

Chairman Brand called the meeting to order at 8:00 a.m., all members were present.

RB 695-Sponsored by Rep. Waldron -- This bill deals with prevailing wage enforcement. It involves a series of amendments to the public works contracts. He then enumerated the various changes the bill made.

JIM MURRAY-AFL-CIO -- We support this and are interested to see that the present law become enforceable.

PAT McKITTRICK-Joint Council of Teamsters #2 -- This is a procedural tightening up. Construction companies bid on public contracts -- if they all comply with the prevailing wage rate ok, but if one ignores it they have a bidding edge. We have occasions where these companies have won the bid. This enforcement power will alleviate that problem.

JERRY DRISCOLL-Local 98, Billings -- On behalf of my union, I urge DO PASS.

DICK KANE-Department of Labor & Industry -- He submitted an extremely detailed explanation of the bill, see Attachment #2.

NO OPPOSITIONS

HE 551-Sponsored by Rep. Jensen -- After I received the request to present this I talked to Fletcher Newby at Fish & Game; and he said they would really rather not do this due to larger cities where there are numerous sporting good stores. So this bill makes it so that the rural places can sell them and the stores can't make any money. I asked some of the rural people if they would be willing to do this for free and they said absolutely not. He read two letters from rural agents who spoke of the fee being outdated -- see Attachments #3 and 3A.

CHRIS SABBIE-Representative from Thompson Falls -- I'm a Fish & Game license agent and there's a few things that have to be recognized -- I'm not vying for that job, I have a grocery store in Paradise, Montana and those people expect me to have those licenses and they don't care if it costs me money. We are expected to have a bond to make sure that we send the money into the state. I'm responsible for the money and the licenses -p if I lose them I have to pay for them. In smaller towns this is no great shakes.

KAREN DOVER-Gibson's Discount Center -- We have to train personnel for this during peak periods of the year. He elaborated on what sorts of bookkeeping they have to do and the chance of loss. The figure \$.30 is a minimum cost and we would be happy to break even. We don't want to loose these because they bring people in, but we would appreciate breaking even.

OPPOSITIONS

ORVILLE LEWIS-Fish & Game Department -- We have between 390 and 400 agents around the state and we try to manage this in the best way to serve the public. Administrative costs per agent for us is \$400, which doesn't include the service cost of

(LEWIS continued)-the local warden -- so it is actually more. For this reason we try to hold these appointments in relation to the local needs. If this bill passes, the additional cost to the department would be about \$150,000 per year. We operate on a fixed income, not General Fund. Our departmental funding is relative to what we make on licenses, etc. We are trying to streamline the application process and will implement a system this year so that the agent has little to do -- we feel if the time of issuance is reduced that this will add in the cost factor for the agents. These are highly sought after in most communities and we have been threatened with law suits by people who want to be agents. This past year we had 30 applications turned down. We urge that you consider our problems.

FLETCHER NEWBY-Deputy Director, Department of Fish & Game -- There's a wide spectrum of situations in the different locations in the state. In the smallest communities we have to bring someone to be an agent, whereas in the cities we have to be subjected to all kinds of pressures because they think the possession of an agency is a distinct competitive edge.

JENSEN-I would like Mr. Newby to realize that I wasn't taking him lightly, but I want to suggest that this has no bearing on this bill. Nobody wants to sell licenses for nothing. Fish & Game has had increases in the cost of licenses over the years. They get increases to cover "cost of issuance" and other permits besides fishing licenses. Give a little consideration to these agents.

MAGONE-Has Fish & Game asked for any increases this year? LEWIS-We have asked for an increase in application fees for new licenses. We have asked for several fee increases this year, but 3 out of 5 of them have died. The increase in boat decals is still alive but that money goes to the Bureau of Motor Vehicles.

MAGONE-You spoke of streamlining -- what are these measures you spoke of? LEWIS-The cards would be furnished by the department to the agent or the license buyer.

MAGONE-You mentioned that you may have to reimburse or pay the small dealers in some fashion. NEWBY-I did not mean that we supplement them, but in a small community we have to ask someone as opposed to having scores compete for this in the larger cities. We did have a bill to increase fishing license fees and there hasn't been such an increase since 1967. RANDUCH-Where are your objections, because this bill is permissive as to voluntary sale. NEWBY-Because we predict that very few are going to opt to do this on a voluntary basis. BRAND-How long do you have this money in an account before you give it to Fish & Game? STOBIE-The money is deposited in the store account and we pay them once a month. LEWIS-The law requires that license agents remit on the 10th of the month following the purchase of the license but there are problems with compliance and the past records imply that there have been losses.

HB 513-Sponsored by Rep. Vincent -- This relates to driver's license procedures and is in direct response to constituent complaints. In Bozeman today, you must first go to the county court house and purchase the receipt then you go three blocks away to take the test. In Helena it involves a one to two mile drive. So, this provides for one stop licensing. The state Highway Patrol cooperated with no alot on this. This doesn't have any effect on smaller communities where the Highway Patrol comes in less than three days a week. Anywhere they operate more than three days they have to conform to this bill, so this will only affect those areas where there is a problem. Where we have two stop stages, the county gets

(VINCENT continued)-about 5% of the fee but this has never been part of the General Fund in any of these counties -- but mostly for handling -- and this practice will continue if the county continues to do the handling, but if the bill changes the process the Highway Patrol will get the 5%. This is a convenience bill for many constituents.

MAJOR DUANE TOOLEY-Montana Highway Patrol -- We support this and see no problems. The reason this hasn't been done for common sense reasons is that it happens at the whim of the county. Statewide, if we get all of the money there would be a transfer of \$50,000 statewide.

NO OPPONENTS, NO QUESTIONS, NO NOTHING

HB 491-Sponsored by Rep. Menahan -- BRAND-Menahan was here but had to leave to make a quorum in Appropriations, so I see there are people here to testify.

OWEN MORRIS-Administrator of Teachers' Retirement System -- Under current law, the teacher is not required to pay the employee contribution thus creating an unfunded liability.

BRAND-What effect would this have on the retirement system? MORRIS-Under current law, the system absorbs that money. We don't receive an employer contribution when a person buys out of state service, so we are asking the teacher to pay the employer contribution as well as his own as well as the interest on the time. Other states have seen fit to take the reciprocity clause out of their laws. We don't allow our teachers to buy out of state as well as in-state -- our law requires that you cannot be concurrently in and out of state.

NO OPPONENTS

HB 552-Sponsored by Rep. Fagg -- who also wasn't able to attend, so the Chairman allowed John Fitzpatrick from the Budget Office to carry the bill.

DAVE EVENSON-State Personnel -- If this were passed, I suspect our office would have to implement it. We feel employee incentive is a problem and would like to see something done. We have problems with Section 2 and feel this should be done by the Budget Office, the Fiscal Analyst, or someone else. This is similar to HB 357, which creates an on-going program while this is just a study.

JOHN FITZPATRICK-Deputy Director, Budget & Program Planning -- We support this but recommend an amendment. Section 1 is strongly supported by my office. We recognize a severe problem with giving money for this. There are lots of people who are well motivated but have no desire to be administrators. Section 2 is more of a problem. The Department of Administration is not the appropriate agency to do this. The Budget Director presently serves as the Governor's policy making agent. Secondly, the question of public versus private provision of services. The state has made many steps to move away from strict governmental services and we are encouraging private and non-profit organizations to participate. The state liquor monopoly has been trying to move away from state liquor stores. We don't oppose the movement of government services to the private sector, but urge you to move slowly. We ask that Section 2 be stricken in its entirety or at least transfer this from D of A to the Budget Office.

FEDA-Don't they anticipate some savings on this? EVERSON-This study will require hiring study people, computer time, etc. The action on the study wouldn't take place until the 1981 session. FITZPATRICK-You would have to set up a model and see how it works in operation so the savings would be down the road. In cases like this we get savings in the first two years but then this savings decreases. I don't want us to take a hard and fast position on private vs public, but I want to find a medium. DONALDSON-This is almost an agency by agency problem and would take someone in each agency or could it be directed to the Governor? FITZPATRICK-This is a responsibility that passes to the Budget Office any way. This will be a major piece of work and when we do come up with recommendations, we will have to wrestle with them. If you don't choose to strike Section 2, then change the responsible department. The fiscal note reflects DofA doing this and I think we could find a way of doing it for less money.

EXECUTIVE SESSION

HB 552-STAIKMILLER-I think the departments are trying to undermine the pay plan.

SALES-I would move that HB 552 DO NOT PASS.

AZZARA-I'm surprised at you Walter, and make a substitute motion of DO PASS, or at least a move to pass consideration for the day until the sponsor can be brought in.....on second thought, I withdraw that.

FEDA-made a substitute motion to TABLE HB 552.

KROPP-Could we transfer this to Labor? BRAND-We could but we have already had a hearing on it.

Feda's motion to TABLE carried unanimously.

HB 551-JOHNSTON moved DO NOT PASS, out of fairness to the Department, they would get no income from this.

MAGONE-substitute motion of DO PASS, which carried on a roll call vote 12 - 6.

HB 491-FEDA moved DO PASS, which carried with Bardanouve voting NO.

HB 513-BENNETT moved DO PASS, which carried with Smith, Kropp and Brand voting NO.

HB 695-O'CONNELL moved DO PASS - roll call vote carried 14 - 5.

Adjourned: 10:05 a.m.


Joe Brand, Chairman


Nita Sierke, Secretary