

February 17, 1979

Chairman Brand called the hearing to order at 9:05 a.m., Rep.'s Porter and Hayne were excused, otherwise everybody was there.

HB 664-Sponsored by Rep. Scully -- This was introduced at the request of the Highway Patrol. I think there are a few people in law enforcement who are required to do so much in their daily job and yet aren't paid well for it. This increases their benefits.

MAJOR DUANE TOOLEY-Montana Highway Patrol -- This bill provides a cost of living increase based upon the salary of a newly confirmed patrolman. Those who retired prior to '77 would never receive less than a new patrolman. This is the same bill that came through for the municipal police officers. This only deals with those already retired.

LARRY NACHTSHEIM-PERS Administrator -- The cost for this would be \$222,247 in FY '81, based on the base salary of a new patrolman as of July, 1979. Assuming a 6% growth the cost would be \$235,581 for FY '81. The actuary advised that the cost will average \$310,000 a year over the next 15 years as the patrolmen die off.

TOM SCHNEIDER-MPEA Executive Director -- I feel sort of strange--this is the 30th time I have been before you in 35 days. This bill doesn't cover anyone except those who retired prior to July, 1977. They went without Social Security and are the only employees in our retirement systems who don't, so they aren't getting a cost of living increase anywhere else. The funding is provided in the bill so it wouldn't put a strain on the fund.

JO DRISCOLL-Insurance Commissioner -- We take issue on the funding. We collect premium taxes but they go directly into the General Fund, so this money must come out of there. We did add one FTE for these allocations.

AL RYERSON-Retired Patrolman -- This is a problem with retired patrolmen because they have a frozen system. We urge DO PASS.

HOWARD ELLIS-Representative, Helena -- You should be aware that I have a bill in to meld the Game Wardens and the Fish and Game funds together -- it proposes a two year management study to revamp the systems and I think this sort of thing is part of the problem.

NO OPPONENTS

JOHNSTON-The fees from the licensing -- don't they go into the General Fund?

TOOLEY-Yes, some goes into earmarked revenue but most go to the General Fund.

MAGONE-They mentioned prior to July 1, 1977 -- did the patrolmen after this have a different formula? TOOLEY-No, this just gives a cut off date. BENNETT-Are there any real acute problems right now? RYERSON-The patrol has had a pretty healthy system all along and I would hate to see our system handicapped because of the condition of other systems. McBRIDE-A lot of systems have come in for increases, and they seem to turn into unfunded liabilities. NACHTSHEIM-When the patrol started in '45, they created a system then and were given 15% of the drivers

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(NACHTSHEIM continued)-license fee, plus their contributions; and by '72 the license fees no longer covered the amount equal to the employee contributions. KANDUCH-Would this put the patrolmen in the same shape as the Wardens and Fish & Game? ELLIS-They already are. NACHTSHEIM-In actuality, it doesn't have an effect on the system. The money is already coming from someplace else. BRAND-We had a bill the other day to try to keep the patrolmen in the system, and now we are increasing the pension, so if we are trying to keep them in and also increasing their benefits - how are we going to keep them in? TOOLEY-The bill yesterday affects people in the patrol now, and this bill only affects people already retired. DRISCOLL-The police have earmarked funds that are statutory and we aren't legally allowed to do that for this, and it does involve an awful lot of time. We can do this without an appropriation. BRAND-Is there a particular portion of the insurance premium that you would want? TOOLEY-There is no provision in the law that we would get a specific tax. It doesn't raise the premiums. BRAND-But someone is going to have to pay or lose, so we will either have to increase the premiums or the money has to come from somewhere else.

HB 596-Sponsored by Rep. Metcalf -- This was requested by the county Clerk & Recorders, and deals with comparing signatures on petitions. The law reads now that your signature has to be the same as on your voter registration card and we don't always sign our name in the same way. So I urge your support.

JOHN BELL-County Clerk & Recorders -- This is a housekeeping measure because different clerks have interpreted this differently. The '77 session allowed the work "substantially" which only confused it further. Different judges have interpreted it differently. I think the bill you have before you is a very good bill with reasonable language. I think this will help.

NO OPPOSITIONS

HB 403-Sponsored by Rep. Ellis -- This is a paper-saving bill and maybe pertains to the same thing we were speaking about earlier. At the moment, their benefit plan is paid from drivers license fees. This just says that their employer benefits will be taken directly out of the General Fund rather than going through this other.

JOHN NORTHEY-Legislative Auditor's Office -- He presented amendments -- see Attachment #1. We recommended that the Treasurer stop this practice and they have, however, the law technically requires this other transfer. It doesn't put a drain on the General Fund.

NO OPPOSITIONS, NO QUESTIONS, NO NOTHING

HB 683-Sponsored by Rep. Hemstad -- This is a red tape elimination bill.

ROY PHELPS-Deputy State Auditor -- The counties are updating their systems and are already reporting this information to DCA, so I see this present situation as a costly duplication of effort.

NO OPPOSITIONS

HB 808-Sponsored by Rep. Baeth -- He read a letter from a constituent in Libby relative to why he introduced the bill. Right now we have money in Libby that can't be used for the retirement fund because there's no statute.

LARRY NACHTSHEIM-PERS Administrator -- When the act was drawn up we put first and second class cities in one system and assumed that other cities had their own system. Libby had their people in PERS. This gives the cities permission to do a number of things -- they can move them to the municipal system and pay the benefits or they can leave them in PERS -- but the decision is left up to them -- it is permissive and will resolve the administrative problem of moving money from PERS to municipal police systems.

DAN MIZNER-League of Cities & Towns -- This also takes care of Whitefish. Many third class cities get money from the State Auditor's office and that money is earmarked for distribution to cities. The present law says they may use that money for retirement systems or training programs. Many of those third class cities are using that money. Larry and I disagree about the permissive nature of getting out of Social Security. We are concerned that you say that an election should be held prior to transfer so that they don't go to another law and do the wrong thing. All third class cities aren't going to read all of the laws. The state is currently suing one of my cities for pulling out of Social Security and expecting the state to pay for it. Cities have the option of remaining a town or becoming a third class city.

NACHTSHEIM-The case in Baker would not be involved in this. We just went through a big order of business to keep the retirement laws all in one section, but I think the SS laws should be changed rather than the retirement laws.

HB 741-Sponsored by Rep. Brand -- This is a complete surprise to me this session, because the patrolmen have always been opposed to this. It lets the patrolmen be taken off the driver license testing and put on the highway because it was a waste of time and money to put a trained patrolman in an office. They are short of patrolmen and need them on the highway. Many children have always felt nervous going to a highway patrolman for their drivers test and with this they could go for their test to the teacher who taught drivers ed. With all the training these patrolmen have they ought to be on the highway.

MAJOR DUANE TOOLEY-Highway Patrol -- We aren't that mean. The bill doesn't mandate this change -- it simply strikes the language requiring that the examiner be a patrolman. If the budget committee sees fit to accept our modification, we would, over a two year period, go to all civilian examiners.

NO OPPONENTS

BRAND-I didn't mean to insinuate that we should be afraid of highway patrolmen -- but some people are. TOOLEY-This bill doesn't change the funding in any way. There are currently 26 patrolmen doing examinations, so this bill would hopefully put that many men on the road. The money to pay the people to examine would come from the General Fund but it would be cheaper than paying 26 patrolmen. We approached the budget committee to ask for 19 new patrolmen, and with this bill in mind we wouldn't need that many.

EXECUTIVE SESSION

HB 403-KANDUCH moved the amendments presented (Attachment #1), motion carried. KANDUCH then moved the bill AS AMENDED DO PASS, which carried unanimously.

HB 596-O'CONNELL moved DO PASS, which carried unanimously.

HB 664-SALES moved DO NOT PASS.

O'CONNELL made a substitute motion of DO PASS.....this would go into Appropriations and that's their function.

DONALDSON-What if, on page 2, line 18 we struck "state auditor" and the code number and inserted ". Difference shall be paid out of the General Fund". This is where it will come from anyway.

DONALDSON's amendment carried.

O'CONNELL moved AS AMENDED DO PASS straight to Appropriations, which failed on a roll call vote 8 - 8.

Ms. O'CONNELL then reverted to her original motion of DO NOT PASS, which carried 9 - 7.

EXECUTIVE CLOSED

HB 600-Sponsored by Rep. Bardonoue -- This is a situation that has come up that is rather serious in the small counties. Small towns have no medical services of any sort but they do have ambulances. The Montana Medical Service has done alot of these cities in emergencies and many of these people live miles out in the country. They take training in medical care -- they are bankers, teachers, merchants -- and they give their time and pay money for this training. They really do a fine job. They are worried that they are libel on these emergency calls and could be sued for their actions sometime. They get \$5.00 for each run and sometimes they go way more than 100 miles and it may take 1/2 a day. Under the present Samaritan Law, a person who get no compensation isn't libel -- but because these people get \$5.00 they are. With this bill, if what they receive is less than 25% of their income they are not libel.

PAUL KROPP-Representative from Malta -- I support this -- I serve on the ambulance board and this is a good bill and I support it.

JOE MAGONE-Representative from Superior -- I'm also on the ambulance board in my area, and I support this bill.

JOHN STAIGMILLER-Representative from Cascade -- I work with this program too, our County Nurse gave us all CPR training, and I want to add my support.

JOE MARBLE-President, Emergency Medical Services Association -- He explained what the association is made up of. This \$5.00 token payment makes them libel for suit. Raising it to 25% is fine because some of these people go out alot.

BRAND-What does the county do on these? MARBLE-It varies from state to state. Ours is strickly a voluntary thing and each county is different.

EXECUTIVE SESSION RE-OPENED

HB 600-O'CONNELL moved DO PASS, which carried unanimously.

HB 683-O'CONNELL moved DO PASS, which carried unanimously.

HB 741-O'CONNELL moved DO PASS, which carried unanimously.

HB 808-BRAND-Why don't we hold this until Monday to get the amendments straight?
KROPP so moved and the motion carried.

HB 481-KANDUCH-We were informed that as far as the Gas & Oil Board, they can apply for and receive an increase in pay whenever they have an increase in responsibility. JOHNSTON-This is their own money that they get from private industry. These men could get much more money in the private sector. ZEZOTARSKI-We look at several alternatives for 481, they are trying to revise the Pay Plan so that people in the upper levels don't get hurt. They don't want to get the Pay Plan any more out of line than it is now. We have a rough draft of a committee bill dealing with this. KANDUCH-We have it here -- (see Attachment #2) -- We have to hear it today because of the Rules being suspended.

Zeotarski handed out copies of the draft.

ZEZOTARSKI-The bill tries to limit the number of exemptions that elected officials can have by amending 2-18-103 (1) and striking "and their chief deputies and executive secretaries". So, with these two amendments you are getting rid of 110 exemptions. With the remainder of the bill it allows you to keep all but 13 positions. The language "approved by the department with criteria developed by the department" (see Attachments #3 and 4) affects only professional positions.

KANDUCH moved that this be presented as a Committee Bill, and the motion carried unanimously.

Adjourned: 11:15 a.m.



Joe Brand, Chairman



Nita Sierke, Secretary