

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

April 2, 1979

The twenty-fourth meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol Building on the above date. Following roll call, the meeting was called to order by Senator Himsl, Chairman to continue working on House Bill 483. The meeting was called to order at 8:10 a.m.

ROLL CALL: All members present.

Senator Lockrem handed out the amendments proposed for the subcommittee budget on Elected Officials, copy attached. He said the first amendments were for pay hikes.

Motion by Senator Lockrem, Second by Senator Thiessen that amendment 1. page 6, line 16 be adopted. Voted and passed. Unanimous. Amendment attached.

Motion by Senator Lockrem, second by Senator Thiessen that amendment 2. be adopted. Voted and passed. Unanimous

Senator Lockrem said this was the 4 fiscal analysts that were added in the House of Representatives, this would take care of the pay increases.

3. This would cut NCSL nad all related travel. The changes are in the Legislative Council, page 8, line 12. It would also reverse the House action on the contingency fund. It would re-instate the forestry task force back within the legislative Council rather than the forestry budget. It is a legislative function and belongs with the council; it would line item \$420,000 for CSG travel and allow for biennial expenditures. It would fund the interim studies by biennium and it would include the pay hikes.

Senator Smith: If the forestry task force is changed we would have to make adjustments in the natural resources budget. Senator Lockrem: We have that amendment prepared.

There was some discussion on the reason for changing this back. It was decided the Legislative Council could not have any special interest in the forestry task force, and therefore would be legal. The reason for stating members in the funding was so that someone from the department could not go along on the trips and be funded from this fund.

Senator Fasbender: Why the decision to pull out of NCSL rather than the Western states one? Senator Thiessen: We have to belong to the other one. It is closely related to this one.

Senator Fasbender: NCSL has been extra help to the members of the staff and to the legislators. This is an opportunity that

we do not have from any other source. I would like to see the dues left in so that we can get this help.

Senator Lockrem: The subcommittee faced a dilemma. The legislative budget has been the largest single increase. The legislative codes was a big one. The Conference of State Governor's request totaled over \$83,000. The NCSL and Western Legislators that we are hosting--it was reduced substantially. It would seem irresponsible to cut the dues and then to host it.

Senator Fasbender: We got some reimbursement of federal money through the information we got from NSCL. We got some very fast reports. We had some information on the building contracts within 15 or 20 minutes. I would like to see just the dues be put back. Segregate the travel out. Senator Lockrem: The travel was about \$20,000. This would be travel for the legislators. The total travel would approach \$40,280.

Motion by Senator Fasbender, second by Senator Regan that the dues and travel for NCSL be put back in, then the travel be deleted.

Representative Marks: Part of the budget was \$25,000 for the legislators. Senator Lockrem: We had requested \$20,000 for legislative travel.

Senator Thiessen gave a talk on the benefits of belonging to the Western States organization rather than the NCSL. He said there was closer rapport and more help from the Western States Organization.

Senator Fasbender: By cutting out the travel we will just be getting the information that is generated by them.

Senator Himsl: Years ago they were talking about uniting these organizations. We thought this made sense. They have apparently called the marriage off. I feel the concern too, that we have to belong to two organizations.

Senator Fasbender: I think we would be deleting \$10,000 a year from these figures.

Senator Lockrem: The dues are \$40,280 and to cut staff travel out--\$9,055.

Motion by Senator Fasbender to take the travel part out and leave in the dues. We would have to strike the figures and reduce them accordingly since the money is in the bill now.

Senator Lockrem: The final would be to reduce \$20,000 on page 8, line 12.

Substitute motion by Senator Thiessen, second by Senator Lockrem that we strike # 1 in it's entirety to take us out of NCSL entirely.

Senator Lockrem: That motion would take into effect all the amendments on the sheet--items 1 through 4 and include item 6--the pay hikes for the legislative council. It would be a decrease in the first year and an increase in the second year. I'll let Jan Dee explain that to you.

Jan Dee, fiscal analyst said the legislative session included pay hikes in their budget. This was over in the first year and over in the second year.

Senator Regan: What do we get out of the Council of State Governments? Senator Thiessen: We have the most able man here to answer this, and would like to refer you to Rep. Marks.

Rep. Marks: CSG is a legislative organization. Western Governments is one of the ones that make up this 13 state Western Conference. There are some study committees that meet about 4 times a biennium on particular problems in the 13 states. It includes the National Convention. They have a small staff in San Francisco that helps to develop some of these states. Agriculture, energy, social services, transportation and a couple of others are in there now. An organization meeting from all its states can develop what they all can study in these areas. Senator Thiessen is involved in the ones on energy. It is quite an advantage to people in Montana to attend them. The benefit of the Western States dealing with the subject matter is that all are small states except for California, and are more consistent in their concerns.

Senator Boylan: Isn't that the one where Representative Scully got a lot of recommendation on the water rights? Rep. Marks: He is on the board. Through NSCL he is one of the three legislators of the country that are on the Advisory Committee on Water to the President.

Senator Regan: This would cut him out? Representative Marks: I am not sure. He had to be at a meeting a couple of weeks ago. He really has a lot of impact.

Senator Regan: The interim studies are \$150,000. It would look to me that it is \$125,000.

Senator Lockrem: The interim study was given funds at \$125,000. The House took \$25,000 out for a contingency fund. There is a motion before the committee to allow \$104,000 to host the Western Conference. We weighed the cost of both.

Senator Himsl: On page 8, you have removed the classification on lines 17 and 18, and instead it is called a contingency fund of \$25,000.

Senator Lockrem: We have another motion to restore it.

Representative Marks: The reason we had this in--We anticipated the Senate might reduce NFCL. We wanted to take care of Rep. Scully so that his travel was paid. There was just no other place to draw this from, or possibly some other leadership.

Senator Himsl: Have we not in effect, added \$25,000 to the \$150,000? Senator Lockrem: No. Only the items on pay items etc.

Senator Boylan: We have not voted on pay items. Are we not ahead of ourselves?

Senator Lockrem: I think the only area the pay plan would be in the university system because of the autonomy of the board of regents. We are concerned here with what is strictly in the Legislative branch of the government. They are not covered by that anyway.

Senator Boylan: What base are you using for the pay plan increase? Senator Lockrem: \$30, 2% and 2%. The same as the Governor's.

Senator Boylan: We are accepting the pay plan increase automatically? Senator Fasbender: We have done the same thing so far as the university system is concerned.

Question called, the motion was voted, passed, unanimous.

Motion by Senator Lockrem, Second by Senator Thiessen--this would line item the CSG. Voted, passed, Senator Regan voted no.

6. Motion by Senator Lockrem, second by Senator Thiessen to amend page 8 following line 14 on the forestry task force and includes amendments a. b. & c. This would put them back under the Legislative Council and out of the DNR. Voted, passed, No votes were Senators Smith, Stimatz and Boylan.

7. Amend page 8, line 16. This would change the totals. Voted, passed, unanimous. Motion by Sen. Lockrem, Second, Sen. Thiessen.

8. Motion by Senator Lockrem, second by Senator Thiessen to remove the contingency fund and put it back in the interim studies.

Senator Fasbender: Would this now be put in the interim studies in light of Representative Marks remarks? Senator Lockrem: Even more so as a result of Representative Marks' remarks.

Voted, passed, roll call, 8 yes, 5 no.

Senator Smith: Does this give the council the authority to take the money and fund a trip for Representative Scully to testify on the water bills.

Senator Story: On funding--it is indirectly an interim study.

Senator Himsl: An additional \$25,000 would be set up for use if needed.

Senator Thiessen: There is \$125,000 for studies. \$25,000 to use as they please. If they don't use it anywhere else it can go back into the studies.

Senator Himsl: I thought this was an instruction that they could use it wherever they please.

Senator Thiessen: Yes. We don't think they need this extra flexibility.

Senator Story: Are there about 25 studies? Representative Marks: On the \$150,000--it costs around \$25,000 for a study. This is about what the averages are.

Senator Story: So that out of the 40 or 50 studies you will be funding about 5 or 6 of them? Senator Thiessen: There is a valuation put on these when they are put up for choosing.

Senator Story: This does not count the standing committees?

Senator Himsl: It seems to me that this sentence is redundant. This language says within that \$150,000 there is \$25,000 that can be spent as they want to. I don't see the point of the whole thing. It seems to me that they spend the whole thing as they want to.

Senator Fasbender: Contingency says it does not have to be used where they want to. If the language is used it would not give them the flexibility to do anything but fund studies.

Senator Himsl: If they are making a study. It can involve travel, etc. also.

Senator Fasbender: The interim studies are set up specifically by law as to what they can spend and how.

Senator Story: For instance the audit committee. The administrative code that comes out of this? Ans. No. It has to be separate.

The motion was voted and passed, unanimous.

Representative Bardanouve: On the separation of the legislative council and the budget for 1981 legislative expenses. Is there anywhere in the bill where there is a separation. It should be a line item separate from the council. It never came out how much is actually being allocated to the legislative expenses.

Senator Lockrem: This is just expenses of the council and is not for the Senate and the House.

Representative Bardanouve: It says for legislative expenses. It says certain expenses but never before included in the council budget--this is a first time.

Senator Lockrem: The only thing is the staffing and the cost of the alter system. They are included in this appropriation.

Rep. Bardaonouve: You lose track of what is in the legislative council for the session. This should be line itemed so that we can use it for a comparison on another session.

10. Senator Lockrem: This is the Consumer Counsel and the Environmental Quality Council. Motion by Senator Lockrem, second by Senator Thiessen that this amendment be adopted.

Senator Story: I am still not clear. You authorized the pay hikes? Are they part of the pay plan or what? If you authorized the pay hikes, when and where was it done?

Senator Fasbender: Those figures have to be programmed into the bill after the bill is passed. The money is appropriated by the office of Budget and Program Planning. That is not possible with these bills on the university. We have to add those figures back in. The decision has not been made by the legislature. It has been discussed, and we are basing it on what has been negotiated.

Senator Lockrem: These figures are consistent with the matrix on the pay plan.

Senator Fasbender: That is the bill the Select Committee on the Pay Plan has. We had the hearing and will take action on it tonight.

Senator Story: Those under the pay plan and those who are not?

Senator Fasbender: They are all affected by it. One actually triggers the other.

Senator Aklestad: It would open end here between here and the wage increases on EQC and CC? Senator Lockrem: We will have to get those figures and plug them in.

Voted, passed, Senator Aklestad voting no.

Judiciary: Motion by Senator Lockrem to amend page 9 line 16. Motion # 12. Second by Senator Thiessen. This would take care of the six items for the law library under item 3, and decrease out-of-state travel for the law library in the amount of \$648 in 1980 and \$948 in 1981. The House appropriation committee increased their budget by \$3,000 the first year and \$3,228 in the second year before the total committee, and this amount was out-of-state travel that was funded by the federal government last year. They have received one of the largest budget increases-- almost 24%

Senator Story: Is this cutting out all of the out-of-state library travel? Senator Thiessen. The out-of-state, yes. They don't really have any in-state travel. It is all out of state.

Senator Regan: I am confused about the travel.

Claire Engel, law librarian, This amount would not cover one trip. We would have to supplement the amount. We make two

trips per year to the American Association of Law Libraries. It is a week long seminar. This is simply not enough money.

Senator Himsl: Are you saying it costs this much for a trip?

Claire Engel: One is in St. Louis, the other is in Washington D.C. I called the airlines to get the fare, and checked the cost of meals and room. It would be \$650 for air fare to St. Louis, \$750 for Washington, D.C.

Voted, passed, Senators Regan and Stimatz voting no.

12. Motion by Senator Lockrem, Second by Senator Thiessen, be adopted. This would move money around. It would take \$20,000 off micro-filming and move it to the Supreme Court operations budget and they could use it for a study for district courts.

Rep. Bardanouve: Is the pay increase for the judges in there? It has not passed the House yet. It includes the cost of living for the pay hikes and is included in the district court.

Senator Fasbender: For the district court. Is this the same percent as in the pay plan? Which one?

Jan Dee: It is the same as the one in the Legislative Council.

Senator Himsl: The language of the pay plan is the result of the negotiated pay increases. It is a commitment that has already been made.

Voted and passed, Senator Stimatz voting no.

Motion by Senator Lockrem, Second by Senator Thiessen that the sections marked 3.b, and 3.d be adopted. They are the pay hikes for the boards and commissions and the district court.

Voted and passed. Unanimous.

13. Motion by Senator Lockrem, Second by Senator Nelson.

Senator Thiessen: This would result in capital for new industry. It would match federal funds and would come up to enough to make loans.

Mr. Lopach: It would establish new industry. Book on small industry given out. Attached separately.

One group that has been considered here is a group that is making a type of housing that they expect to use. These are made in Butte. They have worked through us.

Senator Thomas: I would echo this. It is an excellent program. There have been a number of businesses started under this. We have studies showing how these can be used to expand the economical base of Montana. They provide business counselling.

Senator Smith: Is this another study?

Senator Lockrem: This is a loan program. It is almost a court of last resort for these people to get financing. It is extremely high risk - it just doesn't seem right to jeopardize the state general fund money.

Senator Smith: Last summer they were telling us about these homes. These are the ones that were going to Iran? Senator Lockrem: Yes. It is the World Housing Program in Butte.

Mike Koehnke passed out a sheet on Economic Development (304 Loan Program) attached. He explained the loans were mostly federal funds. There were \$100,000 to match the 304 funds. If Montana does not take the money it just sits there, and they are concerned that the match will not be made federally to the states if the states do not use it. He said last year the LFA recommendations were made to use the program. This year it was not mentioned.

Senator Himsl: Is this so far out that the SBA and those related programs would turn them down? Mr. Lopach: We require two bank rejections. There are several points I would like to bring out. It must be an operating company. There must be evidence that the loan can be paid back. We often make a 2-year grace period. It is an opportunity for Montana to put primary industry in a place where Montana is depressed. This includes ones like the MLC at Great Falls.

Senator Aklestad: How long has this loan program been in existence? Mr. Koehnke: It has been in Montana for two years.

Senator Story: Small Business Administration also requires two turn downs. You are making bad risks a preclusion - you are taking the worst of the risks. Old West Region does much the same thing.

Mr. Lopach: Old West Region does not make loans at all. One of the reasons we have so few loans on the books is because we are taking such a hard look at them. It takes a huge amount of very careful management over a long period of time.

Mr. Koehnke: This does not duplicate OWR; it supplements OW but it is not a duplication.

Senator Thiessen: Many of the turn downs are understandable. Many of the banks required a great deal of collateral. Some of these are not so risky, but they just don't have the collateral. There is also the technical assistance that is provided.

Senator Smith: The work project management. How much money goes to the administration and how much money goes to the people who get the loans?

Mr. Koehnke: There is no money skimmed off the top for administration. Most of the money goes in for capital expenditure



Not for operating costs.

Senator Smith: The Office of Commerce and the Economic Development - do they work in conjunction with each other, or what?

Mr. Lopach: E.D. is a risk development.

Senator Thiessen: There are so many constraints against the opportunity of development. We are becoming aware of what the restraints are. In other areas some go together with other industries, in order to overcome this. I think it is high time we get off the ball and develop some priority laws that will not only develop industry, but let them develop.

Senator Himsl: Are there any federal funds available if we don't match? Answer: No.

Motion voted, failed, 4 yes, 9 no.

14. Motion by Senator Lockrem, Second by Senator Thiessen to adopt amendment on page 9, line 8; page 9, line 18, and line 20. This will also include cutting one position page 12, line 3.

Senator Fasbender: How many accounts do they have now? Senator Lockrem: None.

Senator Fasbender: I went through this before and I would hope they would either leave it in or strike the whole thing. I would resist the motion.

Senator Himsl: They have an audit report on this. The question is really, what do we expect them to do?

Senator Aklestad: How many people are in the office? Answer: Four. An administrator, a lawyer, and two clerical.

Senator Regan: If we did this, I think we should give him the money. We are being dishonest.

Senator Story: I checked this. If there had been a big discrepancy I would have brought it before them.

Senator Himsl: The office can't really do anything now but to compile reports. There is a problem here - do you just let them have the office, or do you let them be in a position to do anything?

Senator Lockrem: We handled two departments where it seemed to us there was over-regulation. This one and the one on workman's compensation.

Senator Smith: We are surmising that everyone running for a public office is dishonest. They check us and want to check us more.

Senator Lockrem: On the Department of Justice--We would delete the anti trust program. This would delete \$151,289 the first year and the second year would be \$156,243 in federal funds related to anti-trust in the state of Montana. The subcommittee refused either the fund match or the federal authorization for the program. The federal authorization was reinserted in the House Appropriation committee. In the state of Montana the legislature has granted in only one instance the area for the attorney general to prosecute--that was when the Attorney General was granted this power in the workmans compensation case. If we ever learned a lesson as to why not--that was it. Subsequent to this action there were very few convictions. Abuses on insurance, etc. can be handled through section 30-1412-1 which has the Attorney General act for a department or a county attorney when asked. With the history of granting the Attorney General the authority to prosecute, and since there was a complaint filed last week by the Attorney General in Missoula citing these two sections allowing him jurisdiction--I don't know whether the Department of Business Regulation asked him to do this or what.

We have United States attorneys running around that can handle the Sherman Anti-trust Act when and if the need should arise. It is very ambiguous. It took on every little gas station in Missoula on an anti-trust. The national companies are the ones that sell the gas within a few cents of each other, instead of the small ones. The relief of damages are in the specified complaint and amount to hundreds of thousands of dollars. When the Senate bill went down in the Senate, it was stated there would be political reaction. In every case the anti-trust was instigated by the federal government. This was just a "me too" attitude. Senator Lockrem read an article from the Independent Record giving his point.

Senator Himsl: This would delete the federal funding for the anti-trust? Senator Lockrem: yes.

Senator Stimatz: I am no particular friend of the present Attorney General, have no personal interest in his career, etc--but I do know something about anti-trust. I think this would be a terrible mistake and am basing this on the fact that I do know something about anti-trust. The important thing about it is that they are not picking on the little guys. In this state we have no anti-trust laws. You talk about the consumers protection laws--I know what they are--I helped to write them. I only recognized one name there in Missoula. They are not little guys. The consumer protection does not have all the power it needs--they are not enforcing the law, would not have the power, and could not enforce anti-trust laws. Only \$82,000 has been collected and returned to the general fund or the school fund. Senator Lockrem is wrong when he says they would automatically get the protection. Recently the state of Montana could not participate in one of the class actions because they were asked to contribute \$151,000. They did not have it and they lost. Had we had the money to go ahead Montana's share would have been nearly \$3 million. This is not a simple little concept. The House has put this in

and I think it should stay there for the good of the state of Montana. It is totally wrong to compare anti-trust with work-mans compensation. Anti-trust is not little guys. I would urge you to resist the motion.

Senator Smith: In regard to your statement that the Department of Business Regulation as a consumer protection division is not doing their job--How come they are getting \$123,312 in 1980, and \$124,229 for 1981? Are we getting duplication or need another agency to do the job or what?

Senator Stimatz: The anti-trust act and the consumer protection act are not the same at all.

Senator Fasbender: Why did they put the money in the consumer protection act? Is this an increase over what they are doing in the past?

Senator Smith: It was increased from \$80,000 plus. I could figure it out.

Senator Lockrem: The only place in the Unfair Practices Act --not in the Department of Business Regulations. That was one of the controversial parts of the act when it was passed. Now, as I interpret the act, the Attorney General can only act if they ask him to do so.

Senator Fasbender: That suit in Ohio--the regulation of insurance programs. The state of Ohio collected considerable amounts of money on this. Some of these decisions will have considerable effect throughout the country. Many are not in Montana. When we can go in and recover money for the state of Montana they can collect money for the state. A lot of things stop just because there are people available to take a look at the problems. We should not delete this program automatically.

Senator Smith: I would agree when someone is doing something unfair. What happens when we get so many departments that they govern everything a business does. We might be forcing these people out of business.

Senator Stimatz: I can assure Senator Smith that anti-trust will not harass any business in the state of Montana unnecessarily.

Campaign Practices part of the motion was voted separately, motion passed, 9 yes, 4 no.

Motion on the Anti-trust, re-listed to be motion # 14. Voted, and failed, 6 yes, 7 no.

Motion on # 15. (# 2 and 5 under the Department of Justice which would reduce postage from the motor vehicle registration and would add funds for transportation of prisoners was further discussed. Motion made by Senator Lockrem, second by Senator Thiessen that this section be adopted as per amendments.

There was a question on the House bill pertaining to this and whether it was dead.

Representative Bardanouve: The money that was used in the earmarked fund in the Attorney General's office is not contingent on the bill passing. That money was taken and put into the Attorney General's and is not based on whether or not the bill passes.

Senator Mathers: This was not the same (2 and 5).

Senator Lockrem: There will be an amendment in DNA in regard to the prisoner travel with the Department of Justice.

Senator Story: In regard to the Department of Justice--instead of 2 or 3 cars. Couldn't we get more than one prisoner in a car? Moving prisoners is ambiguous, but it is something we have been trying to get a handle on.

Representative Bardanouve: Maybe there could be better organization of transportation of prisoners. There was a change in the head of this department. Mr. Lewis was not aware that there was supposed to be a plan, since there was a change in the department head. The plan suggested the Department of Justice Teletype, Highway patrol and commissioners with law enforcement agencies in counties to work more compatibly. There could be more mandates, but thought it could be more efficient. Mr. Greeley was not asking for it, but we gave it to him anyway.

Senator Story: How about the institutions. Can't they tell everybody who was passing through their gates? Perhaps Senator Regan's bill will affect this. We will have to watch it in the conference committee.

Voted and passed, unanimous.

Item 3, # 16. to delete the motor vehicle division administrator. Motion by Senator Lockrem, second by Senator Thiessen, to adopt the amendment.

Senator Lockrem: This is administrator on top of administrator. We think the two can be combined.

Senator Thiessen: We passed out an organization chart. Copy attached.

Senator Regan: Isn't it established statute? If we are not going to have him and not going to fund it, we should then change the statute.

Senator Himsl: I have a problem trying to see why not an administrative function.

Mr. Bob Kuchenbrod, Administrator of Central Services, Dept. of Justice, said there are 80 people in Deer Lodge; handling the Highway Patrol; administrative liaison with Mr. Greely for about 80% of the Department of Justice. If we eliminate it the Board of Crime Control is separate. Legal Services Division is separate. That administrator has enough duties on this. Central Services--We handle all the budget work. Forensic Science--he went on to explain the duties of each area and the different programs they were administering, and what a variety of duties the administrators now have and said this position he felt, should be retained--there are no general funds involved in it.

Senator Lockrem: It was the fiscal analysts recommendation.

Senator Himsl: Is anyone really conversant to what is involved in this? I think you would have a hard time putting someone in charge of this whole division.

Senator Story: I certainly agree. In my experience, I have certainly used the administrator. I can't conceive of getting rid of him. I think we would be asking for trouble.

Jan Dee: Several aspects could be worked in. Legal Services; Greely has several assistants that could be used here. These larger projects are coming to an end--moving the law academy,--and some of those people could be involved; the Highway Patrol and Registrars Bureau--there was sufficient administration there. These administrators could coordinate activities within themselves. Fritz Aaur works half time as an administrator. Sometimes problems can be greater in the small agencies and smaller in the larger ones. We felt there were plenty of people on board to take this on.

Major Tooley, Montana Highway Patrol, said they are not conversant at all with what goes on in the registrars program. They have labor problems, etc. and we don't want any part of it.

Senator Smith: There are a number of bureau chiefs. Why then should we say specifically that we want that particular person out? Shouldn't we say the Attorney General should place them in for full time duty?

Roll call vote was taken. Motion passed. 7 yes, 6 no.

17. Motion by Senator Lockrem, second by Senator Thiessen that this amendment be adopted. This would allow \$2,500 per year in patrol operations to train civilian examiners.

Senator Lockrem: This would add 4 additional FTE to the Highway Patrol. We are doing away with Highway Patrol examiners. The civilians would have to be trained. These 19 highway patrol are already trained.

Senator Nelson: What are you doing with the 22 Highway patrolmen?

Senator Thiessen: They will remain with the examiners until they are needed for replacement.

Senator Nelson: We are appropriating money for civilians. It will not be enough money to keep the uniformed men there until replacement.

Senator Lockrem: Before we can settle this matter, we will have to decide a philosophical question. We have 19 patrolmen. We have 26 drivers license examiners in the budget. The Highway Patrolmen are what the legislature set and the budget recommended. They lost 26 uniformed patrolmen giving drivers license examinations. They have 4 more on the roll, but 22 were uniformed patrolmen. They said 30 new ones to train. They then decided there is no enforced retirement. There are two stories and a substantial amount --over 30 in their training programs. -- Then they came in and said not that many. They needed 4 new patrolmen in the first year and 22 in the second biennium, depending on the retirements.

Senator Nelson: Is there no forced retirement until '81?

Representative Bardanouve: They will remain on the job until they are used as replacements as a patrolman.

Senator Nelson: The 22 men you cannot put into the field then?

Jan Dee: 9 fill as new for salary and benefits. Automatically 4 patrolmen in drivers license turn over. When I contacted the Highway patrolmen the best estimate for retirements were 5 for the first year and 4 for the second year. This leaves us faced with 17 patrolmen being up for higher salaries and 9 civilians. These will be mixed from the Highway earmarked and general fund money. No one can predict which ones--maybe a \$20,000 a year man or a \$13,000 man will be changed over. If there are over 5 then they will be over funded. 5 is a good number. At the beginning of the year they had indicated possibly 30 retirements. Now it seems the pendulum swings the other way.

Senator Hims1: The civilian examiners--are they going to be phased in? Answer: yes.

Jan Dee: The status is--Highway Patrol--earmarked, and civilians --general fund.

Senator Lockrem: In analyzing whether to go to civilian examiners--License fees generate \$1.3 million per year which goes to the general fund. It is more than offset by the revenue projected.

Patrolman Tooley: We have some grave concerns about the change. We have tried to go along with it. The first year in the program looks reasonable. The second year we could get into problems where we would have to say to these people--You have to go to traffic. Our collective bargaining agreement says they can go where they want rather than be appointed when their job

terminates. The first year we can scrape by, the second one could be trouble.

Senator Lockrem: We could find retired patrolmen were still in as examiners, etc. Mr. Tooley: Yes, you could.

Senator Regan: There is a drivers training school maintained in Bozeman. Teachers giving drivers training have to attend there. What you are saying is you are going to hire retired patrolmen to give these examinations? Senator Thiessen: This could happen.

Motion was voted, passed, unanimous.

18. Senator Lockrem made the motion to amend the typing error in the bill, page 16, line 21. Voted and passed, unanimous.

19. Motion by Senator Lockrem, second by Senator Thiessen to amend 5. under the Department of Administration to line item the transportation of prisoners.

Voted and passed, unanimous.

The meeting adjourned until the call of the chair.

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Senator Himsl, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 4-2

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	✓		



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*K. K. K.*

ECONOMIC DEVELOPMENT (304 LOAN PROGRAM)

1. 3 to 1 Federal Program - \$50,000 State funds needed to match the \$150,000 Federal funds.
2. \$67,000 already cut from the program - Budget Office cut \$50,000 Federal funds, \$17,000 State funds PER YEAR.
3. Program is needed in Montana - Program is used to provide start-up funds for Montana small manufacturers -- before commercial banks are interested in getting involved.
  - a) Venture capital - not for ordinary bank loans.
  - b) Job creating - used exclusively to create permanent, high-paying jobs.
  - c) For Distressed Counties - used in the counties identified by the EDA as "distressed" or "declining."
  - d) No other source of funds - SBA and FmHA offer only guarantee programs. This is the only direct, low-interest money available within Montana for manufacturer's start-up costs.
4. Interest Rate - approximately one percent above Federal government cost of funds, as established quarterly by Secretary of Treasury. Last loan was at 8½%. Current rate would be 10-11%.
5. Loan or Grant? - Office of Commerce makes loans unless some EDA regulation prevents a loan and a grant-with-repayment must be made. For example, if the company is still in an R & D phase, a loan can't be made. Then we do a grant-with-repayment with a grace period before repayment begins.
6. Bank Turndowns - 2 turndown letters are required from commercial banks as part of the application.
7. Loans/Grants Made -
  - a) Energy Solutions, Inc., Stevensville  
\$75,000 loan to provide working capital during manufacturing start-up.
  - b) World Housing Corporation, Butte  
\$25,000 grant-with-repayment to assist in building prototype "transpandable" home.

8. Loans/Grants in Process -

- a) Montana Livestock Cooperative, Great Falls  
\$93,000 grant-with-repayment to assist with planning and administrative expense prior to start-up.
- b) High-Country Beef Jerkey, Lincoln  
\$75,000 loan to provide working capital and finance a tripling of production.
- c) Sun-Bow Farms, Dillon  
\$50,000 loan to finance construction of trout processing plant.
- d) World Housing Corporation, Butte  
\$55,000 grant-with-repayment to finance completion of prototype "transpandable" home.

9. Loans/Grants Contemplated -

- a) Ram All-Terrain Vehicle, Kalispell  
\$7,000 grant-with-repayment to assist in financing prototype evaluation and marketing studies for 8-wheel drive "super pickup."
- b) Pierce Packing Vertical Integration Study, Billings  
\$4,000 grant-with-repayment to assist in financing study of manufacturing Danish pork specialty products in Billings.
- c) Stark Brothers Furniture, Ronan  
\$15,000 working capital loan for expansion of high quality wood furniture manufacturer.
- d) Sharp Chord Building Chart, Whitehall  
\$13,000 grant-with-repayment to finance market studies and early production of musical education chart.

10. Purpose of Program - To provide Montana manufacturers with venture capital when no other source can be found, particularly when there is an excellent chance of creating permanent jobs in distressed counties. Not a bank. Once the money is disbursed, the work has just begun. Very often 4 to 8 hours a week are required for many months to assist the project through its initial stages.

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-2-79 H Bill No. \_\_\_\_\_ Time 10:22

NAME YES NO ABSENT

SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART		✓	
SENATOR NELSON	✓		
SENATOR SMITH		✓	
SENATOR BOYLAN	✓		
SENATOR REGAN		✓	
SENATOR FASBENDER		✓	
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓	✓	
SENATOR STIMATZ		✓	
SENATOR HIMSL		✓	

7 6

Secretary \_\_\_\_\_

Chairman \_\_\_\_\_

Motion: (3) (16) del. the ...

24

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-2-79 14 Bill No. 483 Time 8:

NAME YES NO ABSENT

SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN		✓	
SENATOR REGAN		✓	
SENATOR FASBENDER		✓	
SENATOR THIESSEN	✓		
SENATOR THOMAS		✓	
SENATOR STIMATZ		✓	
SENATOR HIMSL	✓		

Senator Marking 8 5

*SLC*

Secretary

Chairman

Motion: 1h - Swo Motion

Adopt A - accept the

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-2

Bill No. \_\_\_\_\_

Time 9:54

NAME	YES	NO	ABSENT
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SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART		✓	
SENATOR NELSON	✓		
SENATOR SMITH		✓	
SENATOR BOYLAN		✓	
SENATOR REGAN		✓	
SENATOR FASBENDER		✓	
SENATOR THIESSEN		✓	
SENATOR THOMAS		✓	
SENATOR STIMATZ		✓	
SENATOR HIMSL		✓	

4 9

Secretary

Chairman

Motion: Delete 50% of 11 (12)

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-2-79 H Bill No. 48 Time 10:30

NAME YES NO ABSENT

NAME	YES	NO	ABSENT
SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN		✓	
SENATOR FASBENDER		✓	
SENATOR THIESSEN	✓		
SENATOR THOMAS		✓	
SENATOR STIMATZ		✓	
SENATOR HIMSL	✓		

Secretary \_\_\_\_\_

Chairman \_\_\_\_\_

Motion: (13) roll of cos

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\_\_\_\_\_

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-2-79 H. Bill No. 185 Time 10:22

NAME	YES	NO	ABSENT
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SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH		✓	
SENATOR BOYLAN		✓	
SENATOR REGAN		✓	
SENATOR FASBENDER		✓	
SENATOR THIESSEN	✓		
SENATOR THOMAS		✓	
SENATOR STIMATZ		✓	
SENATOR HIMSL		✓	

6 7

Secretary SK

Chairman \_\_\_\_\_

Motion: (185-14) Write Anti Trust

SENATE COMMITTEE

FINANCE AND CLAIMS

Date 4-2

Bill No. \_\_\_\_\_

Time 9:09

NAME YES NO ABSENT

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SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART		✓	
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN		✓	
SENATOR REGAN		✓	
SENATOR FASBENDER		✓	
SENATOR THIESSEN	✓		
SENATOR THOMAS		✓	
SENATOR STIMATZ	✓		
SENATOR HIMSL	✓		

8                      5

Secretary \_\_\_\_\_

Chairman \_\_\_\_\_

Motion: 8 yes car 12 18 4 8

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