

February 3, 1979

Vice-Chairman O'Connell called the hearing to order at 9:00 a.m. because Chairman Brand had to attend a Senate hearing, he joined the committee at approximately 9:45. Roll call revealed all members present.

HB 492-Sponsored by Rep. Menahan -- This bill provides a cost of living increase to retired teachers.

JIM MCGARVEY-Montana Retired Teachers' Asso. -- These people have served their local school districts well. Many of them retired without Social Security or when it was very low and because of this live on a very meager income. We don't feel they should have to be subsidized but we don't think they should suffer because of the increase in the cost of living. There have been increases, but they have been absorbed by the TRS, others have been absorbed by the employer/employee contributions, so this is the first one to be financed by the state. We realize this fiscal note is high, but something has to be done for these people. We ask that this bill be considered with other legislation or perhaps put into an interim study so that the overall picture could be taken care of.

LOUIE KERN-Montana Retired Teachers' Asso. -- The interim study committee would be acceptable with us and I have asked the main office to come up with some figures, but I can't get them until Friday. I want the number of teachers who have retired early without Social Security so that we can address the main problem.

PAY RANDAL-Interim Secretary of Montana Education Association -- It is our opinion that a cost of living adjustment requires this kind of bill. We urge your careful consideration so that teachers may live in dignity in their later years.

DORA FLEMING-Retired teacher -- There have been before now that brought up the allowance for people who had retired before '75. I had to retire due to illness before 35 years of service -- 30.7. The federal law has changed so that people have to be totally disabled in order to get disability. I would like you to try to live on a pension of \$300 a month after working as a teacher for 30 years. Sure, I could scrub floors and wash dishes, but I can't get a teaching job.

NO OPPONENTS

KROPP-What is the average retirement age? MENAHAN-62. MACONE-Why don't these people have Social Security? MCGARVEY-Many school districts didn't have Social Security, and it wasn't required by law so many of them adopted it over the years. We realize there's a problem even with this bill, and that's why we would request an interim study. This would only take care of things temporarily. KROPP-Why are teachers any more destitute than anyone else? MENAHAN-I think the ones we are talking about didn't make much money to begin with. I worked for \$4,400 a year and that doesn't really leave you a great excess. DONALDSON-The unfunded liabilities aren't addressed in the fiscal note? MCGARVEY-No. The teachers have never asked for a General Fund increase in the past and this would be the first time. PORTER-Where would this show in the budget? MENAHAN-The money isn't in the budget now. You could line item it under the retirement systems.

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HB 498-Sponsored by Rep. Hemstad -- This concerns itself with payments from first and second class cities to the State Auditor. If this passes, the payment will just go down the hallway to the Board of Investment, who will credit the Association with the investment. It doesn't require any additional funding. It saves the Auditor time and expense, it saves the cities time and expense at an advantage to the Firemens' Relief Association.

RICK TUCKER-Chief Deputy, State Auditor's Office -- It has taken upwards of 6 months to process these warrants. They have been misplaced and it has taken considerable time and effort to locate them. We would urge that this be passed to save us time.

LES NILSON-Montana State Firemens' Asso. -- I am also the Treasurer of the Great Falls Relief Association. It has already be stated that this money travels miles before it reaches its destination, so I would encourage passage.

RAY BLEHM-Montana State Firemens' Asso. -- This is simply a technical adjustment and we would urge your support.

#### NO OPPONENTS

HEMSTAD-I have one amendment on page 1, line 18 following: "each", insert: "fire department relief association of any". Once again, I urge your concurrence.

HB 379-Sponsored by Rep. Metcalf -- He explained legislative administration and the time limitations of getting the session going. There just isn't time to go out for a bid on alot of small items. We needed some file cabinets and desks this session and the law says that we have to submit competitive bids and we just haven't really had the time to do this so we are asking that we be allowed to operate within the law. The bill only applies to the Legislature during session and limits us on a monetary basis.

#### OPPONENTS

LARRY D'ARCY-Deputy Director, Department of Administration -- With any state purchasing organization, the strong point is centralization. There was a study conducted by the Council of State Governments and one of their findings was that it was obvious that the Council intended to try to maintain a strong purchasing service. I get concerned that pretty soon we will have the fourth branch of government - the universities - coming in and saying me too. As written, the bill also says that all purchases by the department shall be based on competitive bids so that the Legislative Council would have to have buyers on staff to conduct this. The federal GSA isn't on a competitive bid basis and they are in the middle of a wretched hassle.

LUTHER GLENN-Administrator, Purchasing Division, Dept. of Admin. -- This piece of legislation is not recommended and is contrary to our policy and to general good policy and procedure. The department processes some 14,000 requisitions and if we were talking about the entire legislative body, we are only talking about 60 requisitions, so we could provide special handling. We feel these are drastic recommendations for a very small problem.

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METCALF-I agree with the Dept. of Administration on competitive bidding. What we have done is when we have had need for these things, we have gone through their standard purchasing people. I think what we are dealing with is an unusual problem. The Minority Leader wanted a dictating machine and it took a month to get. We needed some speakers in the back of the Chamber and we couldn't wait for the bidding process. This is for up to a \$2,000 single purchase and only for the session. Technically, someone could challenge us on this and we would be out to lunch. D'ARCY-There is an emergency clause in the law presently. JOHNSTON-Would you object to an amendment saying that this committee should submit to the legislature a cost analysis? METCALF-No, I wouldn't object. D'ARCY-That wouldn't really help our objections. METCALF-This bill was put in so that we are acting within the law and up to now we have operated outside the law. D'ARCY-The Council on State Government wanted us to tighten up our rules for Administrative Procedures. METCALF-The Legislative Council would be the operating arm. We want to have a post session meeting of this committee to anticipate some of the problems of the next session but I would still like to have this law so that we could deal with unforeseen problems legally. GLENN-We obviously have everyday emergencies and those flexibilities are used. MAGONE-Then you are saying that the Legislative Administration Committee isn't the only one that takes advantage of the law? GLENN-True.

## EXECUTIVE SESSION

HB 492-BRAND-One of the proponents asked that we wait until Friday to get some further figures. JOHNSTON moved to hold HB 492 until such figures arrived, the motion carried.

HB 498-FEDA moved Henstad's amendment to specify "fire department relief associations", which carried. FEDA then moved HB 498 AS AMENDED DO PASS, which carried unanimously.

HB 379-JOHNSTON moved to amend line 23 to add, "and shall report to the legislature the amount spent for each item".

SMITH made a substitute motion of DO NOT PASS.

KROPP-Metcalf said they were going to have a post session meeting to alleviate the need for the bill. MAGONE-The purchases are made through an agreement already established. We ordered those tables as soon as we could and you all know how long that took.

The motion of DO NOT PASS carried with Brand, Magone and McBride voting no.

HJR 9-McBRIDE proposed the amendments of the subcommittee (see Attachment #1), which carried with Feda voting no. McBRIDE then moved HJR 9 AS AMENDED DO PASS, which failed on a roll call vote 10 - 9. JOHNSTON moved DO NOT PASS, and further to reverse the vote, which carried.

HJR 3-BRAND-An amendment has been proposed for page 3, line 10, following "budget" inserting: "and allowing certain exceptions with respect thereto" - JOHNSTON moved the amendments, and the motion carried.

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AZZARA moved another amendment adding a section at the end of the bill reading: "That no convention be called until federal statutes be enacted that specifically provide for a process by which the convention be conducted and the manner by which the convention's subject matter may be delineated, restricted, deliberated, and voted upon."

AZZARA-I have talked to a couple of constitutional lawyers who think that a Congress could enact a body of laws to restrict the range of this thing, and I feel that some sort of restriction should be put on this before we let it go out.

On a roll call vote on AZZARA's amendment, the motion carried 10 - 8.

KROPP moved HJR 3 AS AMENDED DO PASS, which carried 13 - 6 on a roll call vote.

Adjourned: 11:05 a.m.

  
Joe Brand, Chairman

  
Nita Sierke, Secretary