

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **SENATOR GARY AKLESTAD**, Chairman, on March 29, 1995, at 8:00 a.m., Room 108.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Loren Jenkins (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry J. Tveit (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: Senator Jergeson

Members Absent: None

Staff Present: Taryn Purdy, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

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

Committee Business Summary:

Hearing: HB 268, HB 297, HB 378, HB 390, HB 416,
HB 460
Executive Action: HB 460

HEARING ON HOUSE BILL 268

Opening Statement by Sponsor:

REPRESENTATIVE CHRIS AHNER, House District 51, sponsor, said HB 268 guarantees a 1 1/2 percent annual benefit adjustment to the state, local and school district retirees; costs to the state have been fully included in the governor's budget. Funding

sources are by system savings and employer and employee contributions. HB 268 provides for benefits on an actuarially sound basis and saves state and local government tax dollars while continuing to maintain no mill impact. She presented proposed amendments to HB 268. **EXHIBIT 1**

Proponents' Testimony:

Lois Menzies, Director, Department of Administration, urged support of HB 268 on behalf of the Governor. She said they believe the automatic benefit adjustment presented in the bill is essential to protect retirees from inflationary factors. She asked the committee to abandon the costly ADHOC approach that has been used in the past to adjust retiree benefits and to replace it with an automatic adjustment that is less costly.

Linda King, Administrator, Public Employees' Retirement Division, presented written testimony in support of HB 268. **EXHIBITS 2, 3**

David Senn, Executive Director, Teachers' Retirement Board, rose in support of HB 268 with the Governor's amendments presented today. **EXHIBIT 4**

Tom Bilodeau, Research Director of Montana Education Association, and also representing the Public Employee Pension Security Coalition (PEPSCo), said they strongly support HB 268 as it was initially introduced and support the Governor's amendments as presented today. He said it has a zero impact on property tax mills due to the addition of state funding for K-12 and local government pension funds. **EXHIBIT 5**

SENATOR DON HARGROVE, Senate District 16, testifying in support of HB 268, said it is an actuarially and fiscally sound bill. The summer compensation benefit for the university system is a fairness issue, and he concluded that it is appropriate that it has been included.

Loran Frazier, School Administrators of Montana, expressed support in HB 268.

Hal Manson, American Legion of Montana, testifying in support of HB 268, commented that he is a retired state employee and his retirement benefits have not kept up with the cost of living. A small change he would like considered deals with Military veterans having to buy their military service on an actuarial basis. He stated his opinion that buying of military time cannot be captured in any other way for retirement purposes. He does not consider the military veteran in the same light as the person who had service in another state or federal service or the non-veteran who wants to buy five years in order to retire early. He concluded that the military veteran should be able to buy military time in the same fashion that has been used.

Brian McCullough, PERS member appearing on his own time, urged support of HB 268 with the amendments.

Jim Jacobsen, Administrator, Montana Veterans Affairs Division, explained that the veterans want to support the bill but urged the committee to consider keeping the military service on the current plan and not moving them to the actuarial plan.

Tom Schneider, Montana Public Employees Association, asked that the committee support HB 268 with the amendments. He noted that HB 268 would benefit 40,000 people in a very positive way.

Helen Christiansen, Montana State AFL-CIO, rose in support of HB 268.

Opponents' Testimony:

Dan Purcell, member of the Board of Directors of the State Traffic Association, said the State Traffic Association is opposed to the portion of HB 268 dealing with the definition of earned compensation. As written, the bill would disallow income earned by many members when computing their average final compensation. Traffic education courses are offered by school districts throughout the state in a wide variety of formats. Some are offered for credit entirely during the school day and others are offered after school hours, weekends and evenings, while others are offered only in the summer months. He contended that the association does not oppose the guaranteed annual benefit adjustment for retirees, but they are opposed to redefining earned income to exclude traffic education wages. In conclusion, he urged the committee to amend HB 268 to keep all wages earned for traffic education included in a person's earned compensation.

John Skufca, PERS member and appearing on his own time, said while he is reluctant to oppose this legislation, as a working PERS member he can't afford HB 268. Members of the PERS system working in the executive agencies don't have a choice of where to invest their income for retirement like some people in the university system do. Currently 3.4 percent of the employer contribution is going towards an unfunded liability, and according to this legislation the unfunded liability would not be increased. A result of that is increases in benefits to members such as himself as well as increases to retirees that have previously been unfunded. He indicated that although he cannot touch that money in the state retirement system, he still considers that his money. He commented that as a vested member of any other retirement system, the money is in the account until you retire or withdraw it early with a penalty. If this bill is approved, it is another entitlement. The unfunded liability is down to 16.2 years actuarially, and HB 268 would move the retirement system up to 29 years actuarially, and he questioned whether that was a good financial move.

Questions From Committee Members and Responses:

In answer to **SENATOR WATERMAN'S** question of what the cost to the state would be in later years, **Linda King** said one of the things that drives the cost after next biennium would be the inflation rates in the state and local government payrolls. The school system and the university system have historically been 5 3/4 percent, and that is what they are assuming in their costing. It depends if the payroll increases continue at their historic rates.

SENATOR WATERMAN questioned what the ten year outlook was if they continued to increase at that historic rate, to which **Ms. King** said she did not know, but the third biennium would have the cost at \$15 million.

SENATOR WATERMAN questioned **REPRESENTATIVE AHNER** about the \$5 million dollar figure for this biennium in the Governor's executive budget, and asked if there had been any discussion about the impact of \$11 million for the next biennium.

REPRESENTATIVE AHNER said she had received no opposition to that, and stated that while it will cost up front, the benefits in the long run override the cost.

In answer to **SENATOR BECK'S** inquiry if the fiscal note showed the House amendment, **REPRESENTATIVE AHNER** said it does reflect the costs of the House amendments. The amendments presented today **EXHIBIT 1** do not have a revised fiscal note but should the amendments pass, one could be requested. The costs she has calculated would be \$4.85 million this biennium, \$11.9 million next biennium and the third biennium would be \$15.1 million, with the historic growth rates. If they do not continue at 5 3/4 percent and were at 2 percent, the costs would not increase at all.

Ms. King commented that the revised figure for this biennium would be \$4.81 million.

When questioned by **SENATOR LYNCH** if traffic education was covered, **Mr. Senn** said traffic education is covered in terms of those salaries that have been reported through 1995 and they will capture that actuarial value for the 10 year window. For a limited time there is some coverage; however, for those retiring and earning salaries in the future they will not be reported and would not be covered.

SENATOR LYNCH commented that a person making \$35,000 a year pays everything on that and so does the employer, and there is a person making \$30,000 in salary and picks up \$5,000 which they pay on the teachers retirement system but that is not actuarially sound to include them forever. He questioned why the \$30,000 plus \$5,000 was not as sound actuarially as the \$35,000 original.

Mr. Senn said under the current funding structure of TRS, they assume everything will be reported and that is actuarially sound. Under this proposal they are looking to swap current benefits to help fund the GABA, so they will have to reduce benefits in some areas to provide the guarantee benefit in others. Concerning the \$5,000, the member has the option of performing those extra duties and earning the salary. If they earn the salary, they have to report now. The option of working those additional duties provides them the opportunity to do that only in their last few years, enhancing their final average salary. By reducing the salary base, they recognize they are reducing benefits for those people that have the opportunity to contract for additional services. That savings is taken and applied to the entire system to help save contributions and state and local tax dollars to fund the GABA. It is a change in the benefit structure of the system.

In questioning from **SENATOR LYNCH** if neither the employer or employee would be paying into PERS or TRS on the \$5,000 of extra duties, **Mr. Senn** said that was correct.

Mr. Senn said they have tried to amend HB 268 to provide language that defines the base contract as that amount received on the salary matrix.

SENATOR LYNCH said some school districts are discussing a longer school year and while the teachers that choose to go longer would be covered, others that teach summer school wouldn't be covered, and he questioned how that would be dealt with ethically.

Mr. Senn said they are not anticipating the longer school year under this change. HB 268 provides that the base contract will be covered under the retirement system.

SENATOR KEATING questioned if the current members will pay more into their retirement fund to be used to pay the increase for those who have already retired.

Mr. Senn said no, there will be an increase in the employer contribution that will take care of that liability. Employees are actually going to be paying a little less than the costs if it was just for the current active member.

When questioned by **SENATOR KEATING** how current employees benefit by this increase in retirement, **Mr. Senn** said they benefit from the enhancement in retirement benefits after retirement. Three years after the retirement there will be a guaranteed 1 1/2 percent increase compounded every year.

SENATOR KEATING asked if there were reserves in the retirement system now that are invested and earning additional income to the fund.

Mr. Senn said the retirement fund is currently invested and in order to fund retirement benefits, at least 8 percent has to be earned on the investments:

When asked by **SENATOR KEATING** if that was happening, **Mr. Senn** said it has happened every year except last fiscal year the TRS had a return of 7.9 percent on the fund balance. He said the 8 percent assumption is a long 40 year assumption.

SENATOR KEATING said at one time the system was actuarially sound to about 34 years, and now he understands it is only to 16 years. This adjustment will make it actuarially sound for 28 years, and he questioned if the numbers were accurate.

Mr. Senn said there are two different systems. The PERS system is currently at about 16 years, and HB 268 would move it to about 28 years. The TRS is currently at 31.5 years, and this bill will move that to 35 years. The employer and employee contribution rates are higher under the TRS, reflecting that there is not the luxury of an actuarial margin to help fund the GABA.

SENATOR KEATING asked if the proposal was because the actuarials were declining, to which **Mr. Senn** said no, the actuarial time period is the amortization it takes to fund the liability they have for enhancement of retirement benefits.

SENATOR KEATING commented when increases are given to retirees, the actuarial period is shortened. He questioned who would pay for the cost of living increase to current retirees, which then lessens the unfunded liability. Current employees are the ones taking the risk because their payment into that retirement fund is increased for the current increase in benefits, and he voiced concern about their share when they retire.

Mr. Senn said over time the cycles average very close to the actuarial assumptions, and the cycles will continue to be monitored and adjusted as necessary.

SENATOR KEATING commented that we have been in an inflationary period for 30 years and have given COLA's all the time because of inflation.

SENATOR SWYSGOOD asked at what point the state would be actuarially in trouble as far as the unfunded liability.

Mr. Senn said currently the industry says if you are 40 years or less, you are in good shape. The governmental accounting standard has set a standard that all public plans be at 30 years or less by 2006. Ten years from now, all these systems will be well under 30 years, provided our actuarial assumptions and yields continue to be as they have assumed.

In questioning by **SENATOR JENKINS**, **Linda King** responded that by doing this it will cost 1/10th of the taxpayers' dollars to pre-

fund it rather than use the ADHOC. The money that employees are putting in is for their own future benefit; it doesn't pay any unfunded liabilities. The increased employee contributions does not pay for current retirees, and it doesn't even pay for their own service that they have already had, whether it is one month or 30 years as that prior service is all unfunded liability that is being amortized within the periods indicated. She stated that 28 years for PERS is still under the governmental accounting standards board's target for where the plan should be in 10 years.

SENATOR SWYSGOOD commented that if the percentage would change, it would have to be done again, to which **Ms. King** replied that would be true if the legislature were to increase the percentage in the future.

SENATOR JENKINS questioned what would happen to the fund if there were a period where salaries were frozen or decreased, or there was less employment.

Ms. King replied that it is actuarial funded and if there are less members in the system, there would be less liabilities for their benefits; but unless the numbers were cut in half, it wouldn't have a negative effect. There is a 2 point spread between what we earn on an assumed rate, which is 8 percent that needs to be made as an average on investments and the inflationary rate of the payrolls, which is 6 percent. As long as the spread stays at 2 percent or more, we are in good shape and would be in trouble only if there is a deflation in investments and an inflation in the payroll.

SENATOR LYNCH questioned what happens to the money that an employee who thought until this was changed that the money was going into the TRS.

Mr. Bilodeau said they have made contributions on their extra duty earnings and they also have, as of this date, a benefit value that would be computed. There are benefits available and with these amendments, the last three years of extra duty earnings would be looked at to determine the benefit value for those three years and carried forward for 10 years. If that individual does not retire within those 10 years and continues to do extra duty work, there would be a lesser benefit available. There is no guarantee for extra duty earnings.

Closing by Sponsor:

REPRESENTATIVE AHNER, in closing, said HB 268 is a unique proposal and asked that the committee bring forth a fair and equitable proposal for the state retirement system.

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HEARING ON HOUSE BILL 297Opening Statement by Sponsor:

REPRESENTATIVE JOE BARNETT, House District 32, Belgrade, sponsor, said HB 297 increases the statutory appropriation of fuel tax revenue to counties and cities and eliminates the local option motor fuel tax.

Proponents' Testimony:

Ronna Alexander, Montana Petroleum Marketers Association, referred to the repealer section of the bill and distributed copies of the statute. **EXHIBIT 6** She said this statute has been in place for 16 years and allows counties to enact a local option gas tax up to 2 cents by a vote of the people. Three counties have offered it on the ballot, but none of the referendums have passed due in part to the efforts the industry organizes to defeat them. She indicated her opposition to that because of the anti-competitive situations created when there are one or more retail locations within the same vicinity of one another; one who has to charge the tax and the other does not. This does not become a consumer tax but a cost to the industry of just a few retail locations. The way the statute is written, the taxation point is at the distributor level. She explained that they were looking for a different way to help local governments. The industry does not oppose fuel taxes for road construction and maintenance and has not opposed the last several increases on the state level, but they are affected by it. They were also affected by the change in the 1993 session that moved diesel taxation from the retail level to the distributor level. They became aware that there were unprojected amounts of money being generated by these changes and looked at some ways to spread the wealth. When the point of diesel taxation was changed, the projection was that it would raise \$3 million additional money, and in actuality it is something over \$60 million. The House Appropriations Committee changed the way the bill was initially written, and while they support that, they do not support the contingency amendment that was put on for HB 2. It does not return money directly to local governments to use as they see fit for their own streets and roads that do not have a state interest in them.

Alex Hansen, Montana League of Cities and Towns, presented copies of letters from the Cities of Kalispell and Billings discussing how the cities would intend to use the funds if the legislature increases the amount that is returned to the cities and towns. **EXHIBITS 7 AND 7a** He said there has been controversy about local use of the funds, and generally the money that goes to local governments from the state will be used to contract for projects. The law specifically states that only third class cities and towns can use the money to buy equipment. The

amendments put on in HB 2 would allocate portions of the money to cities if there is excess to the urban system fund. He concluded that HB 297 provides a broader distribution of the funds and assures that the small cities and towns have an opportunity to participate in the program.

REPRESENTATIVE GRADY, House District 55, testifying in support of HB 297, commented that this will not cut the Department of Transportation (DOT) plans and there are no federal dollars involved; it just takes dollars from the unanticipated revenue. This bill will give the cities and counties the funds to do construction and road repair they could not do otherwise.

Horace Brown, Missoula County Surveyor, presented written testimony in support of HB 297 **EXHIBIT 8** and also presented a letter from the Missoula County Commissioners. **EXHIBIT 9**.

Jane Jelinski, Gallatin County Commissioner and president of the Montana Association of Counties, testifying in support of HB 297, stressed how critical the road problems were in the state. She said the population of Gallatin County has grown 16 percent in the last four years, and there is no way they can raise sufficient revenue to do the kinds of capital improvements that are essential for minimum public safety on their county roads.

Vern Peterson, Fergus County Commissioner and Vice President of MACO, said Fergus County has 3300 square miles with 5 high schools that create a lot of bus routes, and approximately 2,000 miles of county roads. He said they don't have a maintenance plan with their budget; they have to manage by crisis situations. He urged support of HB 297.

Jim Kembel, representing the City of Billings, said the city is currently spending approximately \$1 million on maintenance each year which is short of what is needed to keep the streets maintained. In urging support of HB 297, he concluded that any help they could get would be appreciated.

Gloria Paladichuk, Richland County Development, rising as a proponent to HB 297, said it is extremely important to Montana residents and taxpayers as well as to the cities and counties.

Blake Wordal, Lewis and Clark County Commissioner, testifying in support of HB 297, said their road crew is so small that at this point any additional work would have to be contracted out. He remarked that they would appreciate the two year opportunity to try to catch up.

Larry Fasbender representing the City of Great Falls and Cascade County, said with the current funding the city has, their roads would have to last 2,000 years. It is extremely important that they have some funding sources to fix the roads in local government areas.

Howard Gipe, Flathead County Commissioner, rose in support of HB 297.

Gordon Morris, Director of Montana Association of Counties, testifying in support of HB 297, presented a list of dollars that would be allocated across the state. EXHIBIT 10

REPRESENTATIVE GARY FELAND, House District 88, Shelby, testified in support of HB 297.

Opponents' Testimony:

Marvin Dye, Director, Montana Department of Transportation, in opposing HB 297, said this bill would share and spend more available revenue in a short period of time and would have them looking at deep cuts in the program, or an increase in the fuel tax in 1998 or 1999. Looking at the available dollars in the state for construction and maintenance, at the state level out of a budget of about \$300 million a year, approximately \$94 million of that benefit goes to cities and counties, which he felt is equitable. There are not enough dollars to fit all the needs. He concluded that the Department of Transportation has targeted routes that have extreme congestion, poor pavement conditions and high accident rates such as Highways 93, 2, 59 and 16.

Carl Schweitzer, Montana Contractors Association, said when HB 297 was introduced in House Appropriations, he was a proponent because it was primarily to repeal the local option tax and had a provision stating that additional state revenues would go to local units of government. However, last week a provision was added in HB 2 that if there are additional revenues in the highway program, they would go to the secondary and urban systems. He said this committee has put the highway program for the state of Montana back to the Governor's original recommendation. HB 297 takes the same amount of money as in HB 2 and attempts to spend it in another place, and he emphasized that one dollar could not be spent twice. The additional \$15 million for the biennium has a sunset, so you would basically go from \$15 million to cities and counties and raise that up to \$23 or \$24 million, and the next biennium it would automatically drop down. He concluded that the state cannot afford to continue giving \$15 million into the future.

Questions From Committee Members and Responses:

SENATOR MOHL questioned page 2, stating that it is for construction, reconstruction, maintenance and repair of rural roads, city streets and alleys.

REPRESENTATIVE BARNETT said not all of the streets are paved, and it would require some grading and new gravel, anything requiring heavy equipment would have to be contracted out as very few cities have that kind of equipment.

SENATOR WATERMAN asked if new language referred to contracting out.

Jane Hamman, Office of Budget and Program Planning (OBPP), said it is increasing the amount of statutory appropriation; the work that the counties, cities and towns can do is current language and the only thing new is that it can be let to private contractors.

When questioned by **SENATOR WATERMAN** if the commissioners present understood it is one time money, **Mr. Peterson, Fergus County**, said they do understand it. He remarked that they would contract a lot of one time work, knowing that it will be done.

SENATOR SWYSGOOD voiced concern about the three sections that are being repealed. He contended that the first two have to do with the local options gas tax and the third one with repealing the lien for delinquent tax, and he questioned why that one was being repealed.

Ronna Alexander explained that if there is a local option enacted in a county, those delinquent taxes follow through with that statute as the general statute provisions.

SENATOR SWYSGOOD asked **Mr. Dye** if this is the only section of code that allows for the collection of delinquent taxes, to which **Mr. Dye** said he did not know the answer.

SENATOR SWYSGOOD questioned **Gordon Morris** if everyone was informed that this would be a one time allocation.

Mr. Morris said they were told specifically that it was a one time allocation and what the amounts were.

SENATOR SWYSGOOD commented that **EXHIBIT 10** indicates that roughly 13 counties and 5 cities would be the beneficiaries of the majority of the money, and he asked if that was correct.

Mr. Morris said that was correct, adding that it is consistent with the current allocation of the \$16 million.

SENATOR SWYSGOOD questioned how much of the current \$10.5 million for cities and \$6.3 for counties goes to road maintenance and repairs.

Mr. Morris said the current allocation to counties all goes to county roads for repair and maintenance. Small third class cities and towns can use 25 percent of the money they get each year to purchase equipment, which would be about 5 percent of the total amount distributed.

In answer to **SENATOR SWYSGOOD'S** question regarding what population would rate being a third class city, **Mr. Hansen** said it generally would be anything under 5,000 population.

When asked by **SENATOR KEATING** if the sunset was just referring to the amendment or to the whole section, **Ms. Purdy** said the language only repeals what is in this bill.

SENATOR MOHL asked **Mr. Morris** if he was involved in 1993 when the 7 cent gas tax increase was requested, and **Mr. Morris** answered that MACO was involved in that process as was the League of Cities and Towns. **SENATOR MOHL** questioned if it was agreed at that time how the breakdown between cities and towns would be used. **Mr. Morris** said it was agreed on, and the cities got a 1 cent equivalent increase in the allocation that went to them. The assumption at that time was that the county benefit would be measured in terms of the increased spending in the SOS program.

In answer to further questioning by **SENATOR MOHL**, **Mr. Morris** said he was not involved in 1983 during the first gas tax, but the cities and counties were and it was agreed that they would support the bill.

SENATOR JENKINS asked if the Highway Department agreed they needed this amount of money and that the increase would bring it to this level.

Mr. Morris said he would have to say that the DOT has never agreed. MACO has been looking at what the actual budgeted amounts from the Governor's budget were for DOT, and the Department looked at what they assumed would be the total collections for the gas and diesel tax.

Closing by Sponsor:

REPRESENTATIVE BARNETT commented that the money is there and it is going to be spent someplace; either the cities and counties get to spend it or the Highway Department does. The primary purpose of HB 297 was to get the cities and counties some money. He alleged that the gamble on excess of \$165 million would be a good way to push this through and take a chance that the projection was low, and there would actually be more fuel tax dollars for the counties. He concluded that he would like to see the bill returned to its original form.

HEARING ON HOUSE BILL 378

Opening Statement by Sponsor:

REPRESENTATIVE RICK JORE, House District 73, Ronan, sponsor, said HB 378 is a crime bill stating that if an individual is convicted for a second offense on a crime of violence, they would lose the right of parole and would not be eligible for any good time behavior subtracted from the sentence. There is a provision that would give the jury the right to recommend a sentence to the judge. He alleged that there would be no fiscal impact in this biennium since it would be delayed until 1997.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR WATERMAN questioned if the fiscal note for HB 378 and Senator Lynch's bill are for the same facility or two different facilities and also asked if there was an amendment for the effective date.

REPRESENTATIVE JORE said it was amended on the House floor. He remarked that there was not a coordinating clause but the new coordinating clause and effective dates have been added, being July 1, 1997.

When asked by SENATOR WATERMAN the reason for adding the effective date, REPRESENTATIVE JORE said it was added in House Appropriations so it could be coordinated with appropriations dealing with the new regional prison facilities and with HB 357, the sentencing study commission bill.

SENATOR WATERMAN asked if there is a requirement that the provisions of this bill be implemented or that they study the impact and make a recommendation.

REPRESENTATIVE JORE said the sentencing commission shall include a recommendation for implementing the public policy contained in Sections 1 and 2.

SENATOR WATERMAN voiced concern with the delayed effective dates on the different bills.

REPRESENTATIVE JORE said because of the feeling that resources have to be directed towards prisons as being an important function of government, that has to be addressed.

SENATOR CHRISTIAENS asked the position taken by the Department of Corrections on HB 378.

REPRESENTATIVE JORE said there was no one from the department testifying in the House. He remarked that HB 378 was overshadowed by SENATOR LYNCH'S bill.

SENATOR KEATING asked if there were statistics indicating if there was tougher sentencing that there would be less violent crimes or whether this is being done because they are repeat offenders and there is an attempt to protect the public from them.

REPRESENTATIVE JORE said he didn't have statistics, but in his opinion, both would apply. The Montana Constitution guarantees convicts the right to be rehabilitated and that is where the costs are, and he maintained that there should be more focus on punishment.

Closing by Sponsor:

REPRESENTATIVE JORE, in closing, said there is frustration on the part of the citizens of the state in general.

HEARING ON HOUSE BILL 390

Opening Statement by Sponsor:

REPRESENTATIVE MIKE KADAS, House District 66, Missoula, sponsor, said over the last 10 years tuition has increased over 100 percent in actual dollar amount. Tuition will continue to rise and there has to be assurance that there is financial aid to offset tuition increases to those that need it the most. HB 390 requires that the universities spend a percentage of tuition on state work study, a good financial aid program. It has been amended to 2 percent so they would have to increase the state financial aid program from \$600,000 to about twice that amount.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR KEATING questioned whether the fiscal note would apply since it has been reduced, and **REPRESENTATIVE KADAS** responded to take 40 percent of the bottom line.

SENATOR KEATING commented that the university system seems to be having trouble getting funding, and he questioned dictating to them how they can spend money.

REPRESENTATIVE KADAS said cutting back on the general fund increases tuition. If tuition keeps going up, access will be limited.

In answer to **SENATOR KEATING'S** inquiry about loans, **REPRESENTATIVE KADAS** said the difficulty with loans is they have to be paid back which can be a big burden to a young person just getting out of college. He alleged that loans will continue to be a part of the program, and grants have been cut back considerably so other options are necessary.

SENATOR KEATING remarked that he did not like dictating to the Regents what they should do with their money.

REPRESENTATIVE KADAS said this is just a message to the Regents and given their constitutional separation, they can ignore it if they so desire.

Closing by Sponsor:

REPRESENTATIVE KADAS closed.

EXECUTIVE ACTION ON HOUSE BILL 390

Motion: SENATOR JACOBSON MOVED THAT HOUSE BILL 390 BE CONCURRED IN.

Discussion: SENATOR CHRISTIAENS said the committee needs to keep in mind who pays the tuition and added that in a work study program the students are also providing work; it is not a give away situation.

SENATOR JACOBSON said all the students are being asked to take a little of the money to help some students who truly need help.

Vote: SENATOR JACOBSON'S motion to concur FAILED.

Motion/Vote: SENATOR BECK MOVED THAT HOUSE BILL 390 BE TABLED. The motion CARRIED.

HEARING ON HOUSE BILL 416

Opening Statement by Sponsor:

REPRESENTATIVE JEANETTE MCKEE, House District 60, Hamilton, sponsor, said HB 416 renews current law providing limited state guaranteed tax base support for low wealth school districts' building bond costs. HB 416 targets state GTB support to low wealth districts and addresses the Montana court's demand that some reasonable measure of equalized school facility funding assistance must be provided. She explained that it improves current law by allowing low wealth districts to use statewide average bonded debt limits and accelerating state support payments to newly qualifying districts.

Proponents' Testimony:

Madalyn Quinlan, Office of Public Instruction (OPI), testified in support of HB 416. She remarked that a significant change from current law is that the bill proposes to provide funding only to those districts that sold bonds after July 1, 1991, which is the effective date of the Montana Supreme Court's ruling that the school funding was unconstitutional.

SENATOR MIKE FOSTER, Senate District 20, presented an amendment to HB 416. **EXHIBIT 11** He indicated that Jefferson County has a tough situation regarding their bonded indebtedness level, and the proposed amendment would allow them more flexibility and not cause harm to anyone else.

Dan Rask, Superintendent of Jefferson High School, Boulder, Montana, testifying in support of HB 416, said they are experiencing very rapid growth in Jefferson County and their facilities are inadequate. He presented a handout explaining the Limitations on Amount of a Bond Issue. **EXHIBIT 12** He claimed that because their bonding capacity is somewhat limited, this amendment would allow them to compute the ANB in figuring their maximum bonding capacity.

Steve Gaub, Superintendent of the Charlo, Montana School, rose in support of HB 416, stating that 30 percent of their property is non-taxable and their taxable value is \$1.5 million. That makes it very difficult to pass a bond issue to bond enough to build. The elementary buildings they are using were built in 1914 and 1936 and are not handicap accessible, and he concluded that HB 416 would help their district a great deal.

Tom Bilodeau, Research Director, Montana Education Association, testifying in support of HB 416, said this would make it clear to the taxpayer when voting on the initial bond exactly what the relief will be from the state for those low wealth districts.

Loran Frazier, School Administrators of Montana, asked for concurrence in HB 416.

Pat Haffey, Senior Policy Advisor for Education, Governor's Office, speaking on behalf of the Governor's office, voiced their support of HB 416.

Clifford Roessner, Business Manager for Helena Public Schools, testifying as a proponent of HB 416, said that over the next five years they expect an increased enrollment and are looking at not only remodeling the existing high schools, but also building a third high school. He claimed that this bill would help sell the project to the voters.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR BECK asked **Ms. Quinlan** if it would be a double ANB if the students are coming into Lewis and Clark County.

Ms. Quinlan replied that they are right now. The way the amendment is drafted, the key is that only the sending district can count those out-of-district students, so Helena couldn't

count them unless there was a written agreement between Helena and Jefferson County schools.

In questioning from **SENATOR BECK** whether that would jeopardize Helena who is actually educating the students, **Ms. Quinlan** said Helena would not be able to count the students for the purpose of calculating its bonded indebtedness but it would not affect the operation budget of the district.

SENATOR KEATING questioned the out-of-district tuition Jefferson County pays to Lewis and Clark County, and asked if that is based on the ANB calculation for the funding mechanism in state and local funding.

Ms. Quinlan said Jefferson County pays about \$175,000 a year for the high school students who go to Lewis and Clark County; in addition, the Helena district receives ANB payments on those students.

SENATOR KEATING remarked that if Helena wanted to build a new school, they would anticipate continuing to receive the tuition to offset the cost of the new school.

Ms. Quinlan replied that was correct under current law. She added that Jefferson County residents are not paying for any facility in Lewis and Clark County.

SENATOR TOEWS asked if this was in addition to what was appropriated on long term bonding, and **Ms. Quinlan** related that last session it was \$1 million a year, or \$2 million for the biennium.

In questioning from **SENATOR KEATING** as to the source of the money, **Ms. Quinlan** said at this time the appropriation would come out of the state equalization aid account, but she understood that there would be a technical amendment offered since SB 83 has passed the House and it will now be a general fund appropriation.

In response to a request of **SENATOR WATERMAN** for clarification, **Cliff Roessner** said their bonding capacity is approximately \$63 million, and they would lose approximately \$1.8 to \$2 million for bonding capacity under this amendment.

Closing by Sponsor:

REPRESENTATIVE MCKEE urged careful consideration of the amendment. She explain that HB 416 would limit the distribution of state aid for school facilities to districts that sold bonds after July 1, 1991. She concluded that it would target the money to districts that are building now, and those schools would get payment in the first year to reduce the mill levy.

{Tape: 2; Side: b; Approx. Counter: ; Comments: .}

EXECUTIVE ACTION ON HOUSE BILL 378

Motion: SENATOR FRANKLIN MOVED HOUSE BILL 378 BE NOT CONCURRED IN.

Discussion: SENATOR FRANKLIN said she did not see it coordinating with other corrections bills and did not see it as a helpful tool in managing the corrections crisis.

SENATOR KEATING contended that HB 378 is a good proposal and if it costs more to build regional jails, that is fine. If they have committed a violent crime, they should be put away so they do not do more damage.

SENATOR AKLESTAD reminded the committee there is no fiscal impact since the bill does not go into effect until July 1997.

SENATOR WATERMAN commented that if it is a good idea, it should be done now.

SENATOR JACOBSON referred to the fiscal note where it states that the nature of no parole sentences proposed in HB 378 would mean a 80 bed closed custody housing unit would be constructed and occupied with offenders every 3 years beginning 7 to 8 years after implementation.

Motion/Vote: SENATOR JENKINS MADE A SUBSTITUTE MOTION TO TABLE HOUSE BILL 378. MOTION TO TABLE CARRIED with SENATORS KEATING AND BURNETT OPPOSED.

HEARING ON HOUSE BILL 460

Opening Statement by Sponsor:

REPRESENTATIVE JOE QUILICI, House District 36, Butte, sponsor, explained that HB 460 sets up a telecommunication task force and appropriates \$20,000 to the task force. He alleged that the fiscal note shows that industry is committed to put money into this particular measure.

Proponents' Testimony:

Amy Sullivan, representing Senator Conrad Burns' office, presented a copy of a letter from Senator Burns urging support of HB 460. EXHIBIT 13

Betty Hill, Chief of Staff for Lt. Governor and representing the Governor, presented a copy of a letter from the Governor in support of HB 460. EXHIBIT 14

Barbara Ranf, U. S. West, testifying in support of HB 460, said universal service is the goal set up to establish available

telephone service at reasonable prices and has been very successful.

Jim Tutweiler, Montana Chamber of Commerce, testifying in support of HB 460, remarked that the task force would move them in a positive direction and is very important in business.

REPRESENTATIVE NORM MILLS, House District 19, urged the committee to support HB 460.

Nancy McCaffree, Chairman of the Public Service Commission, rose in support of HB 460 and indicated that it is very important to the state of Montana.

Tom Hopgood, Citizens Telecommunication Company and the Montana Telecommunication Advisory Council, spoke in support of HB 460 and presented written testimony from proponents who were unable to be at the hearing. **EXHIBITS 15, 16 AND 17**

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In response to **SENATOR WATERMAN'S** question of legislative commitment, **Ms. Hill** said the budget is still \$200,000 and they were hoping for \$50,000 from the state, but that has been cut.

Closing by Sponsor:

REPRESENTATIVE QUILICI, in closing, said the task force was very important in the telecommunication area.

EXECUTIVE ACTION ON HOUSE BILL 460

Motion/Vote: **SENATOR LYNCH MOVED HOUSE BILL 460 BE CONCURRED IN.** Motion **CARRIED** unanimously. **SENATOR LYNCH** will carry HB 460.

COMMITTEE DISCUSSION ON HOUSE BILL 416

Discussion: **Taryn Purdy** explained that the amendment **EXHIBIT 18** coordinates HB 416 with SB 83. There would be no real change in general fund impact as it is a technical amendment that would be needed if SB 83 passes. Any additional money appropriated from the SEA would come from the general fund. She added that in HB 2 there is \$245 million of general fund used to adequately fund the SEA commitments.

Motion/Vote: **SENATOR KEATING MOVED AMENDMENT #HB041601.A13.** **EXHIBIT 18** The motion **CARRIED**.

Motion: SENATOR WATERMAN MOVED SENATOR FOSTER'S AMENDMENT. EXHIBIT 11.

Discussion: SENATOR KEATING questioned if the amendment would affect other situations where school districts overlap.

Mr. Bilodeau said there were other districts that would potentially be affected, but he did not see any other district having a greater impact than what is being forecast for the Helena district.

Vote: The motion on the amendment EXHIBIT 11 FAILED with SENATOR WATERMAN in favor.

Discussion: In answer to SENATOR CHRISTIAENS' comment on the 1991 effective date, Mr. Bilodeau stated that was the year the Montana Supreme Court said additional equalization payments must be provided, not just for the general fund to the schools but also for other school funding requirements, including school buildings. It was also selected because the money was not available to spread additional equalization payments to all districts for all existing debt.

Motion: SENATOR WATERMAN MOVED HOUSE BILL 416 AS AMENDED BE CONCURRED IN.

Discussion: SENATOR WATERMAN said we are talking about who is paying the bill, and the state has not met its responsibility. If the funding is not approved here, it will increase the taxes at the local level for the bonds.

SENATOR KEATING requested a postponement for a day on HB 416.

Withdrawal of motion: SENATOR WATERMAN WITHDREW HER MOTION ON HOUSE BILL 416.

EXECUTIVE ACTION ON HOUSE BILL 460

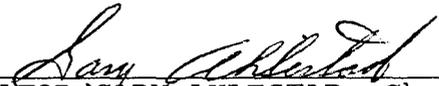
Motion/Vote: SENATOR FRANKLIN MOVED THE COMMITTEE RECONSIDER ACTION ON HOUSE BILL 460. Motion CARRIED.

Motion/vote: SENATOR JACOBSON MOVED TO AMEND HOUSE BILL 460 BY STRIKING "PRESIDENT" AND INSERTING "COMMITTEE ON COMMITTEES" ON PAGE 3, LINE 16. Motion CARRIED with SENATOR AKLESTAD opposed.

Motion/vote: SENATOR JACOBSON MOVED HOUSE BILL 460 AS AMENDED BE CONCURRED IN. The motion CARRIED unanimously.

ADJOURNMENT

Adjournment: 11:45 a.m.



SENATOR SARY AKLESTAD, Chairman



LYNN STALEY, Secretary

GA/lis

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

3/29/95

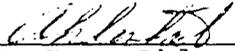
NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG			✓
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 29, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 460 (third reading copy -- blue), respectfully report that HB 460 be amended as follows and as so amended be concurred in.

Signed: 
Senator Gary Aklestad, Chair

That such amendments read:

1. Page 3, line 16.
Strike: "president"
Insert: "committee on committees"

-END-


SP Amd. Coord.
Sec. of Senate


Senator Carrying Bill

721421SC.SRF

UNEDITED DRAFT

Amendments to House Bill No. 268
Third Reading Copy

Requested by Rep. Chris Ahner
For the Committee on Senate Finance and Claims

Prepared by Sheri S. Heffelfinger
March 28, 1995

1. Title, line 25.

Following: "SYSTEM"

Insert: "AND ALLOWING AN EXCEPTION FOR UNIVERSITY SYSTEM
EMPLOYEES"

2. Title, line 29.

Following: "PROVIDING"

Strike: "AN"

3. Title, line 30.

Following: "DATE"

Insert: "S"

4. Page 3, line 2.

Following: "EMPLOYMENT"

Insert: "and other extra-duty service"

5. Page 3, line 4.

Following: "VESTED"

Insert: ", nonuniversity system"

6. Page 3, line 6.

Following: line 5

Insert: "and extra duty"

7. Page 3.

Following: line 8

Insert: "Because of the unique characteristics of summer employment under the university system, it is the intent of the legislature that the university system continue to report compensation received for the summer session and that summer earnings included in the calculation of the member's average final compensation be limited to the average percentage of base compensation reported over the member's career and that the teachers' retirement board adopt rules governing summer compensation reported."

8. Page 6, line 2.

Following: "TO"

Strike: "0.3%"

Insert: "0.28%"

9. Page 6, line 4.

Following: "TO"
Strike: "0.25%"
Insert: "0.23%"

10. Page 6, line 10.
Following: "TO"
Strike: "0.1%"
Insert: "0.07%"

11. Page 6, line 12.
Following: "TO"
Strike: "0.05%"
Insert: "0.025%"

12. Page 6, line 19.
Following: "(A)"
Strike: "0.015%"
Insert: "0.025%"

13. Page 6, line 20.
Following: "(B)"
Strike: "0.325%"
Insert: "0.365%"

14. Page 6, line 21.
Following: "(C)"
Strike: "0.6%"
Insert: "0.676%"

15. Page 6, line 22.
Following: "(D)"
Strike: "0.9%"
Insert: "1.0%"

16. Page 6, line 26.
Following: "SUMMER"
Insert: " and extra-duty"

17. Page 6, line 27.
Following: "1995,"
Insert: "whose primary employer is not the university system,"

18. Page 6, line 28.
Following: "SESSION"
Insert: "and extra-duty"

19. Page 6, line 29.
Following: "FOR"
Insert: "all or a portion of"
Following: "1995"
Insert: ", "

20. Page 7, lines 1 and 2.
Following: "SUMMER"
Insert: "and extra-duty"

21. Page 7, line 5.

Following: "YEAR"

Insert: "and that extra-duty compensation does not exceed the amounts allowed under 19-20-101(5)(b) had the member retired on July 1, 1995"

22. Page 7, lines 8, 12, 14, 19, 21, and 29.

Following: "SUMMER"

Insert: "and extra-duty"

23. Page 7.

Following: line 30.

Insert: "NEW SECTION. **Section 8. Summer compensation benefit for university system employees.** (1) Members employed by the university system under both an academic year and a summer session contract shall contribute, as required by 19-20-602, to the retirement system on the compensation received under both contracts. Summer session compensation reported each month during the summer session may not exceed one-ninth of the member's academic year contract. Summer session compensation must be identified or reported separately on the employer's regular monthly report.

(2) If a member has summer compensation reported during the period determined to be the member's highest 3 consecutive years, the board shall determine the amount of summer compensation that may be used in the calculation of average final compensation by:

(a) calculating the percentage of the member's academic year contract reported as summer compensation each fiscal year and determining the average percentage reported as summer compensation since July 1, 1990; and

(b) multiplying the average percentage since July 1, 1990, by the base compensation that is included in the calculation of average final compensation."

Renumber: subsequent sections

24. Page 8, line 6.

Following: "7.405%"

Strike: "7%"

Insert: "6.98%"

25. Page 8, line 29.

Following: "7.2%"

Strike: "7%"

Insert: "6.98%"

26. Page 11, line 29.

Page 12, line 9.

Following: "28.77%"

Strike: "31.68%"

Insert: "29.39%"

27. Page 15, line 24.

Following: "8.29%"

Strike: "7.77%"

Insert: "7.74%"

28. Page 17, line 29.
Following: "~~15.86%~~"
Strike: "16.21%"
Insert: "15.76%"

29. Page 17, line 30.
Following: "~~15.81%~~"
Strike: "16.06%"
Insert: "15.71%"

30. Page 18, line 7.
Following: "~~14.41%~~"
Strike: "14.51%"
Insert: "14.41%"

31. Page 18, line 20 and line 26.
Following: "~~11.75%~~"
Strike: "12.25%"
Insert: "11.5%"

32. Page 18, line 23.
Following: "~~9.05%~~"
Strike: "9.55%"
Insert: "8.8%"

33. Page 18, line 24.
Following: "~~10.25%~~"
Strike: "10.75%"
Insert: "10%"

34. Page 20, line 20.
Following: "~~24.02%~~"
Strike: "24.01%"
Insert: "23.84%"

35. Page 20, line 21.
Following: line 20
Strike: "23.935%"
Insert: "23.715%"

36. Page 25, line 5.
Strike: "SECTION"
Insert: "sections"
Following: "7"
Insert: "and 8"

37. Page 26, line 16.
Strike: "COMPENSATION"
Insert: "duty"

38. Page 27, line 2.
Following: "(10)"
Insert: "'Extra-duty compensation' means any compensation in

addition to amounts paid based on placement for experience and education level on the applicable salary matrix and in addition to the amount paid for the member's primary position.

(11)"

Renumber: subsequent subsections

39. Page 27, line 17.
Strike: "(20)"
Insert: "(21)"

40. Page 28, line 3.
Strike: "7.354%"
Insert: "7.374%"

41. Page 28, line 4.
Strike: "7.664%"
Insert: "7.704%"

42. Page 28, line 5.
Strike: "7.974%"
Insert: "8.034%"

43. Page 28, line 6.
Strike: "8.284%"
Insert: "8.364%"

44. Page 29, line 15.
Strike: "7.78%"
Insert: "7.79%"

45. Page 29, line 16.
Strike: "8.09%"
Insert: "8.13%"

46. Page 29, line 17.
Strike: "8.4%"
Insert: "8.46%"

47. Page 29, line 18.
Strike: "8.71%"
Insert: "8.8%"

48. Page 32, lines 22 and 23.
Strike: "AND 7"
Insert: "through 8"

49. Page 32, line 27.
Strike: "36(8)"
Insert: "37(8)"

50. Page 33, line 23.
Following: "BE"
Strike: "8.755%"

Insert: "8.752%"

51. Page 33, line 25.
Strike: "23"
Insert: "24"

52. Page 34, line 10.
Strike: "25"
Insert: "26"

53. Page 34, line 23.
Strike: "27"
Insert: "28"

54. Page 35, line 4.
Strike: "30"
Insert: "31"

55. Page 35, line 14.
Strike: "31"
Insert: "32"

56. Page 35, line 25.
Following: "(b)"
Strike: "25.01%"
Insert: "24.84%"

57. Page 35, line 26.
Following: "(c)"
Strike: "24.935%"
Insert: "24.715%"

58. Page 35, line 30.
Strike: "32"
Insert: "33"

59. Page 36, line 11.
Strike: "33"
Insert: "34"

60. Page 37, line 18.
Strike: "34"
Insert: "35"

61. Page 38, line 19.
Strike: "35"
Insert: "36"

62. Page 39, line 21.
Following: "date."
Strike: "[This act]"
Insert: "(1) Sections [1-10] and [14-43] of [this act] are"
Following: "1995."
Insert: "(2) Sections [11-13] of [this act] are effective July 1,
1996."

TESTIMONY IN SUPPORT OF
 HB 268
 1.5% GUARANTEED ANNUAL BENEFIT ADJUSTMENT
 PROPOSAL
 on behalf of the
 PUBLIC EMPLOYEES' RETIREMENT BOARD

Presented by
 Linda King, Administrator
 Public Employees' Retirement Division

During the 1993 session, the Legislature enacted SB 192 which required the Public Employees' Retirement Board to:

"review the sufficiency of benefits paid by the system and recommend to the legislature those changes in benefits that may be necessary for retired members and their beneficiaries to maintain a stable standard of living." (19-2-404(9), MCA)

The GABA proposal submitted for your consideration by the Governor is the Board's recommendation required by that law. The Board fully supports and recommends enactment of this particular proposal because it will guarantee those changes in benefits necessary to maintain a stable standard of living, in a manner which will maintain the actuarial soundness of all the systems and in the most cost-effective manner possible. If the Governor had not proposed this legislation to you, the Board would have.

Previous "GABA" proposals were found to be too expensive by earlier Legislatures. For example, a 1993 2% GABA proposal covering only PERS and TRS would have resulted in a \$16 Million state general fund impact in the coming biennium. This GABA proposal is different because it utilizes still another funding source to help fund the guaranteed benefit adjustments -- for all 8 systems at only a fraction of the cost of the previous proposal.

This "new" funding source is called "SAVINGS." By savings, we mean:

- **Funding Swaps.** There are currently particular benefits provided in most of the systems which are not found in the other systems and which cost a portion of the current funding of the system to provide. Such particular benefits can be "swapped" for a portion of the GABA, thus reducing the additional funding required for the GABA.
- **Excess System Funding.** By July 1, 1995, two of the retirement systems will actually be collecting contributions in excess of the amounts actuarially required to fund their current benefits. The excess amounts currently collected reduce the additional contributions required to fund GABA for those systems.
- **Extending Amortization Periods.** A portion of the contribution increases required to fund GABA can be reduced in certain systems which are well-funded and have amortization periods well within accepted actuarial funding standards. This will have the effect of extending the

amortization period of those systems' unfunded past service liabilities, but to periods still well within the accepted standards for public pension systems.

- **Combining GABA with Existing Increases.** Most systems have some minimal types of automatic benefit increases which, in combination with the GABA used as a "floor" guarantee for those benefits and instituting a CPI cap on current benefits, will reduce the additional funding necessary to guarantee a 1.5% annual increase.
- **Replacing Benefits for New Members.** In the case of one system where the GABA is expected to be lower than the current benefit adjustment mechanism, the proposal is to replace the former mechanism with the GABA for all new members of the system (current members and retirees could elect to be covered by GABA). Covering all new members will reduce the funding shortfall currently in this system and reduce the state's obligation to provide additional funding for this system.

The bottom line savings resulting from these mechanisms will "pay" for one-third of the out-of-pocket costs of GABA, which would otherwise fall on taxpayers and members. The remaining two-thirds of the total costs will be divided among employers and their employees -- with increases phased-in over 4 years for the two largest systems.

Direct State general fund subsidies will pay the increased employer contributions for local governments and school districts, thereby eliminating any dollar impact of the GABA on local taxpayers.

The total state General Fund obligation for state, university, local government and school district employees is projected at \$5 Million for the coming biennium and about \$11 Million for the next following biennium. This level of state General Fund commitment is still less than the amount which would have been paid for the 2.5% benefit adjustment formerly provided public retirees by SB 226 when the 1991 Legislature began taxing public retirement benefits.

In closing, I can assure you that,

- This particular proposal has been carefully crafted to take advantage of real savings which can only occur when a benefit of equal or greater value can be substituted.
- We have replaced only those particular benefits which have increased the differences between the various systems, with the GABA as one uniform benefit which is needed by members of all the systems.

The benefits of this proposal, therefore, are not only the provision of necessary benefit increases in the most cost-effective manner possible. The added benefit of this particular proposal is that it also serves to level the playing field and reduce the current disparities between the systems.

On behalf of the Public Employees' Retirement Board, I urge your favorable consideration of this proposal which meets the Board's tests as an actuarially funded, equitable, and necessary benefit for the members of all public retirement systems. Given the past 25 years' precedent of enacting much more expensive ad hoc increases, **we really can't afford to say no.**

THE GOVERNOR'S 1.5% GABA PROPOSAL

EXHIBIT NO. 3
DATE 3/29/95
BILL NO. HB 268

- ▶ Provides necessary protection against inflation to fixed incomes for retirees.
- ▶ This proposal will save out-of-pocket expenditures for taxpayers in the future. Over the past 20 years ad hoc benefit increases in benefits have been granted to retirees. These ad hoc increases are extremely expensive because only employers (taxpayers) may pay for those benefits.
 - Investment earnings significantly reduce the "out-of-pocket" costs of the benefit increases after retirement.
 - Further reduces "out-of-pocket" expenditures by utilizing savings from the following mechanisms to fund 33% of the cost of the benefits.
 - **Funding Swaps.** Benefits provided in some systems but not found in other systems can be "swapped" to pay for a portion of the GABA in the system, thus reducing the additional funding required for the GABA. Swaps in PERS are delayed until July, 1996 to give members time to consider options and secure financing to purchase service at lower rates. Unique characteristics of university and school district employees have been protected when designing savings for TRS.
 - **Excess System Funding.** Two retirement systems are collecting contributions in excess of the amounts actuarially required to fund their current benefit structures. The excess amounts currently collected reduce the additional contributions required to fund GABA for those systems.
 - **Extending Amortization Periods.** A portion of the contribution increases required to fund GABA can be reduced in a few systems which are well-funded and have amortization periods well within accepted actuarial funding standards. This will have the effect of extending the amortization period of those systems' unfunded past service liabilities, but to periods still well within accepted standards.
 - **Combining GABA with Existing Increases.** Combining GABA as a "floor" with other minimal benefit increases found in the various systems reduces the additional funding necessary to guarantee a 1.5% annual increase.
 - **Replacing Benefits for New Members.** The Judges' Retirement System is not currently receiving the actuarially required contributions. The GABA will replace the current, more expensive, benefit increase mechanism for all new members of the system (current members and retirees could elect to be covered by GABA). This will reduce the funding shortfall currently in this system and reduce the state's constitutional obligation to provide additional funding for this system.
 - The remaining costs will be divided among the state and active members of the systems. **GABA will cost \$0 for local governments and school districts.** State general fund contributions will eliminate dollar impacts in the next biennium and will eliminate need to increase tax mills in the future.
- ▶ Total State general fund obligation for HB 268 will be less than \$5 Million for the coming biennium and under \$11 Million for the next following biennium. **These amounts are part of the Governor's Executive Budget proposal.**
- ▶ Total general fund commitment is less than the amount which would have been paid for the 2.5% benefit adjustment formerly provided public retirees by SB 226 when the 1991 Legislature began taxing public retirement benefits.
- ▶ **Reduces additional funding requirements for JRS.** Changes to the Judges' Retirement System in this bill eliminate the need for more than \$500,000 per year in additional state general funds in order to actuarially fund the JRS.
- ▶ **Equalizes retirement systems by substituting GABA for "windfall" benefits.** This equalization is accomplished by substituting a benefit of equal or greater value and **reduces future cost increases** which occur because of the "leapfrog" effect -- a benefit granted to members of one system is then granted to members of all the other systems.

HB 268 (GABA)

AMENDMENTS ADOPTED BY HOUSE AND PROPOSED TO SENATE

▶ Amendments:

- Reduce GABA to a **1.5%** annual increase, thus reducing employer and employee contribution increases.
 - Limit the use of summer and other extra-duty service for calculation of retirement benefits in the Teachers' Retirement System and provide a mechanism for TRS members to retain credit for previous years or to continue actuarially funded credit in the future.
 - State General Fund savings incurred from these changes are used to subsidize local government and school district costs, thereby eliminating local tax impacts.
- ▶ In addition to costs for its own employees, the will pay 100% of the cost of the GABA for school district and local government employees at a slightly lower level of total State General Fund commitment than in the original proposal. By the end of the 1999 biennium, the General Fund will pay 97% of school district costs and 86% of local government costs. GF commitment for next biennium is \$4.85 Million; \$11.92 in FY98 & FY 99.
- ▶ Even if total TRS payrolls continue to increase at their historic high rate of 5.75% per year, the average increase per school district in FY 98 would only be \$350/year and in FY 99 and beyond will be less than \$450 per year. Because the cost/district is so minimal, it should be covered by retirement fund reserves or cash flows without increased mill levies.
- ▶ At historic inflation rates, (5.75% for TRS) total costs shared by over 800 local governments and school districts are projected to be:

<u>Fiscal Year</u>	<u>School Districts</u>	<u>Local Gov'ts</u>
1996	\$ -0-	\$ -0-
1997	\$ -0-	\$ -0-
1998	\$110,615	\$123,348
1999	\$174,511	\$127,301

- ▶ Projected annual costs in future years result from increases in payrolls due to additional employees and salary increases, not because of GABA. If payroll increases averaged no more than 2%, this proposal would have \$0 impact to local governments and school districts in the future.
- ▶ Assuming historic inflation rates for local government payrolls, the average annual cost per employee in FY 99 is projected to be only:

General Government	\$11/year
Police Officers	\$15/year
Sheriffs/deputies	\$14/year
Firefighters	\$24/year

These annual inflationary costs in FY 99 and beyond can be absorbed without increases in mill levies.

- ▶ The amendments have been reviewed and endorsed by PEPSCo -- the Public Employee Pension Security Coalition -- composed of a broad range of active and retired public employee organizations across the state.

TESTIMONY IN SUPPORT OF HB 268
TEACHERS' RETIREMENT BOARD
Presented by David L. Senn, Executive Director
March 29, 1995

Historically we have funded ad hoc adjustments with future employer contributions. Over the past 25 years we have seen 9 ad hoc post-retirement adjustments. If an ad hoc adjustment resulted in a \$1,000 commitment over the remaining lifetime of the retiree, the employer contribution was increased so that over time, employers paid the full cost, plus interest.

House Bill 268 provides cost of living benefits funded during the working career of active members. Employers and employees will share in the cost, which together with investment earnings, will pay for future benefits. By pre-funding post retirement adjustments, as little as \$150, invested today at 8%, over a member's normal 25 year career, is needed to fund the same \$1,000 commitment.

House Bill 268 as introduced would have guaranteed an annual benefit increase of 2%, beginning three years after retirement. However the increased employer contribution required to fund the GABA would have resulted in a 1 to 2 mill increase in most counties. In response to legislative concerns over the potential for any property tax increase resulting from GABA, the House State Administration Committee adopted amendments to reduce the 2% GABA to 1.5% for all retirement systems, changed the definition of "earned compensation" under Teachers' Retirement System to include only the members "base contract amount", and provided a direct state contribution to the TRS and PERS.

Changing the definition of the wage base for TRS members will reduce future benefits and the cost to fund retirement benefits. These savings have been used to help reduce the TRS contribution required of employees and employers to fund HB 268.

Redefinition will continue to include the member's "base contract amount" -- the member's regular school or fiscal year contracted salary; but would exclude amounts paid for extra-duty, overtime, summer employment, research, maintenance, allowances, expenses, bonuses or any other payment for additional duties.

The change in the definition of Earned Compensation will not change the member's option to use "termination pay" (unused sick and annual leave payoffs, and/or other severance or retirement incentives payments) in the calculation of Average Final Compensation (AFC).

To help offset the impact of the change in the definition of earned compensation, the House amendments granted members a limited 10 year window in which they may include in the calculation of benefits the

actuarial value of summer compensation. Under this window, members retiring within the next 10 years will receive an increase in future benefits based on summer session earnings reported for fiscal years 1993, 1994, and 1995. During the final 2 years of the 10 year window the benefit adjustment will be reduced to two thirds and then one third.

For example:

If a member were to retire today and because of the summer earnings reported during FY 93, 94, & 95, their retirement benefit increased \$100 per month, future benefit will be increased by \$100 during this limited-time window of opportunity.

In lieu of including the \$100 in the above example, members will be given the option to include summer earnings reported for 1993, 1994, and 1995 in the calculation of future average final compensation. If this option would increase the member's benefit \$150 per month they or they and their employer would be required to pay the actuarial cost of the additional \$50 per month.

The amendments drafted in the House overlooked two important aspects of additional compensation available to members of the Teachers' Retirement System. First, K-12 members receive almost all additional compensation from extra-duty pay received during the school year, and earn very little during the summer. Therefore the House amendment creating the 10 year window cover very few school district employees. Secondly, the House amendments will provide nothing for university members, who receive a substantial amount of their income from summer employment, if they retire after the close of the window even though they may have had summer compensation during fiscal years 1993, 1994, and 1995.

The proposed amendments presented to you today will address these two areas of concern to the TRS members.

PROPOSED SENATE AMENDMENTS

1. The proposed amendments will separate the benefit structure of the Teachers' Retirement System to apply the 10 year window only to nonuniversity members and to cover both summer and extra-duty pay under the window if reported in fiscal years 1993, 1994, and 1995.
2. University System members not covered under the 10 year window, with both an academic year and a summer session contract, will continue to contribute on summer session earnings but only include an average percentage share in the calculation of benefits. If a university member has summer earnings in their highest three consecutive years, the board must compute the average percentage reported each year since July, 1990 and then the average percentage reported over the period of July, 1990 until the member retires.

Averaging summer session earnings will prevent members from loading summer sessions at the end of their career and still provide a fair return based on the members employment history.

For example: A member retiring July 1, 2000, with 20% of base compensation reported during their last three years and nothing prior to the last three years, would have an average of only 6.0% during this period. Therefore only 6.0% of each of their last three years base contracts would be included in the calculation of benefits, instead of the 20% that was loaded in the final three years. The proposal is equitable to both members and the Teachers' Retirement system.

To pay for the proposed amendments both employee and employer contribution rate must increase .09% of salary, from 1.24% to 1.33%; or .33% each year for the next four years. The increase in local school districts contribution rate will be covered by an increase in the State's general fund contribution to the TRS. The change in the Teachers' Retirement System together with the proposed changes in the other State retirement system should not result in any material cost increase to the State general fund.

The proposed amendments will result in a substantial increase in the System's administrative cost in maintaining records and/or calculating benefits.

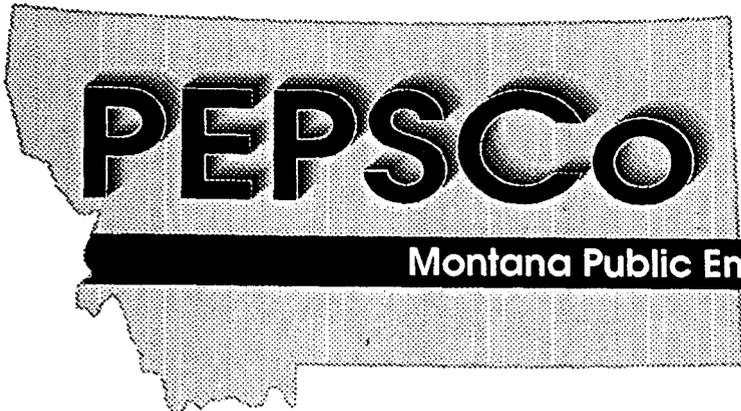
The current data processing system design was never intended to administer two separate plans. The HB268 changes require the system to identify and treat K-12 and University members and employers differently and uniquely. A change this radical will result in much heavier processing requiring a larger, faster CPU and more storage to accommodate the required files and data. A more complex system also requires a larger data processing/benefit analysts staff.

The data which is required to administer HB268 is impossible to automate. This data has never been broken out and will have to be manually compiled from paper files and direct correspondence with the employers.

The amendments would result in the following additional administrative costs:

	Current Bill		Proposed Amendment	
	FY96	FY97	FY96	FY97
FTE	-0-	-0-	1.00	1.00
Personnel Services	\$ 7,000	\$ 3,500	\$ 32,642	\$30,942
Operating Expenses	53,070	-0-	78,000	10,500
Equipment	-0-	-0-	73,417	-0-
TOTAL	\$60,070	\$ 3,500	\$184,059	\$41,442

The Teachers' Retirement Board stands in support of HB268 and the proposed amendments, provided the administrative cost to administer the proposal are included in the Board's final budget.



A coalition concerned about protecting public employee pensions and the pension funds

1232 East Sixth Avenue • Helena, MT 59601

SENATE FINANCE AND CLAIMS (406) 442-4250

EXHIBIT NO. 5

DATE 3/29/95

BILL NO. HB 268

MEA/MEA-R
Montana
Education
Association

AMRPE
Association
of
Montana
Retired
Public
Employees

MPEA
Montana
Public
Employees
Association

MRTSPA
Montana
Retired
Teachers &
School
Personnel
Association

MFT-MFSE
Montana
Federation
of
Teachers
and
State
Employees

AFSCME
American
Federation
of
State,
County
and
Municipal
Employees

PLEASE VOTE "YES" ON HB268

GUARANTEED ANNUAL BENEFIT ADJUSTMENTS FOR MONTANA'S PUBLIC PENSION PLANS

HB268 is sponsored by Representative Chris Ahner (R-Helena) on behalf of the Governor. The bill is an integral part of the Governor's 1997 biennial budget and was unanimously endorsed with a "do pass" recommendation by the interim Legislative Committee on Public Retirement Plans (1994). As proposed by the amendments of March 29, HB268 continues to receive the strong support of all members of PEPSCO, the TRS & PERS Boards, the School Administrators of Montana (SAM) and Montana Rural Education Association, MACO and the League of Cities & Towns, the University System and others.

HB268 responds to the long-recognized ravages of inflation on pension buying power by providing a guaranteed annual +1.5% ("diet cola") pension increase for retirees. HB268 funds the GABA through balanced pension program funding changes, cost-sharing among state/local/school employers and employees, and increased pension fund investment earnings.

HB268/GABA:

- * is fully funded, actuarially sound and HB268 assures local government and school taxpayers that no increase in property taxes will result from adoption of GABA;
- * produces significant "savings" (+\$17 million in FY96) for Montana's pension funds compared to current law and recent practice;
- * moves 8 pension systems into greater consistency and uniformity; and
- * marries the annual +1.5% GABA increase in public pension benefits received by Montana's retirees to any pre-existing benefit adjustment mechanism available in some of the pension programs by paying the pre-existing increase first, paying no GABA increase if the other increase exceeds 1.5%, and capping annual pension increases from any source to no more than the change in the Consumer Price Index (CPI) for the previous year.

HB268 is a fully-funded, actuarially sound and financially responsible means for Montana to address inflation's devastating impact on pensions.

Vote "YES" on HB268.

7-14-246

LOCAL GOVERNMENT

DATE 3/29/95 724BILL NO. HB 297

and obligations and that there is good reason for the dissolution of such district, the commissioners shall enter upon their minutes an order dissolving such district.

(2) Such order shall be filed of record, and the dissolution shall be effective for all purposes 6 months after the date of filing the order of dissolution, provided that at or before such time, the board of said district certifies to the county commissioners that all debts and obligations of the district have been paid, discharged, or irrevocably settled, together with proof thereof.

History: En. 11-4512 by Sec. 12, Ch. 355, L. 1975; R.C.M. 1947, 11-4512(part).

7-14-246. Distribution of district assets after dissolution. Any assets of the district remaining after all debts and obligations of the district have been paid, discharged, or irrevocably settled shall be evenly divided between the county and any cities within or partially within the dissolved district.

History: En. 11-4512 by Sec. 12, Ch. 355, L. 1975; R.C.M. 1947, 11-4512(part).

Part 3

Local Option Motor Fuel Tax

7-14-301. Local option motor fuel excise tax authorized. (1) A motor fuel excise tax, in increments of 1 cent per gallon, not to exceed 2 cents per gallon upon gasoline sold to the ultimate consumer within the county for use in motor vehicles operated upon public highways, streets, and roads may be imposed:

(a) by the people of the county by initiative; or
 (b) by the board of county commissioners by adoption of a resolution and referral to the people.

(2) The initiative or referendum must specify the tax is to be collected by the department of transportation.

(3) Such a motor fuel excise tax may not be assessed sooner than 90 days from the date of passage of such an initiative or referendum.

(4) Every distributor shall pay the motor fuel excise tax to the agency specified in the initiative or referendum as provided in subsection (1). When the tax is collected by the department of transportation, each distributor shall render a monthly statement to the department of all gasoline distributed during the preceding calendar month in the county in which it is sold to the ultimate consumer and such other information as the department may reasonably require in order to administer the motor fuel excise tax.

(5) The information, recordkeeping, and examination of records provisions of Title 15, chapter 70, apply to this part.

(6) The department of transportation collecting the tax authorized under subsection (1) shall establish procedures to provide a refund to a person who has paid the excise tax but who can substantiate that the motor fuel was purchased for a use other than on public highways, streets, and roads.

(7) In this part, the terms "distributor", "gasoline", "import", "motor vehicle", "person", and "use" have the meanings ascribed to them in 15-70-201.

History: En. Sec. 1, Ch. 621, L. 1979; amd. Sec. 1, Ch. 572, L. 1981; amd. Sec. 1, Ch. 381, L. 1983.

Cross-References

Initiative procedure, 7-5-132 through 7-5-137.

7-14-302. Use of local motor fuel excise tax revenue. (1) A county or municipality receiving revenue from the tax authorized by 7-14-301 shall use the revenue derived only for the construction, reconstruction, maintenance, and repair of public streets and roads.

(2) A county shall contract with the department for reimbursement of the actual costs of collection. One percent of the motor fuel excise tax revenue collected in a county is to be reimbursed to the distributor for the cost of compliance with this part.

History: En. Sec. 2, Ch. 621, L. 1979; amd. Sec. 2, Ch. 572, L. 1981.

Cross-References

Financial management of county roads, Title 7, ch. 14, part 25.

7-14-303. Allocation of revenue and disposition of funds from county-imposed motor fuel tax. (1) Revenue derived from a motor fuel excise tax imposed by a county under 7-14-301 must be apportioned among the county and municipalities in the county:

(a) in the proportion of motor vehicles registered in the county outside of the municipalities to those registered within the municipalities during the preceding year; or

(b) as determined by an interlocal agreement.

(2) All taxes, interest, and penalties collected by the department of transportation under this part shall be promptly transmitted to the state treasurer who shall deposit such funds in the state special revenue fund to the credit of the department of transportation account. Such funds shall be paid quarterly by the state treasurer directly to the county in which the tax was imposed.

History: En. Sec. 3, Ch. 621, L. 1979; amd. Sec. 3, Ch. 572, L. 1981; amd. Sec. 1, Ch. 277, L. 1983; amd. Sec. 3, Ch. 512, L. 1991.

7-14-304. Lien for delinquent tax — interest and penalty — statute of limitations. (1) The lien provisions of 15-70-211 apply to all delinquent motor fuel excise taxes, penalties, and interest due from a distributor under this part. Such a lien has the same force and effect as a lien for delinquent gasoline license tax imposed under Title 15, chapter 70, part 2.

(2) Penalties and interest for any delinquent motor fuel excise tax are the same as provided for the gasoline license tax under Title 15, chapter 70, part 2.

(3) Any action to recover a delinquent motor fuel excise tax must be initiated within 3 years from the due date of the return or the date of filing the return, whichever period expires later. Upon discovery of fraud, an action must be initiated within 3 years of the discovery.

History: En. Sec. 4, Ch. 621, L. 1979; amd. Sec. 4, Ch. 572, L. 1981.

Cross-References

Liens, Title 71, ch. 3, part 1.

The City of Kalispell

MAR 9 1995

Incorporated 1892

Telephone (406) 758-7700
FAX (406) 758-7758
Post Office Box 1997
Zip 59903-1997

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 7

DATE 3/29/95

BILL NO. HB 297

Douglas Rauthe
Mayor

Bruce Williams
City Manager

City Council
Members:

Gary W. Nystul
Ward I

Cliff Collins
Ward I

Barbara Moses
Ward II

Dale Haarr
Ward II

Jim Atkinson
Ward III

Lauren Granmo
Ward III

Pamela B. Kennedy
Ward IV

M. Duane Larson
Ward IV

March 8, 1995

Mr. Alec Hansen
Montana League of Cities and Towns
Post Office Box 1704
Helena, MT 59624

Dear Alec:

Four years ago the Kalispell City Council adopted a five-year street improvement program designed to improve the condition of all its street systems. Needless to say, this was a major policy position that required significant head scratching to figure out how we could possibly implement the policy given the poor condition of our streets and limited fiscal resources.

The first thing we did was to recognize that the way we had been handling the street improvements for the community were, one, too costly (rebuilding as opposed to repaving), and two, that city employees do a better job of maintenance than they do at construction. The City Council, therefore, decided that any future reconstruction of streets and/or overlay, including chip sealing, would be publicly bid and work completed by private sector contractors. The decision to resurface our streets as opposed to rebuilding them has also enabled us to reduce the per block cost of street improvements from \$50,000 approximately \$5,000 per block.

The paving/reconstruction project was implemented four years ago, and we have been very successful at phasing the work over the four years to available resources. During fiscal year 1992 we resurfaced over 100 blocks of street, rebuilt several blocks and chip sealed others, for a total investment of \$956,783. Fiscal year 1993 we resurfaced about 120 blocks, rebuilt a few and chip sealed a few with \$973,392 invested. Fiscal year 1994 we resurfaced about 110 blocks and rebuilt a few blocks, with a total investment of \$1,193,000.

This spring we will be letting contracts to continue the program in excess of \$950,000. As you can see, our investment in the community street system has been significant and continues to be of primary importance to the City Council for future projects. The challenge has been to find the necessary income to support such an aggressive public policy. We have

Mr. Alec Hansen
March 8, 1995
Page 2

so far been able to fund this activity using a variety of funding sources, including all of our gas tax proceeds, general fund support and tax increment funding. While we plan on continuing this level of street improvements, it is becoming increasingly more difficult to do it at the level we believe is adequate. This is why we believe an increase in the state allocation of gas tax revenue to local governments is critically important so programs like we have in Kalispell can continue at a meaningful level.

In summary, our program has been successful, because we got ourselves out of the paving and street construction business and turned it over to the private sector where we gained efficiency and a good quality product. We also used our limited resources in a better, more efficient, planned method that has allowed us to get considerably more bang for the buck. More gas tax income from the state would certainly help us continue our struggle to keep our roads in good condition.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Williams".

Bruce Williams
City Manager

BW/ksk

CITY OF BILLINGS



RICHARD L. LARSEN
MAYOR
P.O. BOX 1178
BILLINGS, MT 59103
PHONE (406) 657-8296
FAX (406) 657-8390

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 7ADATE 3/29/95BILL NO. HB 297

March 28, 1995

Senator Tom Keating
State Capitol
Helena, MT 59620

RE: HOUSE BILL 297

Dear Senator Keating:

I am writing to urge your support of House Bill 297. Briefly, this bill will mean a significant amount of additional Gas Tax dollars coming to the City of Billings. I would like to give you some concept of what this could mean. The City of Billings has historically contracted out more than \$2 million annually in street improvements and street maintenance activities. This bill would increase this amount by approximately \$500,000 and it would allow us to work toward meeting the transportation needs of the community.

Although most Billings citizens classify present street conditions as "satisfactory," this is not an area we can afford to neglect. Historically, we have been behind on new construction projects as witnessed by the major traffic congestion on Grand Avenue and other major arterial streets. The Transportation Plans shows that over the next 20 years we need to construct more than \$105 million worth of streets to handle the expected growth in our community. House Bill 297 will help us meet these transportation needs.

In addition, the City of Billings annually contracts more than \$1 million in street maintenance activities. Our inventory shows that this level falls short of adequate street maintenance by approximately \$300,000 annually. The proceeds from legislation such as House Bill 297 would help close this gap and would allow us to maintain our existing system into the future.

The City of Billings has been a "donor" into the State Highway Trust Fund in past years. We have clearly sent more dollars to Helena than we have received back through the State and Local Assistance Program. This legislation would also help us to close this gap also.

I am sure you can appreciate the significant impact Gas Tax construction and maintenance activities that we annually contract to private contractors has on the employment level in Billings. Your support of House Bill 297 would further this economic advantage to the community.

*Billings Pride:
City-wide*

Senator Tom Keating

March 28, 1995

Page 2

Please do not hesitate to contact either Mark Watson, City Administrator, Ken Haag, Public Works Director, or myself if you have any questions or we can provide additional information.

Thank you for your time and efforts on behalf of the City of Billings.

Sincerely,



Richard L. Larsen

Mayor

RLL:tlr

March 29, 1995

Chairman Gary Aklestad and Committee Members, I am Horace Brown, Missoula County Surveyor. I favor House Bill 297 because it will allow cities and counties to construct and repair roads.

Missoula County will use this money to contract, to build and pave County road projects that have been in the County Capital Improvement Program for several years. We have the projects, but not the ability to pay for them. Paving will reduce the PM¹⁰ readings in the areas where the projects are done.

We are currently unable to fund more than one project a year.

If bridges are eligible than we have a long list of bridges that need to be upgraded. This will allow us to upgrade them at a faster rate.

This bill will reduce dust on portions of County roads and add to the safety of the public who drive our roads.

I believe it is in the public interest that you pass this bill.


Horace Brown

Missoula County Surveyor



BCC-95-175
March 28, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 9
DATE 3/29/95
BILL NO. HB 297

Senator Jim Burnett
Senate Finance and Claims Committee
State Capitol
Helena, MT 59620

Dear Senator Burnett,

We are writing to you and other committee members in support of House Bill 297. This is one of the brightest spots we have seen in this legislative session. This bill will allow the cities and counties to improve their roads and bridges. As you know, we are presently restricted by I-105 and finding money for needed infrastructure is almost impossible. This seems like a "win-win" situation as we do not believe it takes money away from any other agency.

We strongly support this bill. We feel that one of the benefits will be in the form of economic support to local contractors and workers which will certainly help our local economy. It will also provide for dust abatement and help us to pave roads that are currently unpaved.

Thank you for all the support you have given the counties in this session. It is much appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

Barbara
Barbara Evans, Chairman

Fern Hart
Fern Hart, Commissioner

Not Available For Signature
Michael Kennedy, Commissioner

BCC/gm

cc: Finance and Claims Committee Members

COUNTY ALLOCATIONS

COUNTY	F. D.	PERCENT	NEW DISTRIBUTION \$4,500,000.00	NEW DISTRIBUTION \$0.00	TOTAL F. D.	TOTAL F. D.
Flathead	1	6.70164%	301,573.80	0.00		
Granite	1	0.75762%	34,092.90	0.00		
Lake	1	2.56893%	115,601.85	0.00		
Lincoln	1	3.03767%	136,695.15	0.00		
Mineral	1	1.09402%	49,230.90	0.00		
Missoula	1	5.29397%	238,228.65	0.00		
Powell	1	1.14925%	51,716.25	0.00		
Ravalli	1	3.51990%	158,395.50	0.00		
Sanders	1	1.89247%	85,161.15	0.00		
Beaverhead	2	2.13583%	96,112.35	0.00		
Broadwater	2	0.79869%	35,941.05	0.00		
Deer Lodge	2	0.68069%	30,631.05	0.00		
Callatin	2	3.54777%	159,649.65	0.00		
Jefferson	2	1.29620%	58,329.00	0.00		
Madison	2	1.56675%	70,503.75	0.00		
Meagher	2	0.88918%	40,013.10	0.00		
Park	2	1.62958%	73,331.10	0.00		
Silver Bow	2	1.87499%	84,374.55	0.00		
Blaine	3	1.99627%	89,832.15	0.00		
Cascade	3	3.52188%	158,484.60	0.00		
Chouteau	3	2.14301%	96,435.45	0.00		
Glacier	3	1.74724%	78,625.80	0.00		
Hill	3	2.31852%	104,333.40	0.00		
Lewis & Clark	3	3.60052%	162,023.40	0.00		
Liberty	3	0.89642%	40,338.90	0.00		
Pondera	3	1.16489%	52,420.05	0.00		
Teton	3	1.67445%	75,350.25	0.00		
Toole	3	1.18885%	53,498.25	0.00		
Carter	4	1.09135%	49,110.75	0.00		
Custer	4	1.42585%	64,163.25	0.00		
Daniels	4	0.93001%	41,850.45	0.00		
Dawson	4	1.53512%	69,080.40	0.00		
Fallon	4	0.83224%	37,450.80	0.00		
Garfield	4	1.51867%	68,340.15	0.00		
McCone	4	1.52019%	68,408.55	0.00		
Phillips	4	1.94546%	87,545.70	0.00		
Powder River	4	1.14583%	51,562.35	0.00		
Prairie	4	0.79688%	35,859.60	0.00		
Richland	4	1.53039%	68,867.55	0.00		
Roosevelt	4	2.01745%	90,785.25	0.00		
Rosebud	4	2.29935%	103,470.75	0.00		
Sheridan	4	1.36721%	61,524.45	0.00		
Valley	4	2.31935%	104,370.75	0.00		
					\$1,170,696.15	\$0.0
					\$648,885.60	\$0.0
					\$911,342.25	\$0.0

SENATE FINANCE AND CLAIMS
 EXHIBIT NO. 10
 DATE 3/29/95
 BILL NO. HB 297

COUNTY ALLOCATIONS

COUNTY	F. D.	PERCENT	NEW DISTRIBUTION	NEW DISTRIBUTION	TOTAL F. D.	TOTAL F. D.
Wibaux	4	0.52186%	23,483.70	0.00	\$1,025,874.45	\$0.00
Bighorn	5	2.39148%	107,616.60	0.00		
Carbon	5	1.27986%	57,593.70	0.00		
Fergus	5	2.15913%	97,160.85	0.00		
Golden Valley	5	0.56301%	25,335.45	0.00		
Judith Basin	5	1.14061%	51,327.45	0.00		
Musselshell	5	0.85899%	38,654.55	0.00		
Petroleum	5	0.68988%	31,044.60	0.00		
Stillwater	5	1.35555%	60,999.75	0.00		
Sweet Grass	5	0.78164%	35,173.80	0.00		
Treasure	5	0.37333%	16,799.85	0.00		
Wheatland	5	0.67306%	30,287.70	0.00	\$743,201.55	\$0.00
Yellowstone	5	4.24905%	191,207.25	0.00		
TOTAL		100.00000%	4,500,000.00	0.00	4,500,000.00	0.00

CITY ALLOCATION OF FUEL TAX

City	F.O.	Percent	NEW DISTRIBUTION 3,000,000.00	NEW DISTRIBUTION	TOTAL F.D.	TOTAL F.D.
Alberton	1	0.10560%	3,168.00	0.00		
Columbia Falls	1	0.76560%	22,944.00	0.00		
Barby	1	0.16800%	5,040.00	0.00		
Deer Lodge	1	0.90580%	27,174.00	0.00		
Drummond	1	0.08650%	2,595.00	0.00		
Eureka	1	0.29350%	8,805.00	0.00		
Hamilton	1	0.75110%	22,533.00	0.00		
Hot Springs	1	0.19290%	5,787.00	0.00		
Kaliappell	1	2.70250%	81,075.00	0.00		
Libby	1	0.70900%	21,270.00	0.00		
Missoula	1	8.72210%	261,663.00	0.00		
Phillipsburg	1	0.32210%	9,663.00	0.00		
Pinerdale	1	0.20790%	6,237.00	0.00		
Plains	1	0.26200%	7,860.00	0.00		
Polson	1	0.91130%	27,339.00	0.00		
Rexford	1	0.03440%	1,032.00	0.00		
Bonanza	1	0.46610%	13,983.00	0.00		
Stevensville	1	0.31810%	9,543.00	0.00		
St. Ignace	1	0.22640%	6,792.00	0.00		
Superior	1	0.26640%	7,992.00	0.00		
Thompson Falls	1	0.43980%	13,194.00	0.00		
Troy	1	0.26670%	7,992.00	0.00		
Whitefish	1	0.93490%	28,047.00	0.00		
Anacosta	2	1.27270%	38,181.00	0.00		
Belgrade	2	0.80970%	24,291.00	0.00		
Boulder	2	0.36640%	10,992.00	0.00		
Bozeman	2	4.30260%	129,078.00	0.00		
Butte	2	6.11530%	183,459.00	0.00		
Clyde Park	2	0.10970%	3,291.00	0.00		
Billon	2	0.93030%	27,909.00	0.00		
Emis	2	0.21540%	6,462.00	0.00		
Lima	2	0.11620%	3,486.00	0.00		
Livingston	2	1.51230%	45,369.00	0.00		
Merbatten	2	0.31320%	9,396.00	0.00		
Sheridan	2	0.16170%	4,851.00	0.00		
Three Forks	2	0.45230%	13,569.00	0.00		
Townsend	2	0.43590%	13,077.00	0.00		
Twin Bridges	2	0.16210%	4,863.00	0.00		
Virginia City	2	3.59100%	10,773.00	0.00		
Walkerville	2	0.25910%	7,773.00	0.00		
West Yellowstone	2	0.29100%	8,730.00	0.00		
White Sulphur Springs	2	0.38100%	11,430.00	0.00		
Whitehall	2	0.27960%	8,388.00	0.00		
Belt	3	0.16040%	4,812.00	0.00		
Big Sandy	3	0.26190%	7,857.00	0.00		
Browning	3	0.27200%	8,166.00	0.00		
Cascade	3	0.21970%	6,591.00	0.00		
Chester	3	0.29920%	8,976.00	0.00		
Chinook	3	0.43150%	12,945.00	0.00		
Choteau	3	0.54740%	16,422.00	0.00		
Conrad	3	0.71510%	21,453.00	0.00		
					601,161.00	0.00
						0.00
					697,586.00	0.00

CITY ALLOCATION OF FUEL TAX

City	F.D.	Percent	NEW DISTRIBUTION 3,000,000.00	NEW DISTRIBUTION	TOTAL F.D.	TOTAL F.B.
Curt Bank	3	0.766200	22,986.00	0.00		
Dutton	3	0.144800	4,344.00	0.00		
East Helena	3	0.420000	12,600.00	0.00		
Fairfield	3	0.209200	6,276.00	0.00		
Fort Benton	3	0.553300	16,599.00	0.00		
Geraldine	3	0.131500	3,945.00	0.00		
Great Falls	3	11.109800	333,294.00	0.00		
Harlem	3	0.247600	7,428.00	0.00		
Harve	3	2.042700	61,281.00	0.00		
Helena	3	5.669100	170,073.00	0.00		
Kingman	3	0.689300	2,067.00	0.00		
Kevin	3	0.106400	3,192.00	0.00		
Leihart	3	0.058100	1,743.00	0.00		
Shelby	3	0.739900	22,197.00	0.00		
Sunburst	3	8.216400	246,492.00	0.00		
Valier	3	0.294900	8,847.00	0.00		
Bainville	4	0.124300	3,729.00	0.00	771,198.00	0.00
Busher	4	0.566700	17,001.00	0.00		
Broadus	4	0.185900	5,577.00	0.00		
Brookton	4	0.091300	2,739.00	0.00		
Circle	4	8.252200	247,566.00	0.00		
Culbertson	4	0.242100	7,263.00	0.00		
Dodson	4	0.066700	2,001.00	0.00		
Etahaka	4	0.173100	5,193.00	0.00		
Fairview	4	0.305100	9,153.00	0.00		
Flairville	4	0.050200	1,506.00	0.00		
Forsyth	4	0.644100	19,323.00	0.00		
Fort Peck	4	0.171000	5,130.00	0.00		
Froid	4	0.122600	3,678.00	0.00		
Glasgow	4	0.853900	25,617.00	0.00		
Glendive	4	1.147600	34,428.00	0.00		
Ismay	4	0.051700	1,551.00	0.00		
Jordan	4	0.158700	4,761.00	0.00		
Malta	4	0.587800	17,634.00	0.00		
Medicine Lake	4	0.148100	4,443.00	0.00		
Hiles City	4	2.127100	63,813.00	0.00		
Moehus	4	0.145100	4,353.00	0.00		
Opheim	4	0.084100	2,523.00	0.00		
Outlook	4	0.101100	3,033.00	0.00		
Plentywood	4	8.551000	255,100.00	0.00		
Plena	4	0.073000	2,190.00	0.00		
Poplar	4	0.223300	6,699.00	0.00		
Richey	4	0.106200	3,186.00	0.00		
Saco	4	0.111800	3,354.00	0.00		
Scobey	4	0.378100	11,343.00	0.00		
Sidney	4	1.242500	37,275.00	0.00		
Terry	4	0.350100	10,503.00	0.00		
Weslby	4	0.104300	3,129.00	0.00		
Wibaux	4	0.234900	7,047.00	0.00		
Wolf Point	4	0.659800	19,794.00	0.00	373,065.00	0.00
Boardman	5	0.032500	975.00	0.00		

EXHIBIT 10
 DATE 3-29-95
HB 297

CITY ALLOCATION OF FUEL TAX

City	F.D.	Percent	NEW DISTRIBUTION	MEH DISTRIBUTION	TOTAL F.D.	TOTAL F.D.
Big Timber	5	0.49340%	14,808.00	0.00	0.00	0.00
Billings	5	17.05760%	511,728.00	0.00	0.00	0.00
Bridger	5	0.21290%	6,387.00	0.00	0.00	0.00
Broadview	5	0.05970%	1,791.00	0.00	0.00	0.00
Columbus	5	0.49790%	14,937.00	0.00	0.00	0.00
Denton	5	0.13930%	4,179.00	0.00	0.00	0.00
Fossilberg	5	0.12280%	3,686.00	0.00	0.00	0.00
Grassrange	5	0.06910%	2,075.00	0.00	0.00	0.00
Hardin	5	0.77080%	23,124.00	0.00	0.00	0.00
Marlorton	5	0.34360%	10,308.00	0.00	0.00	0.00
Robson	5	0.11680%	3,480.00	0.00	0.00	0.00
Hysvam	5	0.13920%	4,176.00	0.00	0.00	0.00
Joliet	5	0.12790%	3,837.00	0.00	0.00	0.00
Judith Gap	5	0.04840%	2,052.00	0.00	0.00	0.00
Laurel	5	1.39480%	41,844.00	0.00	0.00	0.00
Levine	5	0.08230%	2,449.00	0.00	0.00	0.00
Lewisston	5	1.48450%	44,535.00	0.00	0.00	0.00
Lodge Grass	5	0.16590%	4,377.00	0.00	0.00	0.00
Melstone	5	0.08330%	2,505.00	0.00	0.00	0.00
Moore	5	0.13020%	3,906.00	0.00	0.00	0.00
Red Lodge	5	0.52520%	15,756.00	0.00	0.00	0.00
Roundup	5	0.58250%	17,475.00	0.00	0.00	0.00
Syngate	5	0.11890%	3,547.00	0.00	0.00	0.00
Stanford	5	0.19190%	5,757.00	0.00	0.00	0.00
Winifred	5	0.09720%	2,916.00	0.00	0.00	0.00
Winnett	5	0.14480%	4,344.00	0.00	0.00	0.00
Total		100.00000%	3,008,000.00	0.00	756,990.00	0.00
					3,000,000.00	0.00

Amendments to House Bill No. 416
Third Reading Copy

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

Prepared by Shauna Ryan
March 29, 1995

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 11
DATE 3/29/95
BILL NO. 21B416

filed

1. Page 7, line 1.

Following: "district."

Insert: "For the purpose of calculating its maximum bonded indebtedness under this subsection, a district may include the ANB of the district plus the number of students residing within the district for which the district or county pays tuition to attend school in an adjacent district. The receiving district may not use out-of-district ANB for the purpose of calculating its maximum bonded indebtedness without a written agreement with the district of residence."

{Office of Legislative Fiscal Analyst

444-2986}

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 12
DATE 3/29/95
BILL NO. NB 416

20-9-406. LIMITATIONS ON AMOUNT OF BOND ISSUE

ADD: (5) In computing the ANB of a district for bonding purposes under subsection (1)(c), districts under the statewide GTB provided for in 20-9-367 may count their certified ANB and ANB of resident students attending "out-of-district" at an adjoining school district. The adjoining district receiving the "out-of-district" students may not count the ANB for bonding purposes.

Rationale: Districts could at any time be forced to accept students who are residents of their district attending "out-of-district". This would allow for those resident districts to adequately prepare for the possibility of the rapid growth that would result from this situation. If the resident district is forced to wait until those students attending out-of-district return to the resident district, it would be too late to accommodate them. This amendment would allow for planned growth.

Fiscal
Note:

This amendment would not affect any fund of any school district outside of the bonding fund. No money from any account would be transferred or exchanged. Only one district could count the ANB and that would be the resident district.

Impact:

The business manager for the Helena School District has indicated that the impact is negligible on their district. They will never go to the voters for their full capacity.

Counting the out-of-district students gives them a capacity of appx. \$66,806,797.00. Without the out-of-district students Helena would have a capacity of appx. \$64,474,186.00. The reduction is 3.6% appx.

For Jefferson High School, being able to count the resident students attending out-of-district in our calculations would give us a capacity of appx. \$9,207,675.00. Without counting out-of-district students, the capacity is appx. \$7,400,000.00. The reduction is appx. 24%.

United States Senate

WASHINGTON, DC 20510-2603

March 29, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 13

DATE 3/29/95

BILL NO. SB 460

Senator Gary Aklestad
Chairman
Senate Finance and Claims Committee

Chairman Aklestad and Members of the Committee:

I would like to strongly urge your support of House Bill 460. This bill to enact a blue ribbon telecommunications task force will go a long way towards organizing Montana's telecommunications infrastructure.

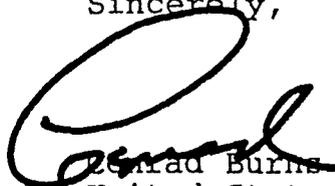
The Montana Telecommunications Advisory Council (MTAC) was established in 1991 by Governor Stan Stephens and myself to begin looking at Montana's future in telecommunications in a bipartisan manner. MTAC has since grown to more than 300 members from all corners of the state and from diverse backgrounds. This group has used all of those assets to write a bill that has industry support; citizen-support; health care industry support; educational support; nonprofit support; library support; government agency support and now MTAC and Governor Racicot and I are asking you for your support. House Bill 460 represents the kind of partnership that will guarantee the success of telecommunications in our great state.

I realize these are tough fiscal times and decisions are being made daily that impact a great deal of Montanans. Please remember that telecommunications impacts everyone; not just a select few. It is Montana's future and without it we will not be able to compete in the global marketplace.

This bill offers to bring together everyone interested in telecommunications to create a combined assessment of where we go from here. Be a part of Montana's future by supporting House Bill 460.

With best wishes,

Sincerely,



Conrad Burns
United States Senator

OFFICE OF THE GOVERNOR
STATE OF MONTANA

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 14
DATE 3/29/95
BILL NO. HB 460

MARC RACICOT
GOVERNOR



STATE CAPITOL
HELENA, MONTANA 59620-0801

March 29, 1995

Chairman Gary Aklestad and members of the committee:

As co-chairman of the Montana Telecommunications Advisory Council, I am delighted to endorse this proposal for the creation of a Blue Ribbon Telecommunications Task Force. Whether our communication is on a super-highway or a simple roadway, whether it is by wire, microwave or in person, I strongly believe that there is nothing more important to our joint future here on this earth than communication.

In a state as vast as Montana, telecommunications is crucial in everything we do. Whether it be in our schools, our hospitals, our libraries, our businesses, or in our government, telecommunications plays an important role in our lives. As we encounter the revolution known as the Information Age, we see that in much the same way that telephones, railroads and highways improved Montana's economic climate, the advanced technologies of the information superhighway promise to remove many of the remaining barriers to living, learning, and prospering in Montana.

The only problem we currently have with this exciting evolution is the absence of direction for the industry. The Blue Ribbon Task Force proposed by HB460 will be charged with the challenge of carefully examining every aspect of the telecommunications industry in Montana. By doing so, it will be able to provide a thoughtful transition to a competitive environment. This task force will be able to identify what policies and practices can be promoted to ensure an orderly and successful progression for the industry.

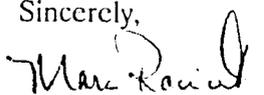
As a result of this effort, I believe that we will be able to provide an environment in which this industry can continue to grow and prosper while the citizens of Montana can realize the benefits and choices of a truly competitive marketplace.

Many other states have already completed similar studies, and several others currently are in the process of conducting theirs. It is important that Montana not be the last to become involved in this process.

I would like to take this opportunity to congratulate those who have already committed funding for this project. The industry members of MTAC have already committed to contribute \$75,000 and the MTAC board members are busy applying for national and statewide grants for an additional \$75,000.

Thank you for your consideration of HB460.

Sincerely,


MARC RACICOT
Governor

MONTANA STATE LIBRARY

MARC RACICOT, GOVERNOR

1515 E. 6TH AVENUE



STATE OF MONTANA

(406) 444-3115

PO BOX 201800
HELENA, MONTANA 59620-1800

March 28, 1995

The Honorable Gary C. Aklestad, Chair
Senate Finance and Claims Committee
Montana State Senate
Helena, Montana

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 15

DATE 3/29/95

BILL NO. LB 460

Dear Senator Aklestad:

This letter is in support of House Bill 460 to establish a Blue Ribbon Telecommunications Task Force to examine Montana's telecommunications infrastructure and to make recommendations on the same. The Montana Telecommunications Advisory Council (MTAC), on which I have served for the last several years, has made great progress in serving as a meeting place for the for-profit sector and the public sector to discuss mutual concerns and goals. Members of MTAC have given of their time unselfishly during this time, but all have sensed the need to formalize an examination of the disparate telecommunications initiatives in Montana in order to focus our efforts.

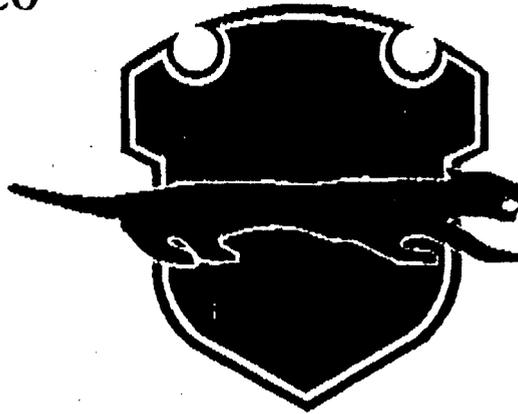
House Bill 460 will enable that effort to take place. With the significant contribution from the for-profit sector, this legislation will allow Montana to reap the benefits of the findings of this task force at very little cost to the state. I urge your committee's approval of this bill.

Sincerely,

Richard T. Miller, Jr.
State Librarian

SACO PANTHER SCHOOLS

P.O. Box 298
321 Highway 243
Saco, MT 59261



District #12
Phillips County
(406) 527-3531

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 16
DATE 3/29/95
BILL NO. HB 460

TO: Senate Finance and Chairman Committee
FROM: Carl Knudsen, Superintendent *CK*
RE: HOUSE BILL 460
DATE: March 28, 1995

We at Saco have been involved in telecommunications for the past ten years. Saco was the first school in the State of Montana to use distance learning via an educational electronic bulletin board. Saco hosts EDUNET, a computer accessed course delivery system, we are one of the nine regional telecommunications centers for the METNET and the state E-mail system, and have three satellite dishes providing courses and information to our students and community members.

Saco School is a member of a consortium that recently received a telecommunications grant to implement ITV (interactive television) between eight schools in Northeastern Montana. Other groups of schools are implementing similar projects; we need to ensure connectivity and provide for the compatibility of systems so they can communicate with each other. Technology has surpassed the ability of current statues to control or remove barriers that prohibit cost effective use of our state telecommunications infrastructure.

The task force could address the needed changes in policies, practices and statues that would remove barriers, study ways to ensure that Montana's K-12 and university educational system and public libraries have access to advanced telecommunications services and make their recommendations to the Governor and legislature.

We encourage your support for the passage of this bill. Thank you for your time and consideration.

WE CAN'T HIDE OUR PANTHER PRIDE!

Deaconess Foundation

March 28, 1995



Senator Gary Aklestad
Senate Finance & Claims Committee
State of Montana State Capitol
Helena, MT 59620

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 17
DATE 3/29/95
BILL NO. HB 460

Dear Senator Aklestad,

I am writing in support of House Bill 460, which will provide matching funds for a Blue Ribbon Task Force to study the Telecommunications infrastructure in the State of Montana. I am writing this letter of support on behalf of the Eastern Montana Telemedicine Network.

The Eastern Montana Telemedicine Network uses two-way interactive videoconferencing technology to deliver specialist medical and mental health care services, continuing medical and higher education, and community development initiatives in rural geographically isolated communities of eastern Montana. Using the specialists located in Billings, this network provides services to the communities of Colstrip, Culbertson, Glendive, Miles City, and Sidney.

In the first 15 months of operation, 225 medical and mental health consults were provided over the Telemedicine Network. Preliminary date estimates a cost savings for patients at approximately \$60,307.10. These cost savings were determined by the travel costs averaged on a per mile basis, lost time from work and overnight stay for those traveling the greatest distances (Culbertson and Sidney). During the same time frame, 3,565 individuals attended educational programs with 668 rural participants. Cost savings to participants in all education programs are calculated at \$174,996.00. This is based upon number of participants in all programs, applying average wages lost to travel, plus mileage meals and lodging.

The development of a telecommunications infrastructure in our state is crucial to the progress of our communities. But, without an organized approach to this growth, we stand the chance of creating individual "islands" of networks that can't communicate with each other. It is in the best interest of our state to create a well planned infrastructure that will provide access for government, health, education, libraries and community development. The Blue Ribbon Task Force proposed by HB 460 will help establish such a plan. I strongly urge you to support HB 460.

Sincerely,

Doris T. Barta

2917 10th Avenue North
P.O. Box 3566
Billings, Montana 59103

Telephone 406-657-4670 Grants Manager
Fax 406-245-5854

Amendments to House Bill No. 416
Third Reading Copy

For the Senate Finance & Claims Committee

Prepared by Skip Culver
March 27, 1995

carried

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 18
DATE 3/29/95
BILL NO. HB 416

1. Page 10.

Following: line 2

Insert: "NEW SECTION. Section 10. Coordination. If
Senate Bill No. 83 is passed and approved, then the
appropriation from the school equalization account in
[section 9] of this act is appropriated from the
general fund."

Renumber: subsequent sections.

{Office of Legislative Fiscal Analyst

444-2986}

DATE March 29, 1995

SENATE COMMITTEE ON Finance and Claims

BILLS BEING HEARD TODAY: HB 268 Rep. Ahmer

HB 297 Rep. Barnett HB 378 Rep. Jore

HB 390 Rep. Kadas HB 416 Rep. McKee

HB 468 Rep. Quilici **PLEASE PRINT** < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Tom Schneider	MPEA	HB268	X	
Vern Petersen	MACo Fergus co.	HB297	X	
W. James Kember	City of Billings	HB297	X	
Ronna Alexander	ms Petroleum Marketers	HB247	X	
Stavros Paladichuk	Richland Development	HB 297	X	
Firm Tutwiler	MT CHAMBER	HB468	✓	
HORACE S. Brown	MISSOULA Co. Surveyor	HB297	X	
Ron Guse	Myself	HB268		X Porters
David Senn	TBS	HB268	✓	
Wally Putman	MMPBE	HB268	✓	
Dan Purcell	MT Traffic Ed. Ass.	HB268		X Porters
Jane Jeleniski	Hallatin Co	HB297	X	
Gordon Morris	MACo	297	X	
JC Conrader	—	268	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE March 29, 1995

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: HB 268 Rep. Ahner

HB 297 Rep Barnett HB 378 Rep Jore

HB 390 Rep Kadas HB 416 Rep McKee

HB 460
Rep. Quilley

PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Hal Manser	AMERICAN LEGION	HB 268	X	
Dick Baumbarger	Disabled Am. Vets	"	X	
Jim Jacobson	MT VET AFF DIV	HB 268	X	
John Dee Herder	AMRPE + PEPSCO	HB 268	X	
Helen Christensen	MT State AFL-CIO	HB 268	✓	
Arnold Johnson	MFT	HB 268	✓	
Jack Copin	Pres PEPSCO	HB 268	✓	
WV Thomas	RTA	HB 268	✓	
Blake Wardal	Lewis & Clark Co	HB 297	✓	
Keith L. Colbo	Retired Teachers	HB 268	✓	
Loren Frayne	SAA	HB 268	✓	
Loren Frayne	SAA	HB 416	✓	
Don Hargrove	SO 16	HB 268		
Jim Foltz	MREA	HB 268	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE March 29, 1995

SENATE COMMITTEE ON Finance - Claims

BILLS BEING HEARD TODAY: HB 268, 297, 378, 390
416, 460

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
TOM BILODEAU	MEA	268	X	
Debi Hill	Governor	460	X	
Alec Hanson	MLCT	268	X	
Brian McCullough	PERS member-myself	268	X	
Larry Jasbender	Cascade City / Great Falls	297	✓	
Richard Miller	MT State Library	HB 460	X	
Chris Amhoff	MT League of Women Voters	H.B. 297	✓	
Pat Haffey	Legislative Office	HB 416	✓	
Steve Grant	Charlo Schools	HB 416	✓	
Barbara Ranf	US WEST	HB 460	✓	
Amy Sullivan	Sen. Burns	HB 460	✓	
Tom Hopgood	MT. Telecomm. Adv. Com.	HB 460	✓	
Nancy McCaffree	PSC	460	✓	
Carl Schweitzer	MT Cont Ass'n	297		X

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY