

February 7, 1979

Chairman Brand called the hearing to order at 9:15 a.m., roll call revealed that Rep s. Johnston, Hayne and Feda were excused.

HB 469-Sponsored by Rep. Oberg -- He explained that the bill expanded the application process for absentee ballots by requiring that such ballots be advertised in local newspapers between 7 and 45 days before an election. He also added that he felt that this expansion would encourage military personnel to participate in local elections.

JOHN BELL-Montana Association of Clerk & Recorders -- Some other counties already do this -- Ravalli County. Mr. Bell also spoke of the potential participation of military personnel.

NO OPPONENTS

Oberg closed briefly, reiterating the point, once again, about military people.

HB 445-Sponsored by Rep. Brand -- This provides an increase in PERS for retirees. Inflation has caused problems and hardship for these people, I have had many letters from retirees who can't live on their pensions.

LARRY NACHUSHEIM-Administrator, PERS -- (See Attachment #1) We won't have the money to fund this after 1980, and the cost will be \$380,000 per year.

NO OPPONENTS

BRAND-The only problem with this will be with the Social Security program. This is still probably the soundest retirement program in the state. Even if we have to come back in two years, I think there would be very little effect on the state.

HB 481-Sponsored by Rep. Nathe -- He described how low Montana technical salaries are, and said that the bill asks for exemptions from the Pay Plan for four professional positions on the Board of Oil and Gas Conservation. (See Attachment #2 for a more thorough review of Nathe's rationalization)

DON ALLEN-Montana Petroleum Association -- The workload has continued to increase and I'm not sure that four positions are enough since the feds have said there are new sources of natural gas and oil. Dave Shannen couldn't be here, but I believe your Chairman should have received a mail gram from him in support of this. We feel that unless we can solve this problem the state will not be able to compete in the natural gas field. We are willing to tax ourselves to cover this. As far as production taxes, we are currently paying the highest taxes in the country. This is the only way we know to avoid losing good people. It will not impact any other state funds.

CARL IVERSON-Vice-Chairman, Oil & Gas Commission -- We will have to have at least one additional engineer and we can not start them at \$13,500 - \$13,800 while other states bring them in at a much higher salary. We urge DO PASS. (Mr. Iverson also submitted additional statements on his witness sheet, please see attached.)

## OPPOSITION

MARK CRESS-Chief, Classification Bureau, Personnel Division, State of Montana - We are opposed to Pay Plan exemptions because we don't feel it is equitable since the exemption can't be extended to all employees in similar positions. The salary survey shows that NO high level positions in this state are competitive with other states. Granting exemptions of this kind we feel would move us back to the confusion that existed before the Pay Plan.

NATHE closed briefly, reiterating that this area was greatly in need of assistance.

BARDANOUVE-It seems we have been putting money into the bottom half of the Pay Plan and robbing from the top half. We have to put more money in at the top half or we are going to lose our administrators. ALLEN-What is really done, is that they contract a lot of work out, but the kind of thing we need couldn't be contracted out.

## EXECUTIVE SESSION

HB 337-KROPP moved DO PASS, motion carried unanimously.

HB 343-O'CONNELL moved DO PASS, motion carried 10-5 with Bardanouve abstaining.

HB 436-Brand appointed Baeth, Chairman with Magone and Feda as a subcommittee to consider the proposed amendments; he instructed the Secretary to compile and copy all of the amendments and give them to the subcommittee and also check to see if a fiscal note had been ordered, as he wanted the subcommittee to have such information when they considered the bill.

BARDANOUVE-I hope the subcommittee will be aware that the costs of some of these measures may be more money than we may be saving.

Magone asked to resign from the subcommittee and Chairman Brand appointed Bardanouve to take his place.

HB 346-SALES moved DO NOT PASS, which carried with McBride, Magone, Baeth and Donaldson voting no.

HB 384-SALES moved DO NOT PASS, which carried unanimously.

SALES-I think an answer needs to be found, and I would like to see a committee bill to put some control on this audit business.

BARDANOUVE moved to have a subcommittee appointed to draft a committee bill relating to local audits, which carried. Chairman Brand appointed O'Connell, Sales, and Magone as Chairman. BARDANOUVE-I would suggest that the subcommittee speak to the legislative auditor about this.

SMITH moved that the committee reconsider its action on HB 384, which carried unanimously.

O'CONNELL moved to TABLE HB 384, which carried unanimously.

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HB 445-STAIGMILLER moved DO PASS, which carried with Bardonouve, Smith, Kropp, Sales, Bennett, and Porter opposing.

HB 469-O'CONNELL moved DO PASS.

BARDANOUE made a substitute motion to hold the bill until SB 65 came through, but then withdrew his motion considering the fact that we didn't know when SB 65 would come through.

The DO PASS motion carried unanimously.

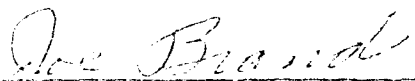
HB 481-BARDANOUE-This is opening the door to the Pay Plan like we did in '75 with elected officials, and I think there are serious problems. MACONE-I think it should be taken into consideration that these people aren't a General Fund expense whereas most exemptions are. O'CONNELL-I would suggest that this subcommittee have 5 people rather than 3. BRAND-I agree with Francis that we can't start allowing exemptions or the Pay Plan is useless. BARDANOUE-Why don't you consult with the Select Committee on Employee Compensation. I think they would be of more help to you.

SALES moved to TABLE HB 481, which carried unanimously.

Chairman Brand appointed Kropp, Azzara and Karduch as Chairman.

HJR 3-O'Connell reported that the subcommittee hadn't met yet, but that they would get together to review the proposed amendments.

Adjourned: 10:55 a.m.

  
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Joe Brand, Chairman

  
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Nita Sierke, Secretary