

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 14, 1979

The twentyfourth meeting of the State Administration Committee was called to order by Chairman Pete Story on the above date in Room 442 of the State Capitol at 10:00 A. M.

ROLL CALL: All members of the Committee were present.

CONSIDERATION OF SENATE BILL No. 360: The Chairman called on Senator Frank Hazelbaker, Dillon, sponsor of the Bill, to present his testimony.

Sen. Hazelbaker stated this was sponsored at the request of the Highway Patrol and pertains to providing for surviving spouse benefits. He introduced Major Duane Tooley of the Montana Highway Patrol to further explain the Bill.

Major Tooley admitted the Bill would have a financial impact on the retirement fund, and about half of the men were in favor of it; it would tend to reduce their take-home pay. This would set up a system similar to the Metropolitan Police Act. Presently, retiring patrolmen have an option and they can choose to take reduced benefits in order to protect their family. We feel we should have the same amount of benefit upon retirement, not be penalized for providing benefits for the family of a deceased patrolman.

Tom Snyder, Executive Director of PERS, supported the Bill with comments pertaining to the number of patrolmen (170, approximately) this would affect and that the Highway Patrol is the only state employees which are not covered by Social Security. Therefore, in the case of a deceased retired patrolman, the widow would not have any Social Security benefits available to her and the family. If there was not another plan set up to take care of his family, it could possible end up that a patrolman's family would have no income. It should, however, be adequately funded to raise the amount needed to fund the benefit.

Larry Nachtsheim, PERS Division, submitted his testimony in writing, copy of which is attached to these original Minutes, along with a comparison sheet showing how this would compare with the different retirement systems. He advised that the Bill calls for funding at 4%, but their actuary advises it should be 4.37% in order to meet the benefit requirements. He also advised that a flaw in the Bill left no limitation as to who would be eligible for benefits and suggested an amendment to exclude those who had not put in 20 years service.

Sen. Story questioned if the additional .37% was based on the Bill as it was presently written, and Mr. Nachtsheim responded that it was. Mr. Nachtsheim continued his explanation of the various material submitted to the Committee and how the Bill would affect

the retirement system.

There being no further testimony, either pro or con, the Chairman called for a closing statement.

Sen. Hazelbaker felt Maj. Tooley would be better qualified to answer some of Mr. Nachtsheim's remarks, but no one could dispute that everytime a patrolman went on duty and put his life on the line, his wife worries and he felt that they were deserving of this benefit.

Responding to a question from Sen. Roskie, Mr. Nachtsheim explained what happens to a retirement system when a patrolman retires before 20 years service as compared to those who work longer before retirement, and further explained why their actuary advised 8.87% was necessary rather than the 8.5% stated in the Bill.

In answer to Sen. Ryan's inquiry, Mr. Nachtsheim explained the options patrolmen may choose upon retirement and what impact on the system the Bill would have; presently, if a patrolman chooses to have his wife covered, his benefits are lowered. Also, there is provision only for minor children, not any type of disability coverage for children over 18 who may be incapacitated. After 20 years service, a patrolman may retire at 40% of his salary.

Mr. Nachtsheim clarified for Sen. Roskie that usual age for hiring was 22-25 and about 50 for retirement and that the term "surviving spouse" meant that the person could not remarry.

There being no further questions, the hearing was closed on Senate Bill no. 360.

CONSIDERATION OF SENATE BILL No. 370: The Chairman called on Sen. Mark Etchart, District 2, sponsor of the Bill, to present his testimony.

Sen. Etchart advised this Bill was designed to correct the inequity in using private aircraft vs. state-owned automobile or private car travel for state business. He stated the air travel rate was not set high enough to reflect the increased cost of air travel nor was it on a sliding scale to adjust for fluctuation in cost. It is now a constant figure of 17¢ per mile for auto and 20¢ per air mile. This Bill would increase the air rate to 34¢. Sen. Etchart gave some examples of the savings in employee time and per diem using private aircraft as compared to auto travel, particularly since Montana is such a large area.

Ray Beck, state employee who spends a great deal of time traveling in the eastern part of the state, described the usual time in auto travel and meal and motel expense in a trip to Glasgow as compared to air travel which would save the state about \$140.00 per trip. As he spends 80% of his time in traveling, air travel would permit

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better use of his time. Listing other reasons why air travel is more desirable than auto travel in certain circumstances, he stated he had to sell his airplane as he couldn't operate or break even at the present 20¢ the state allows.

Mike Ferguson, Director of the State Aeronautics Division, supporting the Bill, testified that the 7-member aeronautics board members travel to Helena every other month for meetings. The state pays for these trips and most would fly in as they are all pilots if they could just break even expense-wise, but most drive in order to come out ahead on expenses. The Div. doesn't have a policy which states they must fly and most people can't afford to subsidize the state. Mr. Ferguson stated he lost about 10¢ per mile by using his own plane on state business trips, but his plane used less fuel than the state-owned planes. As regulations state these must be direct miles, not road miles, for figuring air travel, they do not get a break there.

Dick Juntunen, supporting the Bill, testified as a state employee, he has worked out a considerable number of cost-benefit analyses on air travel and has found there is a significant savings in man-hours, meals and motels from air travel. Even though the cost of operating airplanes has increased from \$32 last year to about \$42 per hour to rent a standard plane, my documentation of the cost-efficiency has showed air travel, particularly for more than one person on the same trip, to be less expensive to the state.

There being no further proponents and no opponents appearing, closing statement was called for.

Sen. Etchart felt a good case had been made for air travel by state employees by showing of time and money savings to the state, particularly in view of the large area to travel.

Upon opening the hearing for questions, Sen. Jergeson questioned the accuracy of the Fiscal Note, to which Sen. Etchart replied that costs would differ from agency to agency, depending also on the number of people per trip and the value of their time.

Responding to a question of Sen. Roskie's, Mr. Juntunen replied his agency required the cost-efficiency records to assure the least expensive mode of travel was used, but was not aware of what other agencies might be doing. Mr. Beck added that his department organizes trips so that they can cover as many towns in the eastern part of the state as possible; in his experience in working with the grazing and conservation districts, they haven't had many problems getting into town from the airports and that travel vouchers would show it saved time and money.

Sen. Ryan questioned the possibility of pleasure trips if additional mileage were allowed and the insurance liability aspect. Sen. Etchart felt there wouldn't be abuse as the best means of transportation to accomplish the trip's purpose is utilized, and stated that all aircraft owners must carry their own liability insurance - the state would not carry liability insurance on passengers.

Mr. Ferguson also explained that the state aircraft were insured the same way a private plane is covered, and assured Sen. Roskie that all state agencies were handled the same in this respect.

There being no further questions, the hearing was closed on Senate Bill No. 370.

Chairman Story reminded the Committee that Thursday's meeting was set aside to consider the Governor's appointments, with the balance of any time remaining used to act on bills heard previously. He further explained the procedure for the hearing scheduled for Friday at which all the bills dealing with the various boards would be considered.

CONSIDERATION OF SENATE BILL No. 403: With Sen. Roskie assuming the Chair, Senator Story, sponsor of the Bill, presented his testimony.

Sen. Story stated that if this Committee decided to reestablish the boards under the Dept. of Professional Licensing and maintain the status quo, this would be an option to consider regarding the real estate board. As there is some dispute with the way the presently-existing Board of Real Estate conducts its business, this would put them on notice that they would be subject to Senate approval of any appointees. At present, it is the only major board which the governor appoints that is not subject to Senate confirmation.

Acting Chairman called for any proponents.

Cliff Christian, representing the Montana Assoc. of Realtors, testified they endorse the Bill not only because of the past history of the board, but because it would be a good check and balance system.

Sen. Jergeson stated he could be counted as a proponent also as on all the board bills, they feel this should be done.

There being no further proponents nor any opponents, closing statement was called for.

Sen. Story suggested if the other bills are not killed and this Bill is considered favorably, it should have an effective date.

Mr. Christian added that a bill will be introduced in the House to reestablish the Board of Realtors.

Sen. Hafferman questioned if the Board were not responsible to the public. Sen. Story replied that there has been many problems with this particular board and that the Legislative Code Committee has reminded them they were exceeding their authority, but they paid no attention; this should make them more responsible.

In answer to Sen. Ryan, Mr. Christian described a problem dealing with franchises which the Administrative Code Committee said was a legislative function, but the board tried to handle it anyway.

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Discussion was held as to this being a quasi-judicial board which the Senate should confirm as compared to the Arts Council which has no great amount of power or impact.

There being no further questions, the hearing on Senate Bill No. 403 was closed.

DISPOSITION OF SENATE BILL No. 156: Chairman Story resuming the gavel, explained this Bill had been previously considered and a letter of intent requested. Copies of the statement of intent were supplied to each committee member, upon which Sen. Jergeson moved it be adopted. Motion passed without opposition.

DISPOSITION OF SENATE BILL No. 326: Sen. Hafferman moved that Senate Bill No. 326 DO PASS.

Senators Rasmussen and Jergeson questioned if this project to build a legislative wing would be in competition with colleges for buildings as far as financing was concerned; Sen. Story indicated that it was his understanding it was all long-range building money.

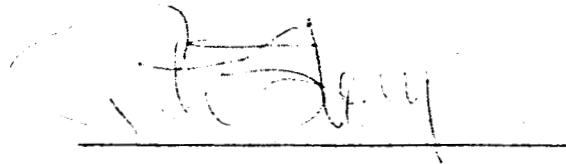
Discussion was held as to the greater need for school facilities or adequate space for the legislature, with the Chairman cautioning that if the Bill were not passed out, it couldn't be put into the long-range building committee for study.

Sen. Hafferman added that they got just as much flack back in the 1960's about refurbishing the legislature, but it was done anyway and very much needed.

Upon roll call vote, the motion carried by majority, with Senators Rasmussen, Ryan and Jergeson noting "no".

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:20 A. M.



Pete Story, Chairman

NAME: D. B. Today DATE: 2-14-79

ADDRESS: Helena

PHONE: 449-3000

REPRESENTING WHOM? MHP

APPEARING ON WHICH PROPOSAL: SB 360

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Dick Juntunen DATE: 2/14/79

ADDRESS: Box 55 Jefferson City

PHONE: 933 5938

REPRESENTING WHOM? myself

APPEARING ON WHICH PROPOSAL: SB 370

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: Travel by plane is significantly cheaper, when all cost are considered, than automobile travel

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

ROLL CALL VOTE RECORD

SENATE COMMITTEE STATE ADMINISTRATION

Date Feb. 8, 1979 SENATE Bill No. 156 Time _____

(1) amend page 1 on amended (2) amend page 2, lines 20, 21

NAME *(3) DO PASS on AMEND.*
(4) Statement of Intent to accompany YES NO

NAME	YES	NO
Senator Pete Story, Chairman	✓	
Senator George F. Roskie, V. Chairman	✓	
Senator Bob Brown	✓	
Senator A. T. (Tom) Rasmussen	✓	
Senator Patrick L. Ryan	✓	
Senator Greg Jergeson	✓	
Senator William F. Hafferman	✓	

Jennie L. Palmer Secretary Pete Story Chairman

Motion: Senator Greg Jergeson moved that Senate Bill No. 156 be amended on Page 1, line 16, and page 2, line 15 (per attached amendment); motion passed unanimously.

Senator George Roskie moved that a statement of intent accompany this Bill to clarify no penalty would be assessed if good intention to comply was shown or after notification of delinquency, which also passed without opposition: Sen. Jergeson moved that page 2, lines 20 & 21 be amended to reinstate the stricken language; this also (include enough information on motion--put with yellow copy of committee report.) carried unanimously.

Sen. Jergeson then moved that Senate Bill 156 DO PASS AS AMENDED which passed without opposition.

STATEMENT OF INTENT REGARDING SENATE BILL NO. 156

A statement of intent is included with this Bill because the Committee felt that there is a need to clarify the conditions under which an interest penalty may be waived. This pertains to Section 1, subsection (2) and Section 2, subsection (2), of Senate Bill No. 156.

(1) When an agency or contracting employer requests a time extension upon a showing of good faith effort or because of circumstances beyond their control, the board will grant a reasonable extension of time without penalty.

Adopted by the Committee on State Administration on the 14th day of February, 1979.



Pete Story, Chairman

STANDING COMMITTEE REPORT

February 3 1977

MR. President

We, your committee on State Administration

having had under consideration SENATE Bill No. 156

Respectfully report as follows: That SENATE Bill No. 156,

Introduced Bill, be amended as follows:

1. Page 1, line 16.

Following: "the"

Strike: "10th"

Insert: "15th"

Following: "month"

Insert: "or 5 working days after payroll warrants have been issued for the last normal pay period of the previous month, whichever is later"

2. Page 2, line 15.

Following: "the"

Strike: "10th"

Insert: "15th"

3. Page 2, line 20.

Following: "as"

DOPASS

(continued)

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Insert: "are"

4. Page 2, line 21.

Following: line 20

Insert: "required by rules of"

Following: "board"

Strike: "requires"

And, as so amended, DO PASS

SUGGESTED AMENDMENT TO SENATE BILL NO. 156

Page 1, Line 16. Strike the number "10th" and replace with "15th"

Page 1, Line 16. After the word "month" strike the punctuation
",," and add "or 5 working days after payroll warrants have been
issued for the last normal pay period of the previous month,
whichever is later,"

Page 2, Line 15. Strike the number "10th" and replace with "15th"

ROLL CALL VOTE RECORD

SENATE COMMITTEE STATE ADMINISTRATION

② *Do Pass*

Date Feb. 14 - 79 SENATE Bill No. 326 Time _____

NAME	YES	NO
Senator Pete Story, Chairman	✓	
Senator George F. Roskie, V. Chairman	✓	
Senator Bob Brown	✓	
Senator A. T. (Tom) Rasmussen		✓
Senator Patrick L. Ryan		✓
Senator Greg Jergeson		✓
Senator William F. Hafferman <i>W</i>	✓	

Jennie L. Palmer
Secretary

Pete Story
Chairman

Motion: Senator Bill Hafferman moved that Senate Bill No. 326
DO PASS; motion carried by majority vote, with Senators
Rasmussen, Ryan and Jergeson voting "no".

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

February 14 1979

MR. President

We, your committee on State Administration

having had under consideration Senate Bill No. 326

Respectfully report as follows: That Senate Bill No. 326,

Introduced Bill,

DO PASS

