

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 2, 1981

The eighteenth meeting of the Senate State Administration Committee was called to order by Senator Pete Story, Chairman, on the above date, in Room 442 of the State Capitol Building at 10:00 a.m. with Senator Stan Stephens from leadership sitting in because of lack of quorum. He stayed until Senator Hafferman was able to arrive.

ROLL CALL: All members of the committee were present, except Senators Allen Kolstad, Jan Johnson and Patrick Ryan.

CONSIDERATION OF SENATE BILL NO. 257:

AN ACT TO INCREASE THE AMOUNT AUTHORIZED FOR
TRAVEL EXPENSES AND MEAL REIMBURSEMENT FOR
PERSONS IN STATE SERVICE;

Senator Steve Brown, sponsor of the bill, was asked to introduce this bill on behalf of Montana Public Employees Association. He stated that it is to increase travel expenses and meal reimbursement for state service persons, and it is similar to the bill raising the governor's expenses.

PROPONENTS:

Tom Schneider, MPEAA, has introduced his bill for all of the state employees dealing in state government. They tend to look ahead because the legislature only meets every two years. He feels the increases are in line with the costs of today. He pointed out other states that have increased their travel expenses. He stated this bill does not have a cost budget for this biennium, and he offered to work with a subcommittee.

OPPONENTS: None.

Questions: Senator Towe asked Senator Brown about an omission on the top of page 3 concerning some of the senators who keep apartments in Helena the year around. Mr. Schneider said he would not object to amending that figure.

Senator Towe then asked Mr. Schneider if he agrees with the fiscal note. He answered no because that does not seem to be correct.

The hearing was closed on Senate Bill No. 257.

CONSIDERATION OF SENATE BILL NO. 274:

AN ACT TO AMEND SECTION 2-15-124, MCA, CONCERNING QUASI-JUDICIAL BOARDS, TO INCREASE THE DAILY HONORARIUM OF QUASI-JUDICIAL BOARD MEMBERS WHO ARE NOT STATE OR LOCAL GOVERNMENT EMPLOYEES.

Senator Dorothy Eck, District 39, introduced the bill which increases the daily honorarium of quasi-judicial board members who are not state or local government employees. This figure would rise from \$25 a day to \$50. She said these persons are honored to serve on the boards, but many members believe that out-of-pocket expenses are prohibitive. This bill would recognize their service to the state. The current law provides that members are granted honorarium only the day they meet, not the days in travel. She enclosed testimony.

PROPOSERS:

Morris Brousett, Department of Administration, feels that these members in the decision-making processes should make more than \$25 a day.

OPPOSERS: None.

Questions from the committee: Senator Hafferman feels \$40 a day would be sufficient because the legislature has to save money some place.

The hearing was closed.

CONSIDERATION OF SENATE BILL NO. 321:

AN ACT PERMITTING THE BOARD OF REGENTS TO DESIGNATE CERTAIN BUSINESS DAYS AS HOLIDAYS FOR NONACADEMIC STAFF MEMBERS IN EXCHANGE FOR OTHER LEGAL HOLIDAYS.

Senator Mike Halligan, Missoula, District 48, said his bill asks for holidays in exchange for other days. The reason for the bill is that there are 25,000 students on the campus plus many faculty members. During a holiday the students are gone, but a skeleton staff remains. This presents a problem when the holiday is on a Thursday. He proposed amendments in title on line 6, striking NONACADEMIC STAFF MEMBERS, and inserting ALL EMPLOYEES with the same change in line 13.

PROPOSERS:

Jack Noble, Montana University system, gave reasons of improved schedules and efficiencies in the system being remedied. By closing the campus several thousand dollars of utility costs could be eliminated. He proposed substituting Columbus Day,

Veterans Day, Presidents Day, etc. for these days, based on collective bargaining with units.

OPPONENTS: None

Questions: Senator Towe asked if there would be enough days for make up. Mr. Noble said it would be arranged. Senator Towe then asked him to explain Section 1, which was classified by Noble.

John Hollow, the staff man from Legislative Council, informed them that the new language is not redundant because the current law is slightly different. The new would be negotiated holidays.

Senator Towe thought they should take time to study the bill because of the discrepancy among the intent.

Discussion followed after the hearing was closed. Mr. Hollow was asked to check with the drafter to clarify the questions from the senators and the proponents.

ADJOURNMENT: 10:45.


SENATOR PETE STORY, CHAIRMAN

STATE ADMINISTRATION COMMITTEE

Date 2-2

[illegible]

Each day attach to minutes.

Surrounding states

	<u>Meals</u>	<u>Lodging</u>
Idaho	\$ 15.00	\$ 20.00
Wyoming	\$ 45.00 combined	
North Dakota	\$ 17.00	\$ 28.00
Colorado	\$ 16.00	\$ 27.00
Utah	\$ 12.50	\$ 22.50
		\$ 25.00 -Salt Lake City

These are the current rates in effect. Each of the states are currently considering legislation to raise per diem and lodging at this time.

Montana's current allowance is:

\$ 2.00 Breakfast

\$ 3.50 Lunch

\$ 6.50 Dinner

\$12.00

\$ 21.00 Lodging

There is a question mark about the fiscal note. In the past increases in per diem were not added to appropriations for the biennium because the legislation usually passes to late or a decision is made not to.

If this were the case this year, then there would be no cost for the next two years. The increased amounts would, of course, have to be picked up in the next budget requests.

Two points can be made concerning this bill. One is that employees should not have to subsidize the employer by paying for travel out of their own pocket. The second is that travel should be limited to that amount that the employer can afford. If travel is cost effective than the employer should be able to afford and justify travel expenses and the allowance should be at a level which compensates the employee for the employees costs.

List of Quasi-judicial boards directly affected by 2-15-124, MCA and Senate Bill 274 with the number of board members in parentheses:

1. Board of Investments (5)
2. Mental Disabilities Board of Visitors (5)
3. Board of Housing (7)
4. Public Employees' Retirement Board (5)
5. Teachers' Retirement Board (6, 3 employees)
6. Board of Aeronautics (7, 2 employees)
7. Coal Board (7, 1 employee)
8. Commission on Federal Higher Education Programs (10)
9. Board of Labor Appeals (3)
10. Board of Personnel Appeals (5, 2 employees)
11. Human Rights Commission (5)
12. Board of Milk Control (5)
13. Board of Crime Control (18, 14 employees)
14. Board of Health and Environmental Sciences (7)
15. Board of Social and Rehabilitative Services (7)
16. Board of Pardons (4)
17. Board of Eugenics (7)
18. Highway Commission (5)
19. Board of Hail Insurance (5)
20. Board of Livestock (7)
21. Board of Natural Resources and Conservation (7)
22. Board of Oil and Gas Conservation (7)
23. Fish and Game Commission (5)

STATE OF MONTANA

FISCAL NOTE WORKSHEET

REQUEST NO. _____

Form BD-14

(Office of Budget and Program Planning Use Only)

IV. AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Provide an estimate of the local impact.

None anticipated.

V. LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Use this space to describe any potentially significant effects the proposed legislation might have on expenditures and/or revenues for fiscal years subsequent to FY 1983; give quantitative estimates whenever possible.

Expenditures for each fiscal year beyond FY 1983 will also increase \$22,225.

VI. TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

Explain.

Other sections of the state law also stipulate a \$25 honorarium for non-quasi-judicial board members and advisory council members. It is not known if these laws will be changed to \$50 by similar legislation. The relevant sections of law and the number of affected board members are listed below:

1. 20-2-113, MCA - 14 affected members
2. 2-15-122, MCA - about 1300 affected members
3. 15-15-101, MCA - 168 affected members

Agency Representative who Prepared Estimates:

Joe Michaud
(Name)Research Specialist 449-3871
(Phone No)1-29-81
(Date)

Received _____

Analyzed by _____

Fiscal Note by _____

Date _____

FISCAL NOTE WORKSHEET

Form BD-14

(Office of Budget and Program Planning Use Only)

II. ASSUMPTIONS USED IN OBTAINING ESTIMATES: (Please list clearly and in detail; use extra sheets if necessary)

List assumptions made during preparation of the fiscal note. If certain costs associated with the proposed legislation can be absorbed without additional funds, indicate this as an assumption. If no dollar estimates have been presented, list reasons in this space.

- 1. 23 quasi-judicial boards. The list is attached.
- 2. 127 affected board members.
- 3. The average number of days spent in board meetings is 7. This was derived through a phone survey of 12 of the 23 boards. Timely responses were received from 9 of those 12.
- 4. 75% of the 23 boards' funding comes from general funds, and 25% from other funds. These estimates also resulted from the phone survey of 9 of 23 boards.

III. DERIVATION OF ESTIMATES:

Show basic calculations or provide a brief description of the techniques used to obtain estimates; also, cite sources of basic data used for projections.

E = MxDxH

Where:

- M is the number of affected board members
- D is the average number of meeting days
- H is the daily honorarium - \$25 under the current law or \$50 under the proposed law
- E is the honorarium expenditures

STATE OF MONTANA

FISCAL NOTE WORKSHEET

REQUEST NO. 229-81

Form BD-14

AUTHORITY: Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Completed worksheets are due in the Office of Budget & Program Planning on or before 1-29

Note: The copy of the proposed legislation must be returned to the Budget Director with the completed worksheets.

TO: Def A

Agency or Unit

A Fiscal Note estimate and statement are requested for:

S.B. 274

Amended S.B. _____

Amended H.B. _____

Date of Amendment _____

H.B. _____

S.J.R. _____

H.J.R. _____

I. Estimated Effect on Revenue and/or Expenditures	Fiscal Year 1982				Fiscal Year 1983			
	Estimated Amount Under Current Law	Estimated Amount Under Proposed Law	Estimated Increase (Decrease)		Estimated Amount Under Current Law	Estimated Amount Under Proposed Law	Estimated Increase (Decrease)	
A. Effect on Revenue By Source: (List in Detail)								
TOTAL REVENUE								
B. Effect on Expenditures by Category:								
Personal Services								
Operating Expenses	\$22,225	\$44,450	\$22,225		\$22,225	\$44,450	\$22,225	
Capital Outlay								
Local Assistance, Grants								
Benefits & Claims								
TOTAL EXPENDITURES	\$22,225	\$44,450	\$22,225		\$22,225	\$44,450	\$22,225	
NET EFFECT (A less B)	\$22,225	\$44,450	\$22,225		\$22,225	\$44,450	\$22,225	
C. Fund Information:								
General Fund	\$16,669	\$33,328	\$16,669		\$16,669	\$33,328	\$16,669	
Other (describe)	\$ 5,556	\$11,112	\$ 5,556		\$ 5,556	\$11,112	\$ 5,556	

STATE OF MONTANA

REQUEST NO. 229-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 28, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 274 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to amend section 2-15-124, MCA to increase the daily honorarium of quasi-judicial board members from \$25 to \$50.

ASSUMPTIONS:

1. There are 23 quasi-judicial boards.
2. There are 127 affected board members.
3. The average number of days spent in board meetings per year is 7.
4. 75% of the 23 boards' funding comes from general funds, and 25% from other funds.

FISCAL IMPACT:

Expenditures under proposed law	FY 1982	FY 1983	Total Biennium
Operating expenses (honorarium)	\$44,450	\$44,450	\$88,900
Total expenditures under proposed law	\$44,450	\$44,450	\$88,900
Less: Expenditures under current law	\$22,225	\$22,225	\$44,450
Increased expenditures under proposed law	\$22,225	\$22,225	\$44,450
General Fund	\$16,669	\$16,669	\$33,338
Other Funds	\$ 5,556	\$ 5,556	\$11,112

DRAFT

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

PURPOSE: To amend Section 2-15-124, MCA, to increase the daily honorarium of quasi-judicial board members who are not state or local government employees from \$25.00 to \$50.00.

DISCUSSION POINTS:

1. The current provision of \$25 per day is insufficient to compensate citizens that take time from their regular jobs to serve the state on quasi-judicial boards. The bill does not attempt to totally replace lost income of board members nor to make serving on state boards a profit-making venture rather than a public service. It merely attempts to recognize the impact inflation has had in increasing the out-of-pocket expenses of board members.
2. Based on an eight-hour day, the daily rate of \$25 represents an hourly rate of \$3.13; this bill would increase the hourly rate to \$6.25.
3. The law provides for the payment of an honorarium to board members for each day that they are "actually and necessarily engaged in the performance of board duties." This is interpreted to mean the days during which the board actually meets. For members that live out-of-town, particularly those who reside in the far corners of our state, a one-day meeting often means three days or more away from their regular jobs, due to travel time.
4. Each board is required to have at least one member who is a licensed attorney. Statutes creating each board also contain requirements that members have specific professional and technical qualifications and licenses. For example, the Board of Pardons is required to have members that "possess academic training which has qualified them for professional practice in a field such as criminology, education, psychiatry, psychology, law, social work, sociology, or guidance and counseling." The Board of Oil and Gas Conservation must have 3 members from the oil and gas industry who have had at least three years' experience in the production of oil and gas. Most of these professionals receive well above \$50 per day in regular wages.
5. Other states: Idaho and Wyoming pay \$25 per day; South Dakota pays \$30; Nevada pays \$40; North Dakota pays \$50; Colorado pays \$75 per day. (Arizona, New Mexico and Utah pay nothing to board members.)
6. Banks in Montana pay their board members between \$50 and \$200 per day depending on the size of the bank.

SUMMARY: While members of Montana's quasi-judicial boards are honored to serve and do not believe they should make a profit from their service, many members, as well as agency directors and board staff, believe that members' out-of-pocket expenses are getting to be too much and will soon be prohibitive. This bill while not an attempt to totally compensate board members for lost wages, recognizes these citizens for their service to the state in a more meaningful way. We expect boards to use their best judgement in determining controversies and have charged them with the responsibility of interpreting and enforcing rules and laws, granting and denying privileges, granting and denying rights and benefits and other quasi-judicial duties. The members spend a great deal of their own time studying issues, talking with concerned groups and working with staff for which they are not compensated at all. This bill will recognize these effort and expense members devote to their responsibilities.

2-2

BILL NO.

Check One

Support	Oppose
---------	--------

(Please leave prepared statement with Secretary)