

March 8, 1977

Chairman Brand called the meeting to order at 8:00 a.m.; Meyer was the only one absent.

Hargesheimer's summary can be seen in attachment #1.

SB 377-Sen. Devine, sponsor--This bill changes the pension of volunteer firemen in unincorporated areas from an earmarked fund to an agency fund. This is an easier way to administer the plan. I also would like to extend my condolences about the way we kicked hell out of your basketball team last night.

LARRY NACHTSHEIM, Administrator, PERS--This agency account is where all appropriations come from for this fund. It is just an administrative bill. (see attachment #2)

SB 265-Sen. Lowe, sponsor--The professional engineers are here to testify. (see attachment #3 for explanation)

BRAND--You are changing the fee criteria from \$50 to \$20. Will there be a long range difference in the fiscal note? LOWE--The fee takes care of the physical and the processing of the application. If they are accepted, there is another fee that brings it back up to \$50. BRAND--What is the repealer? LOWE--That is the reciprocity clause; because we have dealt with the reciprocity before that in the bill. 66-2364 deals with former methods of reciprocity.

SB 197-Sen. Ed. Smith, sponsor--I question why this bill was put into State Administration - every time before, it has been heard in Agriculture. I did speak to the chairmen of both committees, and they agreed with me; but the Speaker felt it should be here. I have no dissatisfaction with the present Administrative Secretary, and am not questioning the ability of the commission members. This lays the ground work for more money and more citizen participation. This changes "wheat" to "grain" to include the addition of other grains. The members of the commission will be elected, not appointed. It doesn't affect the present members, because the effective date isn't until 1978 or 1979. This doesn't change the districts. Opposition will mention the cost of elections; and I would work with them to cut these costs. Under executive reorganization, the Wheat Commission has completely changed. The Executive Secretary is even appointed now. To begin with, people weren't chosen because they were Republican or Democrat, but because they were good people. Due to being appointed, they have lost a lot of their power to serve the people. Right now, they have to clear any expenditures with the Governor and the Fiscal Analyst; and I feel these people should be able to spend their money as they see fit. The commission should also be able to collect interest from their investments. (He pointed out articles about rates in wheat in the northeastern parts of the state, and something about rats.)

EVERETT SNORTLAND, Montana Farm Bureau--Back when the wheat bill came up - '59 or so--we were opposed to the make-up of the commission. We aren't using general fund money, so we support this bill. As the terms of the present board members expire, the elections will happen, so this would be a gradual change and change. We feel that the commission has become part of the system and we have become disenchanted because we have no say so on expenditures of money. This provides for an outer agency audit to be done on a biennial basis. We don't care if the same people are elected, but they will be responsible to the people rather than the governor. The North Dakota grain growers put out an annual report on activities and expenditures (see attachment #4), and I feel we should get something similar.

JACK HAYNE, Montana Grain Growers, Pondera County--(he spoke in general support, see attachment #5 for his testimony)

STEVE GILPATRICK, Farmer Member, Farm Bureau, Lewistown--We support this for two reasons - the barley producers are now helping to support the grain commission; and we feel the people who provide the funds should be able to say where it goes. I have names of 21 farmers who support this (see attachment #6).

ARNOLD LIGHTNER, Farmer, Pondera County--I don't have anything against the people on the commission, but I would like to have the chance to elect someone from my area to be on it.

FRED BENGSTON, Bengston Farms, Inc. Brady--This would give more grass roots support.

OPPONENTS

STEVE KEIL, Secretary/Treasurer, Montana Grain Growers Asso.--(see attachment #7 for his testimony)

LLOYD MOSDAL, Repelje--(one of the original members of the commission, see attachment #8 for his testimony)

GAIL STOLTZ, Director, Montana Cooperatives--(see attachment #9 for her testimony)

REP. JACK GUNDERSON--I have gone the complete cycle with this now. I was one of the cosponsors of this. Having served on the State Administration Committee, I know why this was assigned here - due to its setting up an election process; but the very nature of this bill, putting this into an election process - will see the money dry up. Most of the members contribute money to this fund, and most producers can't really afford to run a campaign like this. The proponents talked about the costs of elections; but they failed to mention how much it would cost a person to run in a campaign like this. I would like to ask the Senator which states do elect their commissioners, I don't know of any. The building of a bureaucracy is foolish - the commission has increased their staff by one person since they started. As far as openness - the WHEAT SCOOP goes to every producer in the state. Regardless of what the name is, I think everybody will think of it as the wheat commission. With 5 candidates, only 21% of the producers could elect them. The bill doesn't call for a majority. I feel this would be a step backward.

CHARLES URQUART, Montana Grain Growers, Highwood--The commission has been successful. If this is passed, it will put the commission into politics, and it will lose its effectiveness.

REP. FRANCIS BARDANOUVE--I rise with fear and trepidation, as Big Ed will probably break my bones. I am rarely involved in the internal affairs of the party, but a few years ago, the Governor's office asked me to suggest a member for the wheat commission from Northern Montana - I found a good, responsible farmer, and suggested his name. He was later appointed; and has just retired as the Chairman - so, I think that would show the bipartisanship existent in the organization. He asked me to oppose this bill. Politics vary throughout the state, and I feel that we will have another phase of politics that might be rougher and tougher than what we have now on the commission.

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SENATOR SMITH-I am a barley producer, and was fully in support of the barley check-off. I am utterly amazed that two farm organizations have come here and said that the growers can't elect their own representatives. I think elections create enthusiasm, and there isn't anything better than to get people out campaigning. I don't think it will affect the check-off. There is no better system than election. I will continue to pay my dues, but until it gets into the hands of the producers, I will not pay any increase. I promise I will break no bones.

FEDA-How can members be struck? E.SMITH-The majority of the committee can do so. North Dakota, Colorado, and several other states have elected commissions. North Dakota's commission is very successful, and they make 10 times the racket these guys do. They don't have to worry about their secretary being removed for contradicting someone in another branch of government. TURNER-Would you be adverse to rotating Democrats and Republicans every four years? STOLTZ-I think it would be very confusing, but I have no objections. I am saying that we have protection against a monopoly of one party. I think it would also be unworkable. TURNER-Can you have members who have no political affiliation? GUNDERSON-I don't really know the politics of the commission, but every farm organization gives lists to the governor, and he makes the appointments from those lists. TURNER-You mentioned bureaucratic red tape, would you explain? KEIL-The added people it would take to run the election. At the present time, the commission has only lists of people asking for refunds. If an election were instituted, it would require more bookwork. BARDANOUE-There was a reference about other states electing their commissions. Could I have some information on this? KEIL-Less than 10% of the producers elect these men. The state of Washington is the only state that has a workable system. Their geographic set-up lends itself to this sort of process. In Montana the growers are all over the state. Some of the districts are huge.

MEETING ADJOURNED - 10:05 a.m.

Joe Brand, Chairman

Anita C. Sierke
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