

January 14, 1977

The meeting was called to order at 10:00 A. M. by Chairman Brand. The roll call was taken. Menahan was absent.

Chairman Brand turned the chair over to Lien in order to speak on HB 109 which he sponsors. He stressed the fact that this was an important bill in terms of the fact that it would aid people who need hospital care and can't afford it. This bill allows for insurance coverage for fire fighters after retirement. It would be group coverage. The premiums will be paid by the retirees. Theoretically, getting low cost group insurance to those eligible. Brand went on to say that the bill would show an effective date of 1978 but that this would be at the discretion of the Committee. The policemen and state employees would also like to come under this bill. I have 17 or 18 amendments and if it is the desire of the committee to include other people, then we can do it. Brand closes.

For amendments, See Hargesheimer's Summary. Attachment #1.

AL SAMPSON, of the Montana Firemens' Association, testified. He was in favor of the bill. See Attachment #2. SAMPSON assured the Committee that this bill would impose no added cost to the cities as the insured pays the premiums. Retirees who have health problems are unable to be insured. He explained to the Committee that the retirees in good health, retiring at 50 (age 56 is average) usually have to start paying twice as much as before due to the switch to individual coverage. He said that as long as there is no cost to anyone except the retiree, there should be no problem.

JAMES HARRISON, of the Montana Police Protective Association, spoke next. He said that there is no problem with amending this to include state employees. There should be no increase in rates but if so the employees themselves would have to pay the premiums. This is a good program, he said, and I can't find any objections. My feeling is that this would be a good way to provide group insurance for retirees and our retirees are younger.

JACK WILLIAMS, Helena Chief of Police, spoke in support of the bill. STAN GERKE, of the AFL-CIO, AFSCME, also testified in support of the bill. (There is no recorded testimony for the two witnesses)

DAN MIZNER, of the Montana League of Cities and Towns testified as an opponent: He said that he didn't feel the intention was to be bad but that some things should be considered with legislation of this kind. (1) Mandated in the last session that we must pay the full premium. That included that this is the type of legislation that the Legislature should not be involved in--that this should be handled by local government. It was said that the bill should apply only to first and second-class cities but not every town. Small, third-class towns don't have enough people for a group policy. Companies come back and say that they won't write it. MIZNER requested a fiscal note on the bill with the cost calculated on the premium itself including the increase in average age shown and for the other employees already under the plan. This would also be picked up by the property tax.

DON KEARNS, Assistant Manager of the City of Helena. He felt the idea to be a good idea but also felt this is to be the function of city management. He said that he was in favor of doing this but on a selective basis. He had apparently spoken to AETNA and MONTANA PHYSICIANS' SERVICE and put some figures together hurriedly. For the City of Helena with 300 employees, (Fifty of which would be included in this program) the group rates would rise by 8 percent. For a husband and wife the rate is currently \$56.00 per month. He said, "If you apply 8 percent, it would raise it \$4.50 per month or \$54.00 per year with 300 employees, this would be an increase

of \$16,200 per year. In our case, the employee and the City are each paying half. We feel this should be a management prerogative and the responsibility of the city, not the Legislature.

MIZNER--When you pass this kind of stuff, you are applying it to cities and towns but it doesn't consider counties. You haven't mandated that counties do this. We respectfully ask that you put together a fiscal note. BRAND--He pointed out that one of the problems in cities and towns is the hodgepodge of rules throughout the state. He said, "If we get uniform regulation, then it will be a better system. I agree that everybody should be covered if it would be at the Committee's discretion, I would support a new bill to include everybody." O'CONNELL questioned MIZNER by saying that the more people involved in the group, the lower the rates will be. O'CONNELL said, "Now you say that because of the age difference, it would be higher?" MIZNER--There are many factors involved. The reduction in the age group tends to raise it. KEARNS--There are two things that could happen: By increasing the group a minor decrease in the rate occurs but this is offset by the fact that rates are 35% greater for service persons of retirement age. A person would pay all of it himself but each of the people presently employed would have to pay \$4.50 more per month. O'CONNELL brought out the fact that persons retiring at sixty come under the Medicare Program so why is it more expensive for those not retired. KEARNS--This would cover people below the age of Medicare coverage. BARDANOUVE questioned why Missoula had dropped their program. Please refer to Attachment #2 for more information. HARRISON--He still maintained that the increase in the group would offset the rate increase. He went on to say that employees of the public sector usually retire at a later age than normal employees whereas firemen and police retire early.

MULAR--He asked for names of some companies who had cancelled or threatened to cancel.

MIZNER--Blue Shield, Blue Cross, Washington National, Prudential and Aetna. We have a number of cities and towns with less than ten employees. Thus, they must get into a franchise arrangement. MULAR--Do you have any employees who aren't presently covered. MIZNER--Twenty or thirty towns who aren't covered. The problem being, the husband will be a school board employee and the wife will be a city employee. Thus, both spouses can't be covered...at least thirty or forty towns in this condition.

MIZNER--He claimed that his "uncovered" towns had voted to be this way so he wasn't in violation of the law...they have their choice. Hearing closed.

HB 133--Representative JOHNSTON, Sponsor. He stated that he had amendments to put on an effective date...on passage and approval. The purpose is to bring the Director of Fish and Game to serve at the pleasure of the Governor like all other departments. He said, "I talked it over with Bob Gilbert before introducing it, and with Frank Dunckle and also with the Governor and they all endorsed it. He felt that the Director should have enough ability to run the department with the approval of the Governor.

MONS TEIGER, of the Montana Stockgrowers & Woolgrowers Association. The Director can't be here but I think Johnston has done a good job of explaining the idea behind this. We have reorganized at this time and it is working well with other departments. I don't see why it can't work here. JOHN STAIGMILLER--With the turmoil we have now in Fish and Game, it is evident that we need a change of some kind. BRAND--I asked the new Director and the old Director to come before us. WES WOODGERD, former Director. I think that the bill is very bad. I feel you guys pass laws that sometimes will involve the executive branch in a lot of turmoil. There is no way you can make everyone happy. (Testimony regarding the Stream Preservation Act) He said, "I think the Director needs this protection because you cannot operate exclusive of problems. I would like to recommend that if there is a change, that Directors of other departments that have responsibility to manage controversial laws be also included--DNR, State Lands--I think you would see better administrators.

BOB WAMBACK--Present Director of Fish and Game. This put me in an awkward position. As current Director, I must represent the opinion of my department, but my personal opinion is different. My department doesn't like this bill. We are in a controversy. The Director must be free to take a strong stand on heavy issues. The professionals in the department feel the Director would be compromised. I am sympathetic but I must go on and say that I have an aversion to entrenched bureaucracy and feel it should be responsible to the people...and I feel that bureaucrats should feel all the pressure of elected officials so I agree as a private person.

OPPONENTS

PHIL TAWNEY, of the Environmental Information Center, gave a statement. See Attachment # 3. JOHNSTON stated that there was nothing personal between he and Mr. Wamback. That he felt Wamback to have a broad viewpoint. He said, "I have been on the Fish and Game Committee and have worked with the Department on many things. But I am very serious when I say that I want the best Fish and Game Department and want it to be responsive but I feel that all bureaucrats should serve at the Governor's pleasure." MULAR questioned Tawney as to why it was necessary to have a Fish and Game Commission as well as a Director. TAWNEY--The commission is a policy board and the Director is in charge of the Department. WOODGERD--The situation is that the Commission is appointed by the Governor and can be removed for cause and the Department works under supervision of the Commission. Chair closes the hearing.

HB 118--Burnett, Sponsor. This was drawn up because we had input from many people in the Eastern districts. It really doesn't affect House members but does apply in the Senate. When a Senator runs and is elected, he must be replaced by the Board of County Commissioners and this does not always serve the wishes of the electorate. MENAHAN--This is good and just legislation, Mr. Burnett. You shock me!

HB 129--KEYSER, Sponsor. Perhaps you will consider this with HB 137. The legislation in both is the same but 137 goes further. ROBBINS moves to handle them together. Mular seconds. Unanimously accepted. HB 68--The sub-committee met and came up with these amendments. See Attachment # 4. These amendments were agreed upon in the meeting with Mr. Sandman from DNR. See Attachment # 5 for minutes from meeting. The sub-committee decided to recommend a DO PASS AS AMENDED. O'Connell seconds. ROBBINS--The amendments the sub-committee came up with are minor changes. The major changes asked for by Nettleton (Bob Nettleton, Burlington Northern. See Attachment # 5a) were not adopted. Representative Marks who had spoken as an opponent in earlier hearing (1-10-77) looked over the amendments and said that he would take his action on the floor. ROBBINS moves acceptance of the proposed amendments. O'Connell seconds. A roll call vote was taken. The motion passed. Ten voting yes and Kanduch, Feda, Dropp, Meyer and Smith voting no.

HB 96--O'Connell asked about amendments giving preference to local agencies. (Reference, Attachment #1. Pages 2 and 3 for amendments. Hargesheimer obtained through the Department of Revenue.) LIEN moves to adopt Amendment #1--giving preference to state agencies. Meyer seconds. FEDA--What agencies would be involved? O'CONNELL didn't know but felt the committee should lean more to state agencies. LIEN--Amendment #1 simply gives preference but leaves it permissive. BARDANOUVE and TURNER both felt that the bill was ok to begin with, and that any preference should be left up to the Department of Revenue. A roll call vote was taken. The motion to accept Amendment #1 was passed, with Bardanouve and Turner voting no. LIEN moved to accept Amendment # 3 which clears up language. Mular seconded. The motion was accepted unanimously. O'CONNELL moved a DO PASS AS AMENDED, seconded by Feda, passed unanimously. HB 54--Please see Attachment #6. ROBBINS moves to accept the amendment. Meyer seconds. Motion carried unanimously. FEDA moved DO PASS AS AMENDED, Robbins seconds, unanimous. Chairman BRAND expressed the

desire to hold HB 109 in abeyance for further hearing. There were no objections. Some comments were made by BRAND about holding HB 68 for so long. MULAR mentioned that with the merits of the bill, he felt justified in waiting for such witnesses as needed to come. HB 67--the fiscal note had come in and also the Fiscal Analyst had sent a report at the request of Chairman Brand relative to the 1/4 percent increase in the Fire Marshal Premium Tax. (See Attachment # 7). PENTTILA was on hand to testify and explain some cloudy aspects. He pointed out that the money was taken out of the earmarked revenue fund and put into the general fund back in 1941, and that since this action, very little money has found its way to his office. He stated that Diana Dowling has asked that the repealer put the money back into an earmarked fund. ROBBINS moved to amend HB 67 to be effective upon passage and approval. Lien seconded. The motion was accepted. KROPP moved a DO NOT PASS with Feda seconding. ROBBINS put forth a substitute motion for DO PASS AS AMENDED, seconded by Mular. A roll call vote was taken on Robbins' motion with Bardanouve, Kanduch, Feda, Kropp, Meyer, Smith, Tower and Turner voting NO. The motion failed. A roll call vote was taken on Kropp's DO NOT PASS. The motion carried with Brand, Lien, Menahan, Mular, O'Connell, Robbins and Ryan voting no. ROBBINS moved to reconsider, seconded by Menahan. ROBBINS--This is part of a package and there is a lot of good in this. I think we can have this put in sub-committee and have Bardanouve's differences with the repealer amended. If the bill is passed at 1/4 percent, the effective date would have to be immediately. In the sub-committee there can be some compromises in the increase in the premium. I would very much like to have this in sub-committee.

MENAHAN moved to put HB 67 in sub-committee. O'Connell seconds. Motion carries with Smith voting NO. Chair appointed Bardanouve to be chairman with Robbins and Tower as members.

HB 118--Hargesheimer noted proposed amendments (See Attachment #1). MEYER moved to adopt both of the amendments. Mular seconded. Here O'Connell espoused the fact that the bill was pinpointing senators and excluding everyone else. She felt that everyone should be included. Bardanouve agreed but questioned whether this could be reworded to include the Governor and everyone else without changing the subject matter of the bill. ROBBINS moved to accept the amendment relative to filing time. Mular seconded. The motion carried unanimously. ROBBINS agreed with Bardanouve and O'Connell that the bill is outrageously discriminatory and added that anyone who decided to run for another office is at a disadvantage and concluded that unless the bill was designed to include everyone, it would be bad legislation.

RYAN moved DO NOT PASS on HB 118 with Mular seconding. A roll call vote was taken. The motion failed with Brand, Bardanouve, Kanduch, Mular, O'Connell, Robbins and Ryan voting NO. The motion carried. O'CONNELL again reiterated that she felt this to be discrimination. LIEN stated that the intention of this bill was such that the committee should pass it or kill it as their intention was to change it dramatically. Smith seconded.

MEETING ADJOURNED AT 12:15 P. M.


JOE BRAND, CHAIRMAN


Anita C. Sierke, Secretary