

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 14, 1979

The sixteenth meeting of the Senate Finance and Claims Committee met in room 108 at 11 a.m. in the State Capitol Building on the above date.

ROLL CALL: All members present except Senators Story and Lockrem.

A Quorum being present, the meeting was called to order by Chairman, Senator Himsl at 11:04 a.m.

COSIDERATION OF HOUSE BILL 372: Senator Himsl said that we had heard Senate Bill 372 before, but there was some question as to the effects of the bill. He handed out some sheets, the top one being one that Mr. Stockton, OSPI, had prepared, and the second that Mr. Harold Kansier from the employment division had worked out for him, and he explained what he had learned about the bill. Sheets are attached as exhibits.

Senator Etchart said that in the testimony before the committee it had been mentioned that if the bill goes through it should be amended to have an effective date, January 1, 1980.

Senator Smith asked if this was not the same thing that was passed two years ago, and Senator Regan, said that was in regard to the teachers. This includes bus drivers, janitors, etc.

Senator Aklestad questioned the top sheet which said it would affect the local school district. Senator Himsl explained that Mr. Stockton had done this sheet, had had it checked, and decided there was an error in it, and that this was not the effect of the bill.

DISPOSITION OF SENATE BILL 372: Motion by Senator Etchart to amend the bill to make an effective date January 1, 1980. It was voted and passed. MOTION by Senator Fasbender that SB 372 AS AMENDED, DO BE CONCURRED IN. Voted and passed. Senator Lowe to carry the bill.

CONSIDERATION OF HOUSE BILL 771: Senator Regan said she had worked the subcommittee that had the SRS budget, and she had some real problems with the bill. 1. It is rightfully the decision of the director of SRS to administer his programs as he sees fit, and 2. Those of us who were on the interim finance tried to give priorities to the university system. That went to court, and yet we are trying another branch of government the same way. It seems to me we should set the general guide lines perhaps, and then leave it up to the administrator to do the job he's hired for.

Senator Fasbender said he sympathized with the problem, there should be some way the department could sit sown and work it out saying here are the priorities, etc. if they were set and then written into the law, would this solve it for him?

Senator Regan: This might give him the kind of power he might need to keep him out of court.

Senator Aklestad asked if we don't give him these powers now, and Senator Himsl explained that after we go home, he has to set the policy programs up.

Discussion was held on setting priorities, and if it would address the problem, and Senator Himsl asked if the legislature was really capable of doing this. He was concerned over who would set them.

Senator Regan said she would like to suggest that she have a conference with Keith Colbo, Director of SRS, and try to work out some amendment to the bill that would be satisfactory. This was agreeable to the committee, and House Bill 771 was left in committee to wait for more information.

The meeting adjourned at 11:58 a.m.



Senator Himsl, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 3-14

11 AM

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HIMSL	✓		
SENATOR STORY		✓	
SENATOR AKLESTAD	✓		
SENATOR LOCKREM		✓	
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		

STANDING COMMITTEE REPORT

March 14

1979

MR. President

We, your committee on Finance and Claims

having had under consideration Senate Bill No. 372

Respectfully report as follows: That Senate Bill No. 372
third reading bill, be amended as follows:

1. Title, line 8.

Following: "MCA"

Insert: "and provide an effective date"

2. Page 5, line 18.

Following: line 17

Insert: "Section 3. Effective date. This act shall be effective
January 1, 1980."

And, as so amended, DO PASS

~~DO PASS~~

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 3-14

2

Bill No. 372 Time 11:14

NAME	YES	NO	ABSENT
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SENATOR STORY	<i>at</i>		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	<i>at</i>		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		
SENATOR HIMSL	✓		

Secretary

Chairman

Motion:

Amend 21 to 21, 1980

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 3-14

SB

Bill No. 372 Time 11:18

NAME	YES	NO	ABSENT
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SENATOR STORY	<i>ch</i>		
SENATOR AKLESTAD	<i>ch</i>	<i>ch</i>	
SENATOR LOCKREM	<i>ch</i>		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		
SENATOR HIMSL	✓		

Secretary _____

Chairman _____

Motion: 1695

To Carry

HB 190

Unemployment

0.4% of SALARIES

\$ 588,146

2.9% / \$9,800

77-78

F/T \$ 143,722,390

P/T \$ 3,314,152

TOTAL \$ 147,036,542 * 0.029 = 4,264,060

DIFF \$ 3,675,914

Preferential

3.5 million

10,771 Prof. Personal Field

4/38 " " part time

\$ 38,000,000 of Non teaching Employees

Salaries under \$9,800 @ 2.9% 1.1 million

\$ 4.6 million

sent to local tax payers
for School District

if 2029, percent will be 2.9% it will be
more than 2029 - the 2029 will be 2.31%

School Districts

	<u>Total Wages</u>	<u>Average Rate</u>	<u>Contributions</u>	<u>Benefit Charges</u>
FY '76	165,163,199.28	.4%	663,579.03	1,224.00
FY '77	183,052,508.81	.4%	732,188.95	881,958.53
FY '78	<u>206,447,764.00</u>	.15%	<u>314,144.00</u>	<u>1,125,657.63</u>
Totals	554,663,472.09	.36%	1,709,911.98	2,008,840.16

Less \$300,000.00

	<u>Total Wages</u>		<u>average no. Employees</u>		<u>average Wage</u>
FY '78	206,447,764.00	÷	19,140	=	10,786.19

Taxable Wages

206,447,764.00 × 61% = 125,933,136.04

reserve ratio

(125,933,136.04 × 1.9% = 2,392,729.58

(125,933,136.04 × 2.3% = 2,896,462.13 Under SB 37

present system

(206,447,764.00 × .4% = 825,791.06

(206,447,764.00 × .5% = 1,032,238.82

.6% = 1,238,686.54 - Now

~~412~~ 1.6

Average wage - \$11,000