

STATE ADMINISTRATION COMMITTEE
House of Representatives

February 16, 1979

Chairman Brand called the hearing to order at 8:00 a.m., Rep.'s O'Connell and Azzara were excused.

HB 574-Sponsored by Rep. Day -- This is a simple little bill -- all it does is raise the initial fee that dealers pay for the first two dealer plates.

LARRY MACERIS-Administrator, Motor Vehicle Division -- A bill was passed last session requiring us to license and inspect dealers once a year. For \$45 they receive two plates and then the next ones are \$5, and from then on they are \$2. There are some costs later on if we determine that the man doesn't qualify for dealer plates and we have to have a hearing which costs.

JERRY RONIG-Automobile Dealers Association -- We worked very closely with the division and our people are comfortable with this increase and we think it is needed.

NO OPPONENTS

DAY-Things are pretty well covered. The dealers are getting a pretty fair shake on this and they go along with it.

KROPP-How many cars does a used dealer have to sell to qualify for used dealer plates? DAY-Five.

HB 179-Sponsored by Rep. Lund -- This repeals the performance budgetting system since none of you read it I would like to repeal this. This was passed in 1975 as the priority budgetting system -- we have found that it just isn't worth that much. There's a man here that seems to like this kind of report.

JOHN FITZPATRICK-Deputy Director-Budget & Program Planning -- He showed the Governor's budget and the priority section of it (see Attachments #1 & 2). The format used is required by statute and this is what we are trying to get rid of. Originally, the priority system was enacted as a pilot program -- zero based budgetting and program planning -- priority was an amalgamation and was intended to get us away from line item budgetting. In other states, zero based budgetting hasn't performed very well. It creates a paper blizzard -- each program fills out 7 different forms for their budget and then these forms are put together and soon you have 56 forms which then multiply even more. Priority budgetting is not compatible with the remainder of the state budget. The thing that really hurts it is that it isn't used by the Legislature or its staff. We only found one instance where priority budgetting was used by an appropriations subcommittee in '77 -- so why have it. We want to go back to one standard budget format. In repealing these sections we are only trying to get rid of all of the zero based concepts. We will still have performance planning.

NO OPPONENTS

LUND-Then I'll just stand by for questions. It will mean far less paper and as a member of the appropriations subcommittee I can tell you that we don't use this system -- we still use line item.

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MAGONE--Would this mean a change in the employee force? FITZPATRICK--No. The reduction will come in the agencies. They don't add staff to do their budget -- they just juggle vacations and things.

HB 593--Sponsored by Rep. Johnston -- People who know about this are here, so I'll turn it over to them.

ART KORN--State Volunteer Firemens' Association -- This was drafted for the volunteer firefighters -- we feel justified in asking for passage of this so that we can have a better idea and better research on fire related deaths. Very few autopsies are performed at this point. I talked with Leo Jacobson, the Coroner in Butte-Silverbow, and he has performed three of the last four autopsies and he feels that this provides good information for the fire department.

HENRY LOHR--State Volunteer Firemens' Association -- This would make it much easier for us, and I urge your support.

ROBERT ELLIS--West Helena Valley Volunteer Fire Department -- We support this.

DAVE FISHER--State Volunteer Firemens' Association -- We will have another bill coming out of the AG's office that won't make it mandatory; but when things aren't mandatory, they never seem to get done. I urge DO PASS.

NO OPPONENTS

JOHNSTON--I think it is a good bill. If one death in 50 can show what happened it will help. For the little cost, it won't be hard on any one county. The Fire Marshall informs me that in '77 there were 30 deaths from fire, with 3 autopsies performed, in '78 there were 23 deaths and 4 autopsies performed.

KROPP--If this is passed, does the Coroner have to deliver a copy to the fire department? KORN--With this, the Coroner takes the body to a pathologist and he makes the decision and the autopsy. FISHER--What the bill is asking is to eliminate that doubt. This gives the Coroner a little more legal weight. KORN--Our state attorney drafted this. MCBRIDE--I would propose an amendment on page 1, line 13, following: "structure", strike: "or, in", insert: ". In".

HB 570--Sponsored by Rep. Menahan -- This requires that auto dealers be licensed, raises the fee, earmarks it for use in administering the program.

DICK DISNEY--Department of Business Regulation, Consumer Protection Division -- In the last two years we have been operating this program with no money, and as a result of our operations we were sued by an auto manufacturer. We are increasing the fee and including automobile dealers.

JERRY RONIG--Montana Auto Dealers Association -- We have worked with them on this to give the new car dealers association some support. The bill has already saved a couple of dealers from having their licenses jerked. I agreed that \$20 was a fair fee, but I didn't know that the other bill was coming; so I would like to see the fee cut back to \$15 so that we aren't doubling our license fee.

NO OPPONENTS, NO QUESTIONS, NO NOTHING.

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HB 571-Sponsored by Rep. Menahan -- This does a little rearranging of the physical therapy licensing, etc. There are many proponents, so I will turn it over to them.

JEROME CONNOLLY-President, Montana Physical Therapists' Association -- We have two changes to make -- see Attachment #3 for amendments. They were intended to be made through the Legislative Council, but it didn't work. We feel these place the bill in a stronger legal position. Mr. Connolly presented written testimony, see Attachment #4.

VINCE HUNTINGTON-Physical Therapist, Billings -- I practice in Billings, and support this bill. New applicants have had great problems with the registration procedures in Montana. The Board of Medical Examiners haven't really understood our problems. Statistics from our national association show that 48 states have physical therapists on their boards and we don't have any.

JOE LUCKMAN-Physical Therapist, Great Falls -- We have had problems with the school systems. The new laws relative to deinstitutionalism of handicapped people -- the law states that all city and county schools will have physical therapist practitioners, but we have no guidelines for this nor do we have deucation for consultation of this sort. This gets to be a real problem in the rural areas, and right now we feel at times that we are operating outside the law.

SISTER JAN DELANEY-Physical Therapist, Billings -- I feel this bill would upgrade the practice. I took the exam in '76 and there were five of us. The exam was not proctored or monitored. I feel this bill would help.

DIANE ALLEN-Physical Therapist, Billings -- She submitted written testimony, see Attachment #5.

BARBARA REED-Physical Therapist, Butte -- She also submitted written testimony, see Attachment #6.

BILL LARRY-Montana Hospital Association -- We feel this is a good bill and urge your support.

JERRY LINDORF-Montana Medical Association -- We urge your support.

RAYMOND BRAZIER-Physical Therapist, Conrad -- Supportive personnel are not addressed in the current law at all. SRS came out with an interpretation in '77 saying that we couldn't use supportive personnel. The Board of Medical Examiners gave us some OK for this. This bill gives us legal authority to use supportive personnel.

NO OPPONENTS

BRAND-We have to have a letter of intent for this. PISTORIA-I have received letters from people opposed to this, can you address this? CONNOLLY-Our amendments address the problems that some people had about selection of the board so that non-chapter members would be represented. BOB ANTONICK-I was part of the opposition, and I think we have resolved our differences and we no longer have any opposition and would like to see it passed with the amendments. We have a budget that was drawn up by the Department of Professional and Occupational Licensing -- the actual cost projected for each license is a \$20 renewal fee annually. We didn't feel that we

(ANTONICK continued)-needed an increase above \$20 and would require no appropriation. McBRIDE-One of the powers of the Board is to take "any other disciplinary action", what does this refer to? CONNOLLY-One of the reasons for that is that it keeps the cost of a board down because some times these things can be handled by a letter of discipline rather than a court action and therefore avoid costs. The only problem we have had with third party payers was with SRS. BARDANOUE-You have an effective date -- was your budget for the biennium? CONNOLLY-It is an annual budget. The bill has two effective dates - effective upon passage, but from a financial standpoint it is retroactive to January 1, 1979 to ahndle the fees that have come up. We don't request an appropriation. BARDANOUE-The licenses don't give you the right to spend the money. You have a budgetary problem. You won't be able to operate until July 1 unless you ask for a supplemental appropriation. You could strike Section 21.

HB 656-Sponsored by Rep. Quilici -- The current law causes those with 25 years of service to choose retirement. This bill would have the effect of causing those who have this kind of service to continue to work. When they get 25 years, they have no incentive to continue because their percentage drops from 2% to 1%. I think there should be some incentive to keep them on -- these guys are experienced and it saves money that would have to be used to train new people. I urge DO PASS.

COL. JOE SOL-Montana Highway Patrol -- This was designed to solve a problem and it was our intent to have no financial impact on the system. Because of the complexity of law enforcement it takes more and more training. With this, their retirement time is reduced and therefore have an actual savings. The administrator differs with me on this. We assume these people will leave at 25 years but they assume the people will stay. 16 out of 25 retirees in the last five years have left before 25 years. The officer who will go over 25 years is the one who starts early. We have 28 officers eligible for retirement -- 4 of which are very highly skilled people and we would regret loosing them due to this thing.

LARRY NACHTSHEIM-Administrator, PERS -- See Attachment #7 for the majority of his testimony. Our actuary assumes that some 25% would stay past 25 years of service. About 40% of the people on our roles had 25 years of service. We would recommend an amendment to provide funding. 1.52% of salary would be needed.

TOM SCHNEIDER-MPEA -- We support this because I think it is important to retain people with experience. I think experience is the real key in law enforcement because they are just beginning to become well rounded officers. These guys don't have Social Security. If they voted in SS, it would cost the state lots of money and if you compare that to this bill you are saving lots of money for the state. The gobs they go to are either covered by PERS or SS or Sheriffs' Retirement. I think it would be very wise to raise this and give them an incentive. The end savings would probably be greater than the original cost.

NO OPPONENTS

NACHTSHEIM-You can provide for the funding in two ways. The partrolmen can pay it as well as the state. Part of the cost is being passed to the retirement system by the patrol. McBRIDE-Is it possible that you may not need the additional funding? NACHTSHEIM-Oh yes, these are assumptions projected over 40 years. We have a great number of men who have stayed on past 25 years. We figure about 10%

(NACHTSHEIM continued)-more of them will stay. At 2%, the cost would be the 65% of salary. SCHNEIDER-At least go to 2% so that these people aren't subsidizing the system. The actuary is a very conservative person and he needs to be. He can't put it in and then two years later find that it costs money. I think the figure will be somewhere in the middle. The key question to this bill is that if you really feel it is important to retain people then pass this. People are starting to move out with 20 years of service because they are looking at the overall picture. QULICI-I think the experience outweighs the cost.

EXECUTIVE SESSION

BRAND-Ellis, Sivertsen and Gerke have come to a compromise.

SIVERTSEN-Rep. Ellis is going to make me a cosponsor, I have been working on this since '75. I have some very strong feelings about this and in HB 606 we are all in agreement. We have come up with some amendments (see Attachment #8). We have a problem in the present board and would like to get this signed and the new members appointed before the end of this session. My bill called for 4 members from the porfession but we have now agreed to go to 3 members. We have talked this over, and the third amendment concurs with this. We need people with experience and 5 years experience shouldn't be much to ask for. So, maybe you will charge the third amendment back again. Ellis agrees with 5, but we haven't talked to Gerke. This is a compromise and we hope it meets with your approval.

FEDA moves all amendments shown on Attachment #8.

MCBRIDE moved to segment the amendments, motion carried.

#1 - FEDA moved, motion carried.

#2 - JOHNSTON moved, motion carried with Magone, McBride, Baeth, Bardanouve, and Brand voting NO.

#3 - BENNETT moved "4" instead of "3". JOHNSTON made a substitute motion to reject the amendment totally, which carried.

#4 - KROPP moved acceptance, which carried with Magone, Baeth, Bardanouve and Brand voting NO.

#5 - SALES moved acceptance, which carried.

HB 606-JOHNSTON moved AS AMENDED DO PASS, with Sivertsen being shown as additional cosponsor, motion carried unanimously.

HB 286-MAGONE moved to TABLE, which carried. SIVERTSEN-Don't send this down until tomorrow. BARDANOUE-You have a budgetary problem and may have no money to operate.

HB 179-FEDA moved DO PASS, which carried with Bardanouve abstaining.

HB 570-FEDA moved DO PASS, which carried with Smith voting NO.

HB 571-BAETH moved to hold until a letter of intent could be drafted, motion carried.

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HB 574-KROPP moved DO NOT PASS.

McBRIDE made a substitute motion of DO PASS, which carried with Staigmiller, Kropp, and Smith voting NO.

HB 593-JOHNSTON-Dr. Bennett thinks the language is correct as is.

KROPP moved DO PASS, which carried with Smith, Sales, Magone, and Brand voting NO.

HB 656-JOHNSTON moved DO PASS.

FEDA-I don't think we should pass this without having a way to fund it.

KANDUCH-I would like to amend page 2, line 1 by changing 3% to 2%.

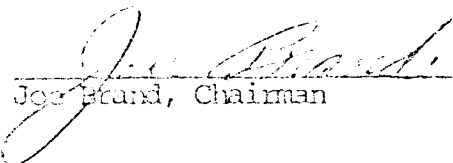
BAETH-What if we change page 1, line 22 - change 1% to 2% and strike the new section, strike the semicolon and insert a period.

KANDUCH's amendment carried unanimously.

JOHNSTON moved AS AMENDED DO PASS on HB 656, then withdrew his motion and moved to reconsider the action on the amendments, which carried.

FEDA moved to withdraw the amendments, and MAGONE moved to hold the bill until the amendments could be organized, which carried.

Adjourned: 11:15 a.m.


Joe Brand, Chairman


Nita Sierke, Secretary