

March 21, 1977

The meeting was called to order at 8:10 a.m., roll call was taken with Bardanouve, Mular, Ryan and Tower absent.

Dick Hargesheimer distributed his summary of SB 71, see attachment #1.

SB 71-Senator Towe, chief sponsor--This bill was introduced by the Senate State Administration Committee, and since I am the Chairman, it seemed appropriate for me to explain the bill. This was presented to us by the Salary Commission, and they felt that their responsibility ended when the bill was introduced. The first two pages are recodification. Originally, there was to be a change in salary for the finance commissioner, but we changed it back. Section 2 gives the history of the bill, it's all there. The first figure shows the present salary, the second was that recommended by the salary commission, the third figure the State Administration Committee put in, the fourth one was put in by the Senate Finance & Claims Committee, and any further figures were put in on the Senate floor. (He went on to explain the various changes in different figures - see bill copy)

RAY STUART-Court Administrator for the State Supreme Court--I would like to quote from Paul Hatfield's State of the Judiciary speech to the legislative branch at the beginning of this session. "Most important of all, I ask your support in passage of the Salary Commission's recommendations for Judicial salaries.

Each Legislature we seem to regress to personalities of sitting judges.

We are asking for appropriate salaries for competent judges.

Because of the work to be done as set out above; because we have 13 judges who are more than 60 years of age, 8 of whom are 64 years of age or over; we are asking a salary sufficient to attract the highest caliber judges in the future. Our experience shows that we replace 1 1/2 to 2 judges per year. The salary for the Montana judges must be competitive to attract the best possible judges. Less than the best is just not good enough." (see attachment #2)

DR. W. F. BENNETT-Chairman, Montana Salary Commission--You can see, the Senate really yo-yo's things around. The first two pages can be deleted due to the amendments. If you will read the commission's report, you can see that the Commissioner of Campaign Finances has a lot to do. At \$21,000, it is certainly not high compared to other states. The Governor's salary - we argued, and considered that the governor has certain allowances other than his salary; but, I've talked to former governors, and they said they lost at least the amount of their salary - even though they were getting their home and a food allowance. They still lose money. We felt the governor should be the highest paid official in the state. He gets about \$70,000 a year in fringe benefits. The Lieutenant Governor - the former LG felt the job could be expanded, so we recommended a raise. This depends upon how the governor and LG get along, and whether the LG is used in a reasonable fashion. The Chief Justices - the attorneys on the committee made it clear that private attorneys make much more than justices - plus, they have to run for office, so there are campaign expenses, etc. We felt that simply comparing it to other states was unfair. These figures are an average of what we came up with in the committee. I realize these figures are a big jump, but you can't get away from this -- it will be back again next session. You won't get good men with the figures we have at the present time. The Attorney General at \$25,000 is terribly low - he is the highest attorney in the state, and almost any attorney graduating in Montana would get more than that. Any young attorney going into a law firm would get more than that. The State Auditor at \$18,000 was rather meager, so we moved it up. The Superintendent of Public Instruction - this is someone responsible for 2/3 of the state budget, and we felt that the present salary was absurd. The Superintendent of any Class A school will get \$28,000 - \$30,000, and then you have the state official making less than most of the people in her office.

Either give her a good salary or abolish the office. Clerk of the Supreme Court - this position has not had a raise in quite some time. If it is an elected office, it should be in the neighborhood of \$20,000. If there's any wrong with this government, it isn't with the legislative or executive branch. The judicial branch isn't even in line with private attorneys. The prestige that goes with this job is not enough to make up for the lack of money. One of the judges resigned due to salary problems, and we have to do something about this. One man served the first four months as a judge, and made \$9,000; then spent the other 8 months as a private attorney, and made \$108,000. Even at \$40,000, they will be sacrificing, and I don't think you will get good judges unless you pay them. They certainly should be the top man since they administer the court, and the attorneys - so they should be number one, there's no doubt about that. If you can't have judges that administer laws fairly and justly, it does no good to even be here. I would recommend that you bring this back up to \$40,000.

PAT MCKITTRICK, Montana Judges Association--Besides being responsible for lobbying this bill, we are looking at two other bills. We are talking about money and responsibilities, and we want your support. HB 532 would take the burden of the court system off the counties and local governments, and give it to the state. The crimes committed are against the state. If there's a bad crime in Conrad, that county is paying for it; and if the other bill is passed, it would be a state cost. HB 499 would increase court fees in civil litigation. Those fees haven't increased in some time. That bill would cause a \$712,000 a year increase in revenue. The civil litigants would be paying the cost rather than the taxpayers. As written, this bill would cost \$538,000 per year, and now a little less. With HB 499, and its resultant increased income, this bill would not cost anything. We feel these raises would be meritorious. Montana ranks 48th out of 50 states in what we pay judges. We feel the judicial branch is a coequal branch. According to Article 7, Section 9, Subsection 3 of the Constitution, a judge cannot practice law during his office or engage in any other form of income. So this is their only area of salary. They can't teach or sit in on arbitrations since this passed in 1972. This way, it is hopefully free of politics and is a good provision, but the salary should properly compensate them.

JOHN CAVAN, Montana Judges Association--You are as well aware of this problem as anyone. There was a separate study over the past few years called the Montana Justice Project. They came up with the same conclusion - they recommended that justices receive something at least comparable to US Justices. They don't have nearly the work load that District Judges have. If you will look at the report, you will note that neither District nor Supreme Justices are even within what the top 100 people in the state get. We believe the time has come to bite the bullet, and give them the substantial increase being requested here. We think this is a good time to do it - there are a number of judges near retirement, and we need a good salary to offer them. Within the next two years, we will be making a substantial impact on the court through replacement, and we should try to get these salaries up where we can get good people. These proposed increases have caused a new interest among young attorneys, and this is something new.

LIEN--There's only \$500 difference between Supreme Court Justices and Associate Justices. BENNETT--Yes, we don't feel the Chief Justice has that much more to do than the Associates. We were getting pretty close to the Governor's salary. LIEN--When was the Governor's salary last raised? BENNETT--Last session from \$25,000 to \$30,000. MULLEN--I was impressed with the fact that you were going to offset this thing. MCKITTRICK--If HB 499 passes, it would take out the fiscal impact almost entirely. MULLEN--How

long since the justices got a raise, and the district judges? BENNETT-Last session. TURNER-Mr. Stuart testified for the need of more money - so did Judge Hatfield - aren't the judges political appointees who then run as incumbents? BENNETT-I agree, but you have to have a justifiable salary. These men do have to campaign, and they do need a liveable salary. This is the only way to get good people. How else do you propose that we get good men? BRAND-Are you saying that the men we have now are not good. BENNETT-No, I'm not saying that.

HEARING CLOSED--EXECUTIVE SESSION

SB 286-Mular moved to reconsider, motion carried. Fedra moved to amend the bill on page 3, line 2, Strike: "state treasurer", Insert: "state auditor". Motion carried. Fedra moved AS AMENDED BE CONCURRED IN, motion carried unanimously.

SB 162-JOHN HOLLOW-Any monies left in the fund would revert back to the General Fund. CALLAN-The last thing about termination - originally the bill read that the agency would terminate January 1, but it now reads July 1, so the Legislature will conduct hearings about termination and if you decide it should be terminated, the process would take place within the year following July 1. The monies are all in earmarked funds ---- it would be very easy to refund the money back to the licensees rather than put it back into the General Fund. There will be no increase in staff due to these audits because we have to do them anyway. They would be done one month prior to the onset of the Legislature. We do get input from the agency.

BARBARA JONES-Is there any type of legislation to do this since you have to do the audits anyway? CALLAN-Termination isn't automatic, it is just the philosophy behind the bill. TURNER-Why didn't the Cosmetologists Board come in to testify? JONES-They didn't want to testify because they worried about their jobs. LIEN-Any board in the Department of Occupational Licensing is financed by their own license fees, and they are allowed to testify at any of these hearings. I believe you had better go back and educate your people. BRAND-Do you already have the staff necessary to do these audits? CALLAN-Yes, we are getting two new people right out of college, and then use our present staff to do the audits. Right now we can't find firm evidence of what impact these boards are having. They first became public through the Legislative Audit Committee in December, and members of the legislature who have requested those audits. O'CONNELL-Respecting the cosmetologists, I would ask that the Board of Cosmetologists be represented at our next hearing. BRAND-OK. Are there any other agencies that would be exempt from this? CALLAN-No. This includes everybody in professional and occupational licensing. BRAND-Would you object to the members of the legislature being notified of these audits before the session? CALLAN-No, not at all. Once the elections were solidified, we sent out a letter to all the people we knew were coming, saying that we would issue them a report and overview of our work. We are more than happy to cooperate. LIEN-I move to hold SB 162 until the cosmetologists can be here. So moved.

MEETING ADJOURNED - 9:45 a.m.


Joe Brand, Chairman


Anita C. Sierke, Secretary