738	23,529	24,302	24,706	25,110	25,905
4	23,494	24,362	25,206	25,652	26,097	26,949
5	24,247	25,206	26,115	26,598	27,084	27,995
6	25,016	26,060	27,027	27,548	28,071	29,041
7	25,786	26,908	27,934	28,496	29,056	30,083
8	26,561	27,760	28,847	29,446	30,045	31,127
9	27,335	28,610	29,756	30,392	31,033	32,172
10	28,108	29,464	30,664	31,340	32,018	33,218
11	28,884	30,286	31,571	32,288	33,005	34,260
12	28,884	30,286	31,571	32,288	33,005	34,260
13	28,884	30,286	31,571	32,288	33,005	34,260

<u>1</u>	<u>23,516</u>	<u>24,175</u>	<u>24,817</u>	<u>25,138</u>	<u>25,461</u>	<u>26,120</u>
<u>2</u>	<u>24,271</u>	<u>24,987</u>	<u>25,704</u>	<u>26,063</u>	<u>26,426</u>	<u>27,169</u>
<u>3</u>	<u>25,026</u>	<u>25,817</u>	<u>26,599</u>	<u>27,013</u>	<u>27,427</u>	<u>28,242</u>
<u>4</u>	<u>25,782</u>	<u>26,660</u>	<u>27,525</u>	<u>27,982</u>	<u>28,438</u>	<u>29,312</u>
<u>5</u>	<u>26,542</u>	<u>27,525</u>	<u>28,457</u>	<u>28,952</u>	<u>29,450</u>	<u>30,384</u>
<u>6</u>	<u>27,330</u>	<u>28,401</u>	<u>29,392</u>	<u>29,926</u>	<u>30,462</u>	<u>31,456</u>
<u>7</u>	<u>28,120</u>	<u>29,270</u>	<u>30,321</u>	<u>30,897</u>	<u>31,471</u>	<u>32,524</u>
<u>8</u>	<u>28,914</u>	<u>30,143</u>	<u>31,257</u>	<u>31,871</u>	<u>32,485</u>	<u>33,594</u>
<u>9</u>	<u>29,707</u>	<u>31,014</u>	<u>32,189</u>	<u>32,841</u>	<u>33,498</u>	<u>34,665</u>
<u>10</u>	<u>30,500</u>	<u>31,890</u>	<u>33,120</u>	<u>33,813</u>	<u>34,507</u>	<u>35,737</u>
<u>11</u>	<u>31,295</u>	<u>32,732</u>	<u>34,049</u>	<u>34,784</u>	<u>35,519</u>	<u>36,806</u>
<u>12</u>	<u>31,295</u>	<u>32,732</u>	<u>34,049</u>	<u>34,784</u>	<u>35,519</u>	<u>36,806</u>
<u>13</u>	<u>31,295</u>	<u>32,732</u>	<u>34,049</u>	<u>34,784</u>	<u>35,519</u>	<u>36,806</u>

(b) The 9-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- ~~1480~~ 1560
Term -- Nine Months

Note: Includes Insurance
Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
1	16,451	16,933	17,427	17,668	17,910	18,404
2	17,017	17,554	18,092	18,361	18,631	19,168
3	17,583	18,176	18,757	19,056	19,352	19,933
4	18,151	18,801	19,422	19,749	20,074	20,697
5	18,715	19,422	20,087	20,441	20,796	21,463
6	19,283	20,047	20,755	21,136	21,518	22,228
7	19,846	20,667	21,418	21,829	22,239	22,990
8	20,414	21,291	22,086	22,524	22,963	23,754
9	20,980	21,913	22,751	23,217	23,685	24,519
10	21,546	22,537	23,416	23,910	24,406	25,304
11	22,113	23,139	24,079	24,606	25,144	26,085
12	22,113	23,139	24,079	24,606	25,144	26,085
13	22,113	23,139	24,079	24,606	25,144	26,085

<u>1</u>	<u>18,427</u>	<u>18,909</u>	<u>19,403</u>	<u>19,644</u>	<u>19,886</u>	<u>20,380</u>
<u>2</u>	<u>18,993</u>	<u>19,530</u>	<u>20,068</u>	<u>20,337</u>	<u>20,607</u>	<u>21,144</u>
<u>3</u>	<u>19,559</u>	<u>20,152</u>	<u>20,733</u>	<u>21,032</u>	<u>21,328</u>	<u>21,909</u>
<u>4</u>	<u>20,127</u>	<u>20,777</u>	<u>21,398</u>	<u>21,725</u>	<u>22,050</u>	<u>22,673</u>
<u>5</u>	<u>20,691</u>	<u>21,398</u>	<u>22,063</u>	<u>22,417</u>	<u>22,772</u>	<u>23,439</u>
<u>6</u>	<u>21,259</u>	<u>22,023</u>	<u>22,731</u>	<u>23,112</u>	<u>23,494</u>	<u>24,204</u>

<u>7</u>	<u>21,822</u>	<u>22,643</u>	<u>23,394</u>	<u>23,805</u>	<u>24,215</u>	<u>24,966</u>
<u>8</u>	<u>22,390</u>	<u>23,267</u>	<u>24,062</u>	<u>24,500</u>	<u>24,939</u>	<u>25,730</u>
<u>9</u>	<u>22,956</u>	<u>23,889</u>	<u>24,727</u>	<u>25,193</u>	<u>25,661</u>	<u>26,509</u>
<u>10</u>	<u>23,522</u>	<u>24,513</u>	<u>25,392</u>	<u>25,886</u>	<u>26,393</u>	<u>27,314</u>
<u>11</u>	<u>24,089</u>	<u>25,115</u>	<u>26,058</u>	<u>26,598</u>	<u>27,150</u>	<u>28,114</u>
<u>12</u>	<u>24,089</u>	<u>25,115</u>	<u>26,058</u>	<u>26,598</u>	<u>27,150</u>	<u>28,114</u>
<u>13</u>	<u>24,089</u>	<u>25,115</u>	<u>26,058</u>	<u>26,598</u>	<u>27,150</u>	<u>28,114</u>

(2) (a) The 12-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080 Note: Includes Insurance
Term -- Twelve Months Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
<u>1</u>	<u>22,028</u>	<u>22,670</u>	<u>23,329</u>	<u>23,650</u>	<u>23,973</u>	<u>24,632</u>
<u>2</u>	<u>22,783</u>	<u>23,499</u>	<u>24,216</u>	<u>24,575</u>	<u>24,938</u>	<u>25,681</u>
<u>3</u>	<u>23,538</u>	<u>24,329</u>	<u>25,111</u>	<u>25,525</u>	<u>25,939</u>	<u>26,754</u>
<u>4</u>	<u>24,294</u>	<u>25,172</u>	<u>26,037</u>	<u>26,494</u>	<u>26,950</u>	<u>27,824</u>
<u>5</u>	<u>25,054</u>	<u>26,037</u>	<u>26,969</u>	<u>27,464</u>	<u>27,962</u>	<u>28,896</u>
<u>6</u>	<u>25,842</u>	<u>26,913</u>	<u>27,904</u>	<u>28,438</u>	<u>28,974</u>	<u>29,968</u>
<u>7</u>	<u>26,632</u>	<u>27,782</u>	<u>28,833</u>	<u>29,409</u>	<u>29,983</u>	<u>31,036</u>
<u>8</u>	<u>27,426</u>	<u>28,655</u>	<u>29,769</u>	<u>30,383</u>	<u>30,997</u>	<u>32,106</u>
<u>9</u>	<u>28,219</u>	<u>29,526</u>	<u>30,701</u>	<u>31,353</u>	<u>32,010</u>	<u>33,177</u>
<u>10</u>	<u>29,012</u>	<u>30,402</u>	<u>31,632</u>	<u>32,325</u>	<u>33,019</u>	<u>34,249</u>
<u>11</u>	<u>29,807</u>	<u>31,244</u>	<u>32,561</u>	<u>33,296</u>	<u>34,031</u>	<u>35,318</u>
<u>12</u>	<u>29,807</u>	<u>31,244</u>	<u>32,561</u>	<u>33,296</u>	<u>34,031</u>	<u>35,318</u>
<u>13</u>	<u>29,807</u>	<u>31,244</u>	<u>32,561</u>	<u>33,296</u>	<u>34,031</u>	<u>35,318</u>
<u>1</u>	<u>25,064</u>	<u>25,723</u>	<u>26,365</u>	<u>26,686</u>	<u>27,009</u>	<u>27,668</u>
<u>2</u>	<u>25,819</u>	<u>26,535</u>	<u>27,252</u>	<u>27,611</u>	<u>27,974</u>	<u>28,717</u>
<u>3</u>	<u>26,574</u>	<u>27,365</u>	<u>28,147</u>	<u>28,561</u>	<u>28,975</u>	<u>29,790</u>
<u>4</u>	<u>27,330</u>	<u>28,208</u>	<u>29,073</u>	<u>29,530</u>	<u>29,986</u>	<u>30,860</u>
<u>5</u>	<u>28,090</u>	<u>29,073</u>	<u>30,005</u>	<u>30,500</u>	<u>30,998</u>	<u>31,932</u>
<u>6</u>	<u>28,878</u>	<u>29,949</u>	<u>30,940</u>	<u>31,474</u>	<u>32,010</u>	<u>33,004</u>
<u>7</u>	<u>29,668</u>	<u>30,818</u>	<u>31,869</u>	<u>32,445</u>	<u>33,019</u>	<u>34,072</u>
<u>8</u>	<u>30,462</u>	<u>31,691</u>	<u>32,805</u>	<u>33,419</u>	<u>34,033</u>	<u>35,142</u>
<u>9</u>	<u>31,255</u>	<u>32,562</u>	<u>33,737</u>	<u>34,389</u>	<u>35,046</u>	<u>36,213</u>
<u>10</u>	<u>32,048</u>	<u>33,438</u>	<u>34,668</u>	<u>35,361</u>	<u>36,055</u>	<u>37,285</u>
<u>11</u>	<u>32,843</u>	<u>34,280</u>	<u>35,597</u>	<u>36,332</u>	<u>37,067</u>	<u>38,354</u>
<u>12</u>	<u>32,843</u>	<u>34,280</u>	<u>35,597</u>	<u>36,332</u>	<u>37,067</u>	<u>38,354</u>
<u>13</u>	<u>32,843</u>	<u>34,280</u>	<u>35,597</u>	<u>36,332</u>	<u>37,067</u>	<u>38,354</u>

(b) The 9-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- ~~1480~~ 1580 Note: Includes Insurance
Term -- Nine Months Matrix Type -- Annual

STEP	Education Level					
	BA	BA+1	BA+2	BA+3	MA	MA+1
<u>1</u>	<u>17,251</u>	<u>17,733</u>	<u>18,227</u>	<u>18,468</u>	<u>18,710</u>	<u>19,204</u>
<u>2</u>	<u>17,817</u>	<u>18,354</u>	<u>18,892</u>	<u>19,161</u>	<u>19,431</u>	<u>19,968</u>
<u>3</u>	<u>18,383</u>	<u>18,976</u>	<u>19,557</u>	<u>19,856</u>	<u>20,152</u>	<u>20,733</u>

4	18,951	19,601	20,222	20,549	20,874	21,497
5	19,515	20,222	20,887	21,241	21,596	22,263
6	20,083	20,847	21,555	21,936	22,318	23,028
7	20,646	21,467	22,218	22,629	23,039	23,790
8	21,214	22,091	22,886	23,324	23,763	24,554
9	21,780	22,713	23,551	24,017	24,485	25,333
10	22,346	23,337	24,216	24,710	25,217	26,138
11	22,913	23,939	24,882	25,422	25,974	26,938
12	22,913	23,939	24,882	25,422	25,974	26,938
13	22,913	23,939	24,882	25,422	25,974	26,938

<u>1</u>	<u>19,663</u>	<u>20,145</u>	<u>20,639</u>	<u>20,880</u>	<u>21,122</u>	<u>21,616</u>
<u>2</u>	<u>20,229</u>	<u>20,766</u>	<u>21,304</u>	<u>21,573</u>	<u>21,843</u>	<u>22,380</u>
<u>3</u>	<u>20,795</u>	<u>21,388</u>	<u>21,969</u>	<u>22,268</u>	<u>22,564</u>	<u>23,145</u>
<u>4</u>	<u>21,363</u>	<u>22,013</u>	<u>22,634</u>	<u>22,961</u>	<u>23,286</u>	<u>23,909</u>
<u>5</u>	<u>21,927</u>	<u>22,634</u>	<u>23,299</u>	<u>23,653</u>	<u>24,008</u>	<u>24,675</u>
<u>6</u>	<u>22,495</u>	<u>23,259</u>	<u>23,967</u>	<u>24,348</u>	<u>24,730</u>	<u>25,440</u>
<u>7</u>	<u>23,058</u>	<u>23,879</u>	<u>24,630</u>	<u>25,041</u>	<u>25,451</u>	<u>26,202</u>
<u>8</u>	<u>23,626</u>	<u>24,503</u>	<u>25,298</u>	<u>25,736</u>	<u>26,175</u>	<u>26,966</u>
<u>9</u>	<u>24,192</u>	<u>25,125</u>	<u>25,963</u>	<u>26,429</u>	<u>26,897</u>	<u>27,745</u>
<u>10</u>	<u>24,758</u>	<u>25,749</u>	<u>26,628</u>	<u>27,122</u>	<u>27,629</u>	<u>28,550</u>
<u>11</u>	<u>25,325</u>	<u>26,351</u>	<u>27,294</u>	<u>27,834</u>	<u>28,386</u>	<u>29,350</u>
<u>12</u>	<u>25,325</u>	<u>26,351</u>	<u>27,294</u>	<u>27,834</u>	<u>28,386</u>	<u>29,350</u>
<u>13</u>	<u>25,325</u>	<u>26,351</u>	<u>27,294</u>	<u>27,834</u>	<u>28,386</u>	<u>29,350"</u>

Section 6. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay schedules. (1) The pay schedule for liquor store occupations for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Retail Clerk
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

L1	0.000
L2	8.040
L3	8.540
L4	8.820
L5	9.110
L6	9.720
L7	10.380
L8	11.130

<u>L1</u>	<u>0.000</u>
<u>L2</u>	<u>9.178</u>
<u>L3</u>	<u>9.681</u>
<u>L4</u>	<u>9.962</u>
<u>L5</u>	<u>10.253</u>
<u>L6</u>	<u>10.866</u>
<u>L7</u>	<u>11.529</u>
<u>L8</u>	<u>12.283</u>

(2) The pay schedule for liquor store occupations for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Retail Clerk
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

L1	0.000
L2	8.425
L3	8.925
L4	9.205
L5	9.495
L6	10.105
L7	10.765
L8	11.515

<u>L1</u>	<u>0.000</u>
<u>L2</u>	<u>9.924</u>
<u>L3</u>	<u>10.428</u>
<u>L4</u>	<u>10.709</u>
<u>L5</u>	<u>11.000</u>
<u>L6</u>	<u>11.613</u>
<u>L7</u>	<u>12.276</u>
<u>L8</u>	<u>13.030"</u>

Section 7. Section 2-18-315, MCA, is amended to read:
 "2-18-315. **Blue-collar pay schedules.** (1) The pay schedule for blue-collar workers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Blue-Collar
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

B1	8.51
B2	8.91
B3	9.31
B4	9.71
B5	10.11
B6	10.51
B7	10.91
B8	11.31
B9	11.71
B10	12.11
B11	12.51
B12	12.91
B00	13.31

<u>B1</u>	<u>9.264</u>
<u>B2</u>	<u>9.666</u>
<u>B3</u>	<u>10.068</u>
<u>B4</u>	<u>10.469</u>
<u>B5</u>	<u>10.871</u>
<u>B6</u>	<u>11.273</u>
<u>B7</u>	<u>11.675</u>
<u>B8</u>	<u>12.077</u>
<u>B9</u>	<u>12.479</u>
<u>B10</u>	<u>12.881</u>
<u>B11</u>	<u>13.282</u>

<u>B12</u>	<u>13.684</u>
<u>B00</u>	<u>14.086</u>

(2) The pay schedule for blue-collar workers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080
 Pay Matrix -- Blue-Collar
 Grade \$/Hour
 W/Ins.

Note: With Insurance
 Matrix Type -- Hourly

B1	8.90
B2	9.30
B3	9.70
B4	10.10
B5	10.50
B6	10.90
B7	11.30
B8	11.70
B9	12.10
B10	12.50
B11	12.90
B12	13.30
B00	13.70

<u>B1</u>	<u>10.010</u>
<u>B2</u>	<u>10.412</u>
<u>B3</u>	<u>10.815</u>
<u>B4</u>	<u>11.216</u>
<u>B5</u>	<u>11.618</u>
<u>B6</u>	<u>12.020</u>
<u>B7</u>	<u>12.422</u>
<u>B8</u>	<u>12.824</u>
<u>B9</u>	<u>13.226</u>
<u>B10</u>	<u>13.628</u>
<u>B11</u>	<u>14.029</u>
<u>B12</u>	<u>14.431</u>
<u>B00</u>	<u>14.834"</u>

Section 8. Section 2-18-703, MCA, is amended to read:

"2-18-703. **Contributions.** (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~\$130~~ \$170 per month for the fiscal year ending June 30, ~~1990~~ 1992, and ~~\$150~~ \$195 per month for the fiscal year ending June 30, ~~1991~~ 1993, and for each fiscal year thereafter. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under

Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than \$10 per month.

(4) Unused employer contributions for any state employee must be transferred to an account established for this purpose by the department of administration and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. **Section 9. Appropriation.** There is appropriated to the office of budget and program planning \$40,689,000 in general fund money and \$39,739,000 in other funds for the biennium ending June 30, 1993, to be allocated to each branch and agency to implement the provisions effects of [this act] for all classified and exempt employees as follows:

	FY 1992	FY 1993
State Government		
General Fund	\$8,970,000	\$17,669,000
Other Funds	12,094,000	23,683,000
University System		
General Fund	4,763,000	9,287,000
Current Unrestricted	1,343,000	2,619,000

NEW SECTION. **Section 10. {standard} Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 2, chapter 18, part 1, and the provisions of Title 2, chapter 18, part 1, apply to [section 1].

NEW SECTION. **Section 11. {standard} Effective date.** [This act] is effective on passage and approval."

Amendments to House Bill No. 514
Third Reading Copy

Requested by Senator Waterman
For the Committee on Senate Finance and Claims

Prepared by Sheri S. Heffelfinger
April 8, 1991

1. Title, lines 4 through 16.

Strike: the second "AN" on line 4 through "DATE" on line 16
Insert: "AN ACT ADJUSTING THE SALARIES OF STATE EMPLOYEES IN EACH YEAR OF THE BIENNIUM; MANDATING THAT EACH AGENCY NEGOTIATE SHIFT DIFFERENTIALS AND HAZARDOUS DUTY PAY WITH EMPLOYEES; PROVIDING INCREASES TO EMPLOYER CONTRIBUTIONS TO GROUP BENEFITS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-312, 2-18-313, 2-18-314, 2-18-315, AND 2-18-703; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 1.

Strike: everything after the enacting clause

Insert:

"NEW SECTION. Section 1. Shift differential and hazardous duty pay negotiated. (1) Each agency shall negotiate with employees for shift differential pay for those employees who are regularly scheduled to work other than the day shift.

(2) Each agency shall negotiate with employees for hazardous duty pay for those employees who work under hazardous conditions.

Section 2. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1991~~ 1993, the:

(a) pay schedules provided for in 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~51st~~ 52nd legislature;

(b) pay levels provided for in 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~51st~~ 52nd legislature; and

(c) total funds required to implement the pay schedules provided for in 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~51st~~ 52nd legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal

equity, and competitiveness to external labor markets when fiscally able.

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 3. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay schedules. (1) The pay schedules provided in 2-18-312 must be implemented as follows:

(a) The pay schedules provided in 2-18-312 indicate the annual compensation for the fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for each grade and step for positions classified under the provisions of part 2 of this chapter.

(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee must be established at the end of the probationary period in accordance with rules promulgated by the department.

(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 is that amount corresponding to the grade and step occupied on the last day of fiscal year ~~1989~~ 1991.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1991~~ 1993 is that amount corresponding to the grade and step occupied on the last day of fiscal year ~~1990~~ 1992.

(2) The pay schedules provided in 2-18-312 and the provisions of subsection (1) do not apply to those teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313 through 2-18-315.

(3) The pay schedules provided in 2-18-313 through 2-18-315 must be implemented as follows:

(a) (i) The pay schedules provided for in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed under the authority of the department of institutions or the department of family services for fiscal years ~~1990~~ 1992 and ~~1991~~ 1993.

(ii) ~~On the first day of the first pay period in July 1989, each teacher shall advance three steps on the appropriate pay schedule for fiscal year 1990 from the step that he occupied on June 30, 1989. Each teacher must be placed on the adopted pay schedule according to his educational training and years of experience.~~

(iii) ~~The compensation of each teacher on~~ On the first day of the first pay period in July 1990 is that amount corresponding to his level of academic achievement and the step occupied on June 30, 1990 of each fiscal year, each teacher shall advance one step on the appropriate pay schedule adopted in 2-18-313.

(b) (i) The pay schedules provided in 2-18-314 indicate the maximum hourly compensation for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay schedules provided in 2-18-315 indicate the maximum hourly compensation for fiscal years ending June 30, ~~1990~~ 1992, and June 30, ~~1991~~ 1993, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1990~~ 1992 or ~~1991~~ 1993 is that amount corresponding to the grade occupied on the last day of the preceding fiscal year.

~~(4) (a) (i) A member of a bargaining unit may not receive the amounts indicated in the respective pay schedules provided in 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, 1991.~~

~~(ii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, 1989, retroactivity to that date may be negotiated.~~

~~(iii) If negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) are not completed by July 1, 1989, members of the bargaining unit involved must continue to receive the compensation they were receiving as of June 30, 1989.~~

~~(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.~~

(5) The current wage or salary of an employee may not be reduced by the implementation of the pay schedules provided for in 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs that enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.

(8) The department shall review the competitiveness of the compensation provided to registered nurses and other occupations under this part. If the department finds that substantial problems exist with recruitment and retention because of inadequate salaries when compared to competing employers, the department may establish criteria allowing an adjustment in pay or classification to mitigate the problems. Insofar as these adjustments may apply to employees within a collective bargaining unit, the implementation of these adjustments is a negotiable

subject under 39-31-305."

Section 4. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedules for fiscal years ~~1990~~ 1992 and 1991 1993. (1) The statewide classification pay schedule for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080

Note: Includes Insurance

Pay Matrix -- State

Matrix Type -- Annual

						STEP	GRADE	1	2	3	4	5
6	7	8	9	10	11	12	13					
1	10,132	10,839	11,041	11,247	11,457	11,671						
	11,890	12,113	12,340	12,572	12,809	13,050						
	13,542											
2	10,614	11,357	11,569	11,786	12,007	12,232						
	12,462	12,696	12,935	13,179	13,428	13,682						
	14,200											
3	11,138	11,921	12,145	12,373	12,606	12,843						
	13,085	13,332	13,584	13,841	14,103	14,370						
	14,915											
4	11,711	12,537	12,773	13,014	13,259	13,509						
	13,764	14,024	14,290	14,561	14,837	15,119						
	15,694											
5	12,343	13,216	13,466	13,721	13,981	14,246						
	14,516	14,792	15,073	15,360	15,652	15,950						
	16,558											
6	13,035	13,960	14,224	14,494	14,769	15,050						
	15,336	15,628	15,926	16,230	16,540	16,856						
	17,501											
7	13,802	14,785	15,066	15,353	15,645	15,943						
	16,247	16,557	16,873	17,196	17,525	17,861						
	18,546											
8	14,629	15,674	15,973	16,278	16,589	16,906						
	17,229	17,559	17,895	18,238	18,588	18,945						
	19,673											
9	15,547	16,662	16,980	17,305	17,636	17,974						
	18,319	18,671	19,030	19,396	19,769	20,150						
	20,926											
10	16,553	17,743	18,083	18,430	18,784	19,145						
	19,513	19,888	20,271	20,662	21,060	21,466						
	22,295											
11	17,652	18,925	19,289	19,660	20,038	20,424						
	20,818	21,220	21,630	22,048	22,474	22,909						
	23,796											
12	18,868	20,233	20,623	21,021	21,427	21,841						
	22,263	22,693	23,132	23,580	24,037	24,503						
	25,477											
13	20,204	21,669	22,088	22,515	22,951	23,395						
	23,848	24,310	24,788	25,281	25,783	26,295						
	27,341											
14	21,880	23,471	23,926	24,390	24,872	25,366						
	25,870	26,384	26,909	27,444	27,991	28,547						
	29,683											
15	23,625	25,369	25,873	26,388	26,912	27,447						
	27,994	28,550	29,118	29,697	30,289	30,891						
	32,121											

16	25,613	27,529	28,077	28,635	29,205	29,786
	30,379	30,984	31,601	32,230	32,872	33,527
	34,862					
17	27,787	29,867	30,462	31,069	31,687	32,317
	32,961	33,617	34,286	34,969	35,665	36,375
	37,825					
18	30,190	32,451	33,097	33,756	34,429	35,114
	35,813	36,527	37,255	37,997	38,754	39,526
	41,101					
19	32,831	35,291	35,994	36,710	37,441	38,187
	38,948	39,724	40,515	41,323	42,146	42,986
	42,986					
20	35,714	38,391	39,156	39,936	40,731	41,543
	42,371	43,216	44,077	44,955	45,851	45,851
	45,851					
21	38,885	41,802	42,635	43,485	44,352	45,236
	46,138	47,058	47,996	48,953	48,953	48,953
	48,953					
22	42,366	45,544	46,452	47,379	48,324	49,287
	50,270	51,273	52,295	52,295	52,295	52,295
	52,295					
23	46,174	49,639	50,629	51,638	52,669	53,719
	54,790	55,883	55,883	55,883	55,883	55,883
	55,883					
24	50,358	54,137	55,218	56,320	57,443	58,589
	59,757	59,757	59,757	59,757	59,757	59,757
	59,757	54,953	59,079	60,258	61,460	62,686
	63,936	63,936	63,936	63,936	63,936	63,936
	63,936	63,936				

[The legislative fiscal analyst shall develop a new pay schedule for fiscal year 1992 based on the following:

(1) Each grade and step must receive a 60-cents-an-hour increase.

(2) If step two of a grade is below the 1992 market entry rate recommended by the 1990 interim study of the committee on state employee compensation plus 1%, then step two must be adjusted to equal the amount recommended in the interim study and each subsequent step must reflect the same progression between steps as the last grade that did not require a step two adjustment to market after the 60-cents-an-hour increase.

(3) For those grades that required a step two market adjustment, step 1 must be 7% below step two.

(4) The state contribution to group insurance provided in 2-18-703 for fiscal year 1992 (\$170 per month) must be added to the pay schedule.]

(2) The statewide classification pay schedule for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080; Note: Includes Insurance

Pay Matrix -- State Matrix Type -- Annual

	STEP GRADE												
	1 2 3 4 5												
	6	7	8	9	10	11	12	13					
1	10,932	11,639	11,841	12,047	12,257	12,471							
	12,690	12,913	13,140	13,372	13,609	13,850							

~~14,342~~
~~2 11,414 12,157 12,369 12,586 12,807 13,032~~
~~13,262 13,496 13,735 13,979 14,228 14,482~~
~~15,000~~
~~3 11,938 12,721 12,945 13,173 13,406 13,643~~
~~13,885 14,132 14,384 14,641 14,903 15,170~~
~~15,715~~
~~4 12,511 13,337 13,573 13,814 14,059 14,309~~
~~14,564 14,824 15,090 15,361 15,637 15,919~~
~~16,494~~
~~5 13,143 14,016 14,266 14,521 14,781 15,046~~
~~15,316 15,592 15,873 16,160 16,452 16,750~~
~~17,358~~
~~6 13,835 14,760 15,024 15,294 15,569 15,850~~
~~16,136 16,428 16,726 17,030 17,340 17,656~~
~~18,301~~
~~7 14,602 15,585 15,866 16,153 16,445 16,743~~
~~17,047 17,357 17,673 17,996 18,325 18,661~~
~~19,346~~
~~8 15,429 16,474 16,773 17,078 17,389 17,706~~
~~18,029 18,359 18,695 19,038 19,388 19,745~~
~~20,473~~
~~9 16,347 17,462 17,780 18,105 18,436 18,774~~
~~19,119 19,471 19,830 20,196 20,569 20,950~~
~~21,726~~
~~10 17,353 18,543 18,883 19,230 19,584 19,945~~
~~20,313 20,688 21,071 21,462 21,860 22,266~~
~~23,095~~
~~11 18,452 19,725 20,089 20,460 20,838 21,224~~
~~21,618 22,020 22,430 22,848 23,274 23,709~~
~~24,596~~
~~12 19,668 21,033 21,423 21,821 22,227 22,641~~
~~23,063 23,493 23,932 24,380 24,839 25,317~~
~~26,315~~
~~13 21,004 22,469 22,888 23,315 23,751 24,195~~
~~24,648 25,119 25,609 26,114 26,629 27,153~~
~~28,226~~
~~14 22,680 24,271 24,726 25,201 25,695 26,201~~
~~26,718 27,245 27,783 28,331 28,892 29,462~~
~~30,626~~
~~15 24,425 26,204 26,721 27,249 27,786 28,334~~
~~28,895 29,465 30,047 30,640 31,247 31,864~~
~~33,125~~
~~16 26,454 28,418 28,980 29,552 30,136~~
~~30,732 31,339 31,960 32,592 33,237 33,895~~
~~34,566 35,935~~
~~17 28,683 30,815 31,425 32,047 32,680 33,326~~
~~33,986 34,658 35,344 36,044 36,758 37,485~~
~~38,972~~
~~18 31,146 33,463 34,125 34,801 35,491 36,193~~
~~36,909 37,641 38,387 39,148 39,924 40,715~~
~~42,330~~
~~19 33,853 36,374 37,095 37,829 38,578 39,343~~
~~40,123 40,918 41,729 42,557 43,401 44,262~~
~~44,262~~

20	36,808	39,552	40,336	41,135	41,950	42,783
43,631	44,497	45,380	46,280	47,198	47,198	
47,198						
21	40,058	43,048	43,902	44,773	45,662	46,568
47,492	48,435	49,397	50,378	50,378	50,378	
50,378						
22	43,626	46,884	47,814	48,764	49,733	50,720
51,728	52,756	53,803	53,803	53,803	53,803	
53,803						
23	47,529	51,081	52,096	53,130	54,187	
55,263	56,361	57,481	57,481	57,481	57,481	
57,481	57,481					
24	51,818	55,691	56,799	57,929	59,080	60,255
61,452						
61,452						
25	56,528	60,757	61,965	63,198	64,454	65,735
65,735						
65,735						

[The legislative fiscal analyst shall develop a new pay schedule for fiscal year 1993 based on the following:

(1) Each grade and step must receive a 60-cents-an-hour increase.

(2) If step two of a grade is below the 1993 market entry rate recommended by the 1990 interim study of the committee on state employee compensation plus 1%, then step two must be adjusted to equal the amount recommended in the interim study and each subsequent step reflect the same progression between steps as the last grade that did not require a step two adjustment to market after the 60-cents-an-hour increase.

(3) For those grades that required a step two market adjustment, step 1 must be 7% below step two.

(4) The state contribution to group insurance provided in 2-18-703 for fiscal year 1993 (\$195 per month) must be added to the pay schedule.]"

Section 5. Section 2-18-313, MCA, is amended to read:

"2-18-313. Teachers' pay schedules. (1) (a) The 12-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

STEP	Annual Hours -- 2080						Note: Includes Insurance
	BA	BA+1	BA+2	BA+3	MA	MA+1	
							Matrix Type -- Annual
							Education Level
1	21,228	21,870	22,529	22,850	23,173	23,832	
2	21,983	22,699	23,416	23,775	24,134	24,859	
3	22,738	23,529	24,302	24,706	25,110	25,905	
4	23,494	24,362	25,206	25,652	26,097	26,949	
5	24,247	25,206	26,115	26,598	27,084	27,995	
6	25,016	26,060	27,027	27,548	28,071	29,041	
7	25,786	26,908	27,934	28,496	29,056	30,083	
8	26,561	27,760	28,847	29,446	30,045	31,127	
9	27,335	28,610	29,756	30,392	31,033	32,172	
10	28,108	29,464	30,664	31,340	32,018	33,218	
11	28,884	30,286	31,571	32,288	33,005	34,260	

~~12 28,884 30,286 31,571 32,288 33,005 34,260~~
~~13 28,884 30,286 31,571 32,288 33,005 34,260~~

[The legislative fiscal analyst shall develop a new fiscal year 1992 pay schedule for 12-month teachers according to the following:

- (1) Each lane and step must receive a 60-cents-an-hour increase.
- (2) Each lane and step must receive an additional .4662% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1992 by the committee on state employee compensation plus 1%.
- (3) The pay schedule must include the employer contribution of \$170 per month for group benefits.]

(b) The 9-month pay schedule for teachers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- ~~1480~~ 1560 Note: Includes Insurance
 Term -- Nine Months Matrix Type -- Annual
 Education Level

STEP	BA	BA+1	BA+2	BA+3	MA	MA+1
1	16,451	16,933	17,427	17,668	17,910	18,404
2	17,017	17,554	18,092	18,361	18,631	19,168
3	17,583	18,176	18,757	19,056	19,352	19,933
4	18,151	18,801	19,422	19,749	20,074	20,697
5	18,715	19,422	20,087	20,441	20,796	21,463
6	19,283	20,047	20,755	21,136	21,518	22,228
7	19,846	20,667	21,418	21,829	22,239	22,990
8	20,414	21,291	22,086	22,524	22,963	23,754
9	20,980	21,913	22,751	23,217	23,685	24,519
10	21,546	22,537	23,416	23,910	24,406	25,304
11	22,113	23,139	24,079	24,606	25,144	26,085
12	22,113	23,139	24,079	24,606	25,144	26,085
13	22,113	23,139	24,079	24,606	25,144	26,085

[The legislative fiscal analyst shall develop a new fiscal year 1992 pay schedule for 9-month teachers according to the following:

- (1) Each lane and step must receive a 60-cents-an-hour increase.
- (2) Each lane and step must receive an additional .4662% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1992 by the committee on state employee compensation plus 1%.
- (3) The pay schedule must include the employer contribution of \$170 per month for group benefits.]

(2) (a) The 12-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080 Note: Includes Insurance
 Term -- Twelve Months Matrix Type -- Annual
 Education Level

STEP	BA	BA+1	BA+2	BA+3	MA	MA+1
1	22,028	22,670	23,329	23,650	23,973	24,632
2	22,783	23,499	24,216	24,575	24,938	25,681

3	23,538	24,329	25,111	25,525	25,939	26,754
4	24,294	25,172	26,037	26,494	26,950	27,824
5	25,054	26,037	26,969	27,464	27,962	28,896
6	25,842	26,913	27,904	28,438	28,974	29,968
7	26,632	27,782	28,833	29,409	29,983	31,036
8	27,426	28,655	29,769	30,383	30,997	32,106
9	28,219	29,526	30,701	31,353	32,010	33,177
10	29,012	30,402	31,632	32,325	33,019	34,249
11	29,807	31,244	32,561	33,296	34,031	35,318
12	29,807	31,244	32,561	33,296	34,031	35,318
13	29,807	31,244	32,561	33,296	34,031	35,318

[The legislative fiscal analyst shall develop a new fiscal year 1993 pay schedule for 12-month teachers according to the following:

(1) Each lane and step must receive a 60-cents-an-hour increase;

(2) Each lane and step must receive an additional .0244% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1993 by the committee on state employee compensation in fiscal year 1993 plus 1%.

(3) The pay schedule must include the employer contribution of \$195 per month for group benefits.]

(b) The 9-month pay schedule for teachers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- ~~1480~~ 1580 Note: Includes Insurance
Term -- Nine Months Matrix Type -- Annual
Education Level

STEPBA	BA+1	BA+2	BA+3	MA	MA+1	
1	17,251	17,733	18,227	18,468	18,710	19,204
2	17,817	18,354	18,892	19,161	19,431	19,968
3	18,383	18,976	19,557	19,856	20,152	20,733
4	18,951	19,601	20,222	20,549	20,874	21,497
5	19,515	20,222	20,887	21,241	21,596	22,263
6	20,083	20,847	21,555	21,936	22,318	23,028
7	20,646	21,467	22,218	22,629	23,039	23,790
8	21,214	22,091	22,886	23,324	23,763	24,554
9	21,780	22,713	23,551	24,017	24,485	25,333
10	22,346	23,337	24,216	24,710	25,217	26,138
11	22,913	23,939	24,882	25,422	25,974	26,938
12	22,913	23,939	24,882	25,422	25,974	26,938
13	22,913	23,939	24,882	25,422	25,974	26,938

[The legislative fiscal analyst shall develop a new fiscal year 1993 pay schedule for 9-month teachers according to the following:

(1) Each lane and step must receive a 60-cents-an-hour increase.

(2) Each lane and step must receive an additional .0244% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1993 by the committee on state employee compensation plus 1%.

(3) The pay schedule must include the employer contribution of \$195 per month for group benefits.]"

Section 6. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay schedules. (1) The pay schedule for liquor store occupations for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080 Note: With Insurance
Pay Matrix -- Retail Clerk Matrix Type -- Hourly
Grade \$/Hour

	W/Ins.
L1	0.000
L2	8.040
L3	8.540
L4	8.820
L5	9.110
L6	9.720
L7	10.380
L8	11.130

[The legislative fiscal analyst shall develop a new fiscal year 1992 pay schedule according to the following:

- (1) Each grade must receive a 60-cents-an-hour increase.
- (2) Each grade must receive an additional .4662% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1992 by the committee on state employee compensation plus 1%.
- (3) The pay schedule must include the employer contribution of \$170 per month for group benefits.]

(2) The pay schedule for liquor store occupations for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080 Note: With Insurance
Pay Matrix -- Retail Clerk Matrix Type -- Hourly
Grade \$/Hour

	W/Ins.
L1	0.000
L2	8.425
L3	8.925
L4	9.205
L5	9.495
L6	10.105
L7	10.765
L8	11.515

[The legislative fiscal analyst shall develop a new fiscal year 1993 pay schedule according to the following:

- (1) Each grade must receive a 60-cents-an-hour increase.
- (2) Each grade must receive an additional .0244% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1993 by the committee on state employee compensation plus 1%.
- (3) The pay schedule must include the employer contribution of \$195 per month for group benefits.]"

Section 7. Section 2-18-315, MCA, is amended to read:

"2-18-315. Blue-collar pay schedules. (1) The pay schedule for blue-collar workers for fiscal year ~~1990~~ 1992 is as follows:

Annual Hours -- 2080 Note: With Insurance
Pay Matrix -- Blue-Collar Matrix Type -- Hourly
Grade \$/Hour
 W/Ins.
B1 ~~8.51~~
B2 ~~8.91~~
B3 ~~9.31~~
B4 ~~9.71~~
B5 ~~10.11~~
B6 ~~10.51~~
B7 ~~10.91~~
B8 ~~11.31~~
B9 ~~11.71~~
B10 ~~12.11~~
B11 ~~12.51~~
B12 ~~12.91~~
B00 ~~13.31~~

[The legislative fiscal analyst shall develop a new fiscal year 1992 pay schedule according to the following:

- (1) Each grade must receive a 60-cents-an-hour increase.
- (2) Each grade must receive an additional .4662% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1992 the committee on state employee compensation plus 1%.
- (3) The pay schedule must include the employer contribution of \$170 per month for group benefits.]

(2) The pay schedule for blue-collar workers for fiscal year ~~1991~~ 1993 is as follows:

Annual Hours -- 2080 Note: With Insurance
Pay Matrix -- Blue-Collar Matrix Type -- Hourly
Grade \$/Hour
 W/Ins.
B1 ~~8.90~~
B2 ~~9.30~~
B3 ~~9.70~~
B4 ~~10.10~~
B5 ~~10.50~~
B6 ~~10.90~~
B7 ~~11.30~~
B8 ~~11.70~~
B9 ~~12.10~~
B10 ~~12.50~~
B11 ~~12.90~~
B12 ~~13.30~~
B00 ~~13.70~~

[The legislative fiscal analyst shall develop a new fiscal year 1993 pay schedule according to the following:

- (1) Each grade must receive a 60-cents-an-hour increase.

(2) Each grade must receive an additional .0244% increment to reflect the cost of moving step two in the general pay schedule to the market entry recommended for fiscal year 1993 by the committee on state employee compensation plus 1%.

(3) The pay schedule must include the employer contribution of \$195 per month for group benefits.]"

Section 8. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~\$130~~ \$170 per month for the fiscal year ending June 30, ~~1990~~ 1992, and ~~\$150~~ \$195 per month for the fiscal year ending June 30, ~~1991~~ 1993, and for each fiscal year thereafter. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than \$10 per month.

(4) Unused employer contributions for any state employee must be transferred to an account established for this purpose by the department of administration and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 9. Appropriation. [The legislative fiscal analyst shall develop the language and calculate the appropriate amounts to be included in this section in order to implement the effects of [this act]].

NEW SECTION. Section 10. {standard} Codification instruction. [Section 1] is intended to be codified as an integral part of Title 2, chapter 18, part 1, and the provisions of Title 2, chapter 18, part 1, apply to [section 1].

NEW SECTION. Section 11. {standard} Effective date. [This act] is effective on passage and approval."

Amendments to House Bill No. 514
Third Reading Copy

Requested by Senator Eve Franklin
For the Committee on Senate Finance and Claims

Prepared by Sheri S. Heffelfinger
April 3, 1991

1. Page 6, line 25.

Following: "39-31-305."

Insert: "To maintain the internal equity of the statewide pay plan provided for in 2-18-312 and subsection (1) of this section, when a majority of registered nurses classified under the provisions of part 2 of this chapter have been granted a pay plan exception through a collectively bargained agreement, then all other classified registered nurses, including those employed in the university system, must be paid a salary equivalent to the salary negotiated in the negotiated agreement, except that in no case may the salary of a classified registered nurse be reduced by this provision."

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 19
DATE 4-9-91
BILL NO. HB 514

Office of Legislative Fiscal Analyst
Pay Proposal Costs
In Millions

Component	Fiscal 1992 Cost	Fiscal 1993 Cost	Total 1992-93 Cost	Gen. Fund 1992 Cost	Gen. Fund 1993 Cost	Gen. Fund 1992-93 Cost
All Agencies						
\$.60/Hour Base	\$21.739	\$43.312	\$65.051	\$10.963	\$21.889	\$32.852
Market Entry *	1.884	1.978	3.862	\$0.977	\$1.028	2.005
Progression	0.000	0.000	0.000	\$0.000	\$0.000	0.000
Longevity	0.000	0.000	0.000	\$0.000	\$0.000	0.000
Insurance	<u>3.547</u>	<u>7.968</u>	<u>11.515</u>	<u>\$1.793</u>	<u>\$4.039</u>	<u>5.832</u>
Totals	\$27.170	\$53.258	\$80.428	\$13.733	\$26.956	\$40.689
University System						
\$.60/Hour Base	\$4.814	\$9.590	\$14.404	\$3.755	\$7.480	\$11.235
Market Entry *	0.493	0.519	1.012	0.385	0.405	0.790
Progression	0.000	0.000	0.000	0.000	0.000	0.000
Longevity	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	<u>0.799</u>	<u>1.797</u>	<u>2.596</u>	<u>0.623</u>	<u>1.402</u>	<u>2.025</u>
Totals	\$6.106	\$11.906	\$18.012	\$4.763	\$9.287	\$14.050
Other Agencies						
\$.60/Hour Base	\$16.925	\$33.722	\$50.647	\$7.208	\$14.409	\$21.617
Market Entry *	1.391	1.459	2.850	0.592	0.623	1.215
Progression	0.000	0.000	0.000	0.000	0.000	0.000
Longevity	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	<u>2.748</u>	<u>6.171</u>	<u>8.919</u>	<u>1.170</u>	<u>2.637</u>	<u>3.807</u>
Totals	\$21.064	\$41.352	\$62.416	\$8.970	\$17.669	\$26.639

* Amount reflects incremental costs for all fiscal 1992 and 1993 FTE.

Office of Legislative Fiscal Analyst

Fiscal 1993 Salary Matrix

Fixed Dollar Amount \$1,248 Plus \$2,340 Insurance

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13
1	13,812	14,675	14,877	15,083	15,293	15,507	15,726	15,949	16,176	16,408	16,645	16,886	17,378
2	14,293	15,193	15,405	15,622	15,843	16,068	16,298	16,532	16,771	17,015	17,264	17,518	18,036
3	14,818	15,757	15,981	16,209	16,442	16,679	16,921	17,168	17,420	17,677	17,939	18,206	18,751
4	15,391	16,373	16,609	16,850	17,095	17,345	17,600	17,860	18,126	18,397	18,673	18,955	19,530
5	16,022	17,052	17,302	17,557	17,817	18,082	18,352	18,628	18,909	19,196	19,488	19,786	20,394
6	16,714	17,796	18,060	18,330	18,605	18,886	19,172	19,464	19,762	20,066	20,376	20,692	21,337
7	17,481	18,621	18,902	19,189	19,481	19,779	20,083	20,393	20,709	21,032	21,361	21,697	22,382
8	18,308	19,510	19,809	20,114	20,425	20,742	21,065	21,395	21,731	22,074	22,424	22,781	23,509
9	19,227	20,498	20,816	21,141	21,472	21,810	22,155	22,507	22,866	23,232	23,605	23,986	24,762
10	20,232	21,579	21,919	22,266	22,620	22,981	23,349	23,724	24,107	24,498	24,896	25,302	26,131
11	21,332	22,761	23,125	23,496	23,874	24,260	24,654	25,056	25,466	25,884	26,310	26,745	27,632
12	22,548	24,069	24,459	24,857	25,263	25,677	26,099	26,529	26,968	27,416	27,875	28,353	29,351
13	23,883	25,505	25,924	26,351	26,787	27,231	27,684	28,155	28,645	29,150	29,665	30,189	31,262
14	25,650	27,405	27,860	28,324	28,798	29,280	29,772	30,284	30,816	31,365	31,925	32,494	33,660
15	27,629	29,532	30,028	30,533	31,049	31,575	32,111	32,669	33,249	33,847	34,457	35,077	36,347
16	29,835	31,904	32,445	32,997	33,560	34,134	34,719	35,328	35,961	36,613	37,278	37,955	39,341
17	32,296	34,551	35,143	35,746	36,362	36,989	37,629	38,294	38,986	39,699	40,427	41,167	42,683
18	35,109	37,576	38,224	38,884	39,558	40,244	40,944	41,671	42,428	43,208	44,004	44,813	46,471
19	38,271	40,976	41,686	42,409	43,148	43,900	44,668	45,466	46,296	47,151	48,024	48,912	50,730
20	41,800	44,770	45,550	46,344	47,155	47,981	48,824	49,700	50,612	51,551	52,510	53,485	55,485
21	45,722	48,987	49,844	50,717	51,609	52,517	53,444	54,407	55,409	56,442	57,496	58,571	60,671
22	50,101	53,696	54,640	55,601	56,583	57,583	58,603	59,663	60,766	61,903	63,075	64,285	66,525
23	55,042	59,009	60,051	61,112	62,196	63,299	64,425	65,595	66,812	68,075	69,375	70,712	73,082
24	60,589	64,973	66,124	67,297	68,495	69,714	70,958	72,251	73,591	74,975	76,405	77,882	80,352
25	66,726	71,572	72,844	74,140	75,464	76,812	78,188	79,601	81,051	82,538	84,062	85,625	88,188

Office of Legislative Fiscal Analyst

Total Fiscal 1993 Percent Increase

Fixed Dollar Amount \$1,248 Plus \$540 Insurance

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13
1	26.34%	26.08%	25.64%	25.20%	24.77%	24.34%	23.92%	23.51%	23.11%	22.70%	22.31%	21.92%	21.17%
2	25.22%	24.97%	24.55%	24.12%	23.71%	23.30%	22.89%	22.50%	22.10%	21.72%	21.34%	20.96%	20.24%
3	24.12%	23.87%	23.45%	23.05%	22.65%	22.25%	21.87%	21.48%	21.11%	20.74%	20.37%	20.01%	19.32%
4	23.02%	22.76%	22.37%	21.98%	21.59%	21.22%	20.85%	20.48%	20.12%	19.76%	19.42%	19.07%	18.41%
5	21.91%	21.66%	21.28%	20.91%	20.54%	20.18%	19.82%	19.47%	19.13%	18.79%	18.45%	18.13%	17.49%
6	20.81%	20.57%	20.21%	19.85%	19.50%	19.15%	18.82%	18.48%	18.15%	17.83%	17.51%	17.20%	16.59%
7	19.72%	19.48%	19.14%	18.80%	18.46%	18.13%	17.81%	17.49%	17.18%	16.87%	16.57%	16.27%	15.69%
8	18.66%	18.43%	18.10%	17.78%	17.46%	17.15%	16.84%	16.54%	16.24%	15.95%	15.66%	15.38%	14.83%
9	17.62%	17.39%	17.08%	16.77%	16.47%	16.17%	15.88%	15.59%	15.31%	15.03%	14.76%	14.49%	13.97%
10	16.59%	16.37%	16.08%	15.79%	15.50%	15.22%	14.95%	14.68%	14.41%	14.15%	13.89%	13.64%	13.15%
11	15.61%	15.39%	15.11%	14.84%	14.57%	14.30%	14.04%	13.79%	13.54%	13.29%	13.04%	12.81%	12.34%
12	14.64%	14.43%	14.17%	13.91%	13.66%	13.41%	13.16%	12.92%	12.69%	12.45%	12.22%	11.99%	11.54%
13	13.71%	13.51%	13.26%	13.02%	12.78%	12.55%	12.32%	12.09%	11.86%	11.63%	11.40%	11.18%	10.76%
14	13.10%	12.91%	12.67%	12.39%	12.08%	11.75%	11.43%	11.15%	10.92%	10.71%	10.50%	10.29%	9.91%
15	13.12%	12.70%	12.38%	12.05%	11.74%	11.44%	11.13%	10.87%	10.66%	10.47%	10.27%	10.08%	9.73%
16	12.78%	12.27%	11.96%	11.66%	11.36%	11.07%	10.79%	10.54%	10.34%	10.16%	9.98%	9.80%	9.48%
17	12.60%	12.12%	11.83%	11.54%	11.27%	10.99%	10.72%	10.49%	10.30%	10.14%	9.98%	9.82%	9.52%
18	12.72%	12.29%	12.01%	11.73%	11.46%	11.19%	10.93%	10.71%	10.53%	10.37%	10.22%	10.07%	9.78%
19	13.05%	12.65%	12.38%	12.11%	11.85%	11.58%	11.33%	11.11%	10.94%	10.79%	10.65%	10.51%	10.19%
20	13.56%	13.19%	12.93%	12.66%	12.41%	12.15%	11.90%	11.69%	11.53%	11.39%	11.25%	11.11%	10.79%
21	14.14%	13.80%	13.53%	13.28%	13.02%	12.77%	12.53%	12.33%	12.17%	12.04%	11.91%	11.78%	11.46%
22	14.84%	14.53%	14.28%	14.02%	13.77%	13.53%	13.29%	13.09%	12.94%	12.81%	12.68%	12.55%	12.23%
23	15.81%	15.52%	15.27%	15.02%	14.78%	14.54%	14.31%	14.12%	13.94%	13.77%	13.60%	13.43%	13.11%
24	16.93%	16.67%	16.42%	16.17%	15.94%	15.70%	15.47%	15.27%	15.07%	14.87%	14.67%	14.47%	14.15%
25	18.04%	17.80%	17.56%	17.31%	17.08%	16.85%	16.64%	16.44%	16.24%	16.04%	15.84%	15.64%	15.32%