

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION COMMITTEE
February 17, 1983

VICE CHAIRMAN O'CONNELL OPENED THE MEETING IN THE ABSENCE OF CHAIRMAN BRAND AT 8:00 A.M. WITH THE HEARING ON HB 817, SPONSORED BY REPRESENTATIVE WINSLOW. ALL MEMBERS OF THE COMMITTEE WERE PRESENT (CHAIRMAN BRAND CAME INTO THE MEETING LATER).

Representative Winslow gave his opening remarks: "This bill is similar to one that was brought in two years ago. It is a bill to authorize the Department of Administration to develop and administer a pay-for-performance bonus program for state employees. The purpose of this would be to encourage productivity, creativity, professionalism, and initiative among employees and to appropriately recognize and reward, in a timely manner, employees that have demonstrated consistently superior job performance. In carrying this bill last time, the questions came up on this as to how we were going to be sure that it was going to be fair. In section three, where it talks about the powers and duties of the departments, it says the department shall: (1) adopt rules to equitably administer the pay-for-performance program that: (a) specify minimum standards for performance appraisals; (b) prohibit agencies from awarding monetary performance bonuses unless they meet these minimum standards; (c) limit the size of the monetary bonuses so that there is not an unusual amount going to one person; (d) specify the percentages of eligible employees. (2) Assist agencies in developing performance evaluations, so that they are fair and equitable; (3) Prepare a biennial report to the legislature containing the list of pay for performance bonuses granted by participating agencies. As you look at this bill and as you look at the number of our public employees within the state of Montana we are constantly being reminded that we need to encourage the best of our employees."

Dennis Taylor, Administrator of the State Personnel Division, the Department of Administration: "I appear in support of HB 817. The biggest criticism that I have heard in the last year and a half, since I have been Personnel Director, is that we don't have a mechanism to reward consistently outstanding performance. We have some real problems in our professional-managerial compensation in terms of competition with the market."

Joyce Brown, Project Director for the Personnel and Labor Relations Study Commission: "The Study Commission was appointed by the Governor to study personnel and labor relations issues for a year and to make a definite recommendation to the legislature. This bill is a product of one of the recommendations made by the Study Commission. The Study Commission really addressed two concerns. One by managers who complained that they continually were getting criticism for lack of productivity. Another complaint addressed was by employees, that their good efforts go unrewarded and that they feel that they are unappreciated as public servants."

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There were no opponents to HB 817.

Representative Winslow made his closing remarks: "A lot has been put into this bill and productivity is a rule that we should all strive for. If it is properly managed and controlled, this is the way to give a supervisors the ability to recognize good state employees."

Representative Phillips: "Cal, you remember when we worked on the incentive awards from the last session? I was a little disappointed when I found out we only paid out \$7,800 and it cost \$20,000 to administer."

Representative Winslow: "That is a different program. That is the program where somebody comes up with a good idea and they get the percentage back for the money that is saved."

Representative Driscoll: "In the bill it says that the agency shall pay the awards from its budget. Where would they get the money? From vacancy savings?"

Dennis Taylor: "Right now, the budget for this biennium has not been voted on or passed in committee yet. If this is to be successful, it will be necessary to provide the funding. It would take approximately a year before it could be totally implemented."

VICE CHAIRMAN O'CONNELL OPENED THE HEARING ON HB 839 SPONSORED BY REPRESENTATIVE NILSON.

Representative Nilson made his opening statements: "HB 839 is a low cost energy saving bill to the State of Montana. Section 1 of the bill calls for energy audits on or before April 1, 1984 by a certified auditor. Subsection 2 is the part that addresses the no-cost, low-cost part of the bill. On page 2, line 12, section 2 of the exemptions from the bill, any building owned or leased by the state that has received an energy audit since July 1, 1977 is exempt, and any building leased by the state, for which the state does not pay the energy costs is exempt. Section 3 talks about the implementation of the bill. Section 4 is one of the most important parts of the bill - on page 3, line 10, all costs of implementing this bill must be paid out of existing budgets for costs of energy."

Jim McNary, Alternative Energy Resources Organization: "HB 839 is, we think, a realistic effort to save the taxpayers of Montana some money on energy costs. Right now. the state owns or leases about 4,500 buildings. The state utility budgets for the next three years are rather high. For the fiscal year 1983, the state expects to pay 11.3 million dollars on heating and lighting bills. In 1984, they expect to pay 13.9 million dollars. In 1985, they expect to spend 16.8 million

dollars. We think that we could be wasting thousands of dollars yearly as a result of simple overlooked energy conservation methods, such as weatherstripping doors, calking around windows, maintaining furnaces, overlighted buildings, etc. The program outlined in HB 839 can take care of some of these low-cost, no-cost conservation items that might well have been overlooked in some of the state's 4,500 buildings."

John Kreger, Target Energy Savers in Butte: "I regularly tour buildings in western and central Montana and I find that buildings owned and managed by the state are some of the worst energy monsters that I see. I believe that this bill is necessary because taxpayers are carrying a large enough burden without carrying a burden of waste that can easily be stopped. I, also, believe that using a portion of utility appropriations to implement energy conservation makes a lot of sense because a one year pay back translates into a 100% return of investment; and that is about the best investment that the state can make. We can also provide the secondary benefits of jobs for Montana Citizens. We can create tax dollars by using various businesses to do these improvements. Building maintenance chiefs have told me that their budgets are just barely adequate to perform the most pressing maintenance tasks. Having been involved with building maintenance for many years myself, I can empathize with that position. These state employees that maintain the buildings have a negative incentive to conserve energy. They have to take money out of their very slim maintenance budgets. And, the money that they save the state, by conserving energy, is merely returned to the state general fund. I would like to give a few specific examples of how the state wastes energy in buildings. That window over there is open, I counted, on my way over here, twelve windows open, I was in a state building two weeks ago; and the sheltered entry way doors were propped open; it was seven o'clock in the evening; and the temperature inside the room that I was working was 74°."

Brian Berg, Physicist and specialist in energy conservation: "Administrators of the state buildings need to hire somebody that is qualified that can recognize the measures that can be taken that will save money in a year or less. This is a tremendous opportunity for saving lots of energy. What we need to do is make sure that the program is carried out by good people who go in the buildings and recognize these problems and fix the problems."

Sonny Hansen, Representing the Design Professions, Montana Technical Council: "I appear in a neutral capacity. Quite honestly, the passage of this bill might help my firm. That is all that I do, energy analysis, alternate energy studies, co-generation studies. To my knowledge, we are the only firm in a multi-state area that specializes in working in new buildings and in developing soft-ware. The problem that I have

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with this is that you must keep in mind that, first of all, they talk about certified energy auditors; and they talk of energy audits. The certified energy auditor is anyone who attended the school - a two-day school. They are then certified by DNRC and the packet they fill is about so thick. You just check off the numbers. When we do an in-depth energy analysis, following the energy audit, most of those audits we have found have not reflected the true condition of the building. Consequently, some of the cases where they talked about a dual duct system or a heating system, we found out that it wasn't the case. It was something entirely different. The energy audit at this stage, I think, would be a total waste of money. I would suggest that you first do an energy recording. Find out what the buildings are using. Establish a program of that nature. Then you can allocate just where you want to spend your money to do the energy audit. Keep in mind, the cost of these energy audits are from \$400 to \$600 plus travelling costs. When you start putting that together with the total number of state buildings, it gets quite horrendous. Keep in mind when you talk about the savings in the utility bills, what happens if you have a warm winter, like this winter. Then, next winter we might have an exceedingly cold winter. Then your budget will go up and you will not have any savings to amortize this cost."

Bob Robertson, Deputy Director of the Department of Natural Resources: "We are here because we have some concerns about the bill. In section 1 they talk about energy audits on the buildings owned or leased. I think the Committee should look at the leased property and determine whether we have the options. I know there are some departments that are in buildings where you cannot put a nail in the wall. Another area where we have some concern is on page 3. They talk about all energy conservation efforts. I think it should be cost-effective energy conservation. The bill says the Department of Natural Resources my conduct the analysis. If the Department of Natural Resources is to conduct the analysis, we are going to need some help with our budgets."

Phil Hauck, Architect representing the Department of Administration: "I have to apologize in that I just received this bill this morning. However, it does seem to us that this is a duplication of some of the programs that we already have. The Department of Natural Resources has the Energy Division. And in the Department of Administration, in my office, we have a replica program that we have been carrying on for quite some time. Both of these are continuing programs. It looks to me like this bill is a duplication."

Representative Nilson gave his closing statements: "I have heard of few things that I don't necessarily agree with. We

figure that \$400 is the most that it could cost, on the largest state building, for an energy audit. When I walked into this room today, I noticed that the windows were open; but I also noticed that the radiator is warm. I think we have a good bill here."

Representative Mueller to Sonny Hansen: "If I understood you correctly, if I am an administrator of a state building and I come to you to tell me what I need to do, you said there is a walk through situation and then you go into an audit?"

Sonny Hansen: "No sir, first we do and establish the energy use index of the building. Does the building need to be evaluated? Then, if it is determined that the energy use index is sufficiently high, you do a preliminary energy analysis. Then, when that is determined, you do an energy analysis and this is when you re-evaluate the heating systems and modify the different types of systems."

Representative Mueller: "Does the \$400 to \$600 cover all the steps?"

Sonny Hansen: "No sir, we are talking another 6 cents to 12 cents per square foot over and above the \$400 to \$600."

Representative Driscoll to Representative Nilson: "How can a person tell if it is low cost?"

Representative Nilson: "Well, speaking from my own personal experience, I had an energy audit done on my own home. Of course plugging the leaks is easy and obvious; but what was further recognizable to me is that we have a gentleman in Great Falls who can measure how much energy is escaping through those leaks and then he determines how much that costs over a certain number of years."

Representative Solberg: "Mr. Hauck, have you done anything on Boulder River School - in checking that?"

Phil Hauck: "It is on our list to do something with but we had to put it off until the legislature decides what they are going to do with Boulder River School."

VICE CHAIRMAN O'CONNELL OPENED THE HEARING ON HJR 25 SPONSORED BY REPRESENTATIVE NISBET.

Representative Nisbet made his opening statements: "HJR 25 is a Resolution urging the President and the Congress of the United States to require appropriate disaster shelter in public buildings built with federal funds." (Additional testimony is attached.)

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Duane Foutts, Chairman and Coordinator of PAPP: "This is a bill to furnish shelter for our people. The entire Montana congressional delegation is supporting the bill sponsored by Congressman Ron Marlenee. This Joint Resolution is being introduced in the state legislature to give a pat on the back of our congressional delegation."

C.L. Gilbertson, Administrator of Disaster and Emergency Services Division: "I have been working for quite a while for legislation such as this. This is a common sense bill that is moving in the right direction."

There were no opponents to the bill.

Representative Nisbet had no closing remarks.

CHAIRMAN BRAND OPENED THE HEARING ON SB 312 SPONSORED BY SENATOR MATT HIMSL.

Senator Himsl made his opening remarks: "This bill is to increase the per-diem compensation from \$25 per day to \$50 per day for the time of those people coming to Helena for meetings of the various boards. The cost of this is estimated at about \$56,000 annually." (Additional testimony is attached.)

Bob Johnson, Administrator of the Teachers' Retirement Division: "I want to submit an amendment that would put the Teachers' Retirement Board under this bill, also."

Senator Himsl stated that he had no objections to including the Teachers' Retirement Board.

Representative Smith to Senator Himsl: "Why aren't these tied to our pay?"

Senator Himsl: "These are being paid out of ear-marked funds."

Representative Mueller to Bob Johnson: "Where do the funds for your board come from?"

Bob Johnson: "They come out of the employee contribution to the Teachers' Retirement System."

Representative McBride: "As I recall, the Teachers' Board includes a number of active members."

Bob Johnson: "Yes."

Representative McBride: "Are they paid for that day in their salary and receive money to attend the board meetings too?"

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Representative Hammond: "That would be up to the local school board."

Representative Phillips: "Will this create a lot of fee changes?"

Senator Hims1: "They now have sufficient money. The fees should not have to increase."

HOUSE STATE ADMINISTRATION COMMITTEE IN EXECUTIVE SESSION

Chairman Brand asked the Committee what action it would like to take on SB 312.

Representative Driscoll moved that the bill be amended to include the Teachers' Retirement Board.

Representative Hammond seconded the motion.

Question was called for and THE AMENDMENT TO SB 312 PASSED THE COMMITTEE.

Representative Pistoria moved that the bill be amended so that the board members would receive \$45 a day just like the legislators.

Representative Solberg seconded the motion.

Representative Smith questioned whether they should pass Pistoria's amendment because they would just come back next session for the other \$5.00.

The question was called for and Pistoria's amendment failed. Those voting for the amendment were Representatives Phillips, Solberg, Compton, Pistoria, Brand, O'Connell, and Ryan. The rest of the Committee voted against Pistoria's amendment.

Representative Smith moved that SB 312 do pass as amended.

Representative Hammond seconded the motion.

SB 312 AS AMENDED PASSED with Representatives Sales, Pistoria, Ryan, O'Connell, Phillips, and Compton voting no.

Chairman Brand asked the Committee what action it would like to take on HB 786.

Morris Brussette, Department of Administration, explained the amendments. The changes include striking the provision for creating a publication and making it so that state agencies will create a central list, and striking section 1 through 3 in their entirety.

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Representative Driscoll moved to pass the amendments.

Representative McCormick seconded the motion.

Question was called for. THE AMENDMENTS TO HB 786 PASSED UNANIMOUSLY.

Representative Driscoll moved and Representative Hammond seconded the motion to pass HB 786 as amended.

Representative Phillips asked what happened to the preference.

Representative Driscoll explained that the provision was still in the statute and increases from 4% to 5%.

Question was called for. HB 786 AS AMENDED PASSED THE COMMITTEE with Representative Bardanouve, Mueller, Bliss, and Sales voting no.

Chairman Brand asked the Committee what action it would like to take on HB 283.

Representative Driscoll explained the amendments. The amendments include a provision for public financing to candidates subject to the expenditure limits. From the amount raised, from the public financing, 38% would be distributed to candidates for state representative, 2% for candidates for state senator, 25% for governor, lt. governor, etc.

Representative Mueller brought up the fact that the sponsor, Representative Winslow did not wish public financing amended into his bill.

There was discussion as to how the figures were determined, as to the percentages received for candidates for each office.

Representative Driscoll moved and Representative McBride seconded the motion to accept the amendment.

Representative Bliss made a motion to table HB 283.

Representative Mueller seconded the motion.

Representative Bliss explained that the author, Representative Winslow, will not carry the bill to the Senate with this amendment.

THE MOTION TO TABLE HB 283 PASSED THE COMMITTEE with Representatives Bardanouve, Brand, Driscoll, Hammond, Hand, and McBride voting no. Representatives Koehnke and Pistoria were absent for the vote.

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Representative McBride moved to reconsider HB 283.

Representative Bardanouve seconded the motion.

Representative McBride explained the intent would be to withdraw the amendment regarding public financing.

THE MOTION TO RECONSIDER HB 283 FAILED with Representatives Bardanouve, Brand, Driscoll, Hammond, and McBride voting yes. Representative Koehnke and Pistoria were absent for the vote.

Chairman Brand asked what action the Committee would like to take on HB 817.

Representative Sales moved do pass on statement of intent and on HB 817.

Representative Hand seconded the motion.

Representative Driscoll remarked that he objected to collective bargaining people being left out.

Representative Phillips expressed concern that the statement of intent was pretty loose and this could lead to too much money being spent.

Representative Sales said he would like to see this thing get on the books.

Representative Phillips made a motion that an amendment be made to the statement of intent which would make a change to \$250 in paragraph 3 and reduce from 20% to 5% and scratch everything after employer.

Representative Mueller seconded the motion.

THE AMENDMENT TO THE STATEMENT OF INTENT OF HB 817 PASSED.

Representative Sales moved and Representative Mueller seconded the motion to pass HB 817 as amended. Representative Brand, Driscoll, Hammond, McBride, McCormick, and O'Connell voting no. Representative Koehnke was absent for the vote.

HB 817 AS AMENDED PASSED.

Chairman Brand asked what action the Committee would like to take on HB 839.

Representative McBride moved to table HB 839.

Representative Smith seconded the motion.

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There was discussion on whether the concept of the bill is already in current law and being carried out.

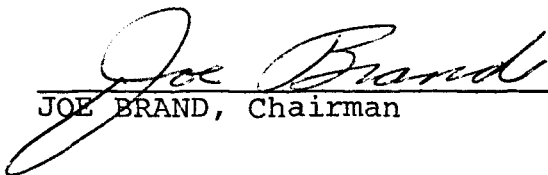
HB 839 WAS TABLED BY THE COMMITTEE with Representatives Bardanouve, Bliss, Brand, Driscoll, Hammond, McBride, McCormick, and O'Connell voting no. Representative Koehnke was absent for the vote.

Chairman Brand asked what action the Committee would like to take on HJR 25.

Representative O'Connell moved and Representative Sales seconded the motion that HJR 25 be passed.

Question was called for and HJR 25 PASSED with Representatives Driscoll, Bardanouve, Hammond, Hand, Holliday and Brand voting no.

Representative Mueller made the motion to adjourn.



JOE BRAND, Chairman

STANDING COMMITTEE REPORT

PAGE ONE OF TWO

FEBRUARY 17,

19 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration Senate 312
Bill No. 312

first reading copy: white
Color

"AN ACT INCREASING THE PER DIEM COMPENSATION FOR QUASI-JUDICIAL AND
LICENSING AND REGULATORY BOARDS FROM \$25 A DAY TO \$50 A DAY; AMENDING
SECTIONS 2-15-124, 19-3-302, AND 37-1-133, MCA; AND PROVIDING AN
EFFECTIVE DATE."

Respectfully report as follows: That Senate 312
Bill No. 312

be amended as follows:

1. Title, line 7.
Following: "QUASI-JUDICIAL"
Insert: ", RETIREMENT,"

2. Title, line 9.
Following: "19-3-302,"
Insert: "19-4-202,"

XXXXXX
DO-PASS

FEBRUARY 17,

83

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3. Page 4.

Following: line 4

Insert: "Section 3. Section 19-4-202, MCA, is amended to read:

"19-4-202. Per diem and expenses of board members. The members of the retirement board shall serve without direct or indirect compensation except that each appointed member shall receive \$25 \$50 per day and travel expenses, as provided for in 2-18-501 through 2-18-503, for each day in attendance at the meetings of such board or in the execution of his duties as a member of the retirement board. All per diem and expenses paid under the provisions of this section shall be paid from the expense fund of the retirement system."

Renumber: subsequent section

AND AS AMENDEDDO PASS

STANDING COMMITTEE REPORT PAGE ONE OF TWO

FEBRUARY 17,

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19.....

SPEAKER

MR.

STATE ADMINISTRATION

We, your committee on

House

736

having had under consideration Bill No.

First reading copy (white)
Color

"AN ACT CREATING A PUBLICATION TO LIST ALL CONTRACTS TO BE LET BY
THE STATE AND PROVIDING FOR PAYMENT OF THE COSTS OF PUBLICATION
THROUGH SUBSCRIPTION FEES; INCREASING THE PREFERENCE PROVISIONS
FOR MONTANA BIDDERS; AMENDING SECTION 18-1-102, MCA."

House

736

Respectfully report as follows: That Bill No.

be amended as follows:

1. Title, lines 4 through 7.

Following: "AN ACT" on line 4

Strike: "CREATING" through "LIST" on line 5

Insert: "REQUIRING A STATE AGENCY TO MAINTAIN A CENTRAL LIST OF"

Following: "THE" on line 5

Strike: "STATE" through "FEES" on line 7

Insert: "AGENCY"

2. Title, line 8.

Strike: "SECTION"

Insert: "SECTIONS"

Following: "18-1-102"

Insert: "AND 18-8-105"

3. Page 1, line 11 through line 9 on page 3.

Strike: sections 1 through 4 in their entirety

Renumber: subsequent section

DEPASK

FEBRUARY 17,

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4. Page 4.

Following: line 15

Insert: "Section 2. Section 18-9-105, MCA, is amended to read:

"18-9-105. Solicitation of bids. (1) In order to contract with a private consultant, a state agency shall establish a bid list in its central office or--in--another appropriate--division--or--unit--of--the--state--agency. Any private consultant who desires to submit bids to that agency to provide consulting services may request in writing the agency place him on the agency's bid list.

(2) Whenever it is reasonably foreseeable that a proposed contract for private consultant services will exceed \$5,000, the state agency shall notify all private consultants who have requested to be placed on the agency's bid list. The notice shall contain the following:

(a) a notice of invitation for offers of consulting services;

(b) the name and address of the person within the agency to be contacted by a private consultant wishing to make an offer;

(c) the closing date for receipt of offers of consulting services;

(d) the procedures and specifications upon which the agency will award the contract for consulting services; and

(e) any other information that the agency believes pertinent.

(3) In addition to the notification required in subsection (2), the state agency, in its discretion, may solicit bids for consultant services by advertisement or other means.

(4) An agency need not follow the provisions of this section in bona fide emergency situations."

AND AS AMENDEDDO PASS

STANDING COMMITTEE REPORT

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MR. **SPEAKER:**

HOUSE ADMINISTRATION

We, your committee on

having had under consideration **HOUSE** Bill No. **283**

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A BILL FOR AN ACT ENTITLED: "AN ACT PLACING A LIMIT ON
POLITICAL COMMITTEE CAMPAIGN CONTRIBUTIONS; LIMITING
EXPENDITURES FOR ELECTIVE OFFICES; REQUIRING THE REPORTING
TO THE COMMISSIONER OF POLITICAL PRACTICES OF IN-KIND
SERVICES PROVIDED BY POLITICAL COMMITTEES; AND REQUIRING
REPORTS TO INCLUDE COPIES OF CERTAIN MAILINGS; AMENDING
-ab 2
SECTIONS 13-37-216, 13-37-229, AND 13-37-230, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **283**

~~DO PASS~~

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REP. JOE BRAND

STANDING COMMITTEE REPORT

FEBRUARY 17,

83

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MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 817

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"AN ACT AUTHORIZING THE DEPARTMENT OF ADMINISTRATION TO DEVELOP AND
ADMINISTER A PAY-FOR-PERFORMANCE BONUS PROGRAM FOR STATE EMPLOYEES."

Respectfully report as follows: That HOUSE Bill No. 817

DO PASS

STATEMENT OF INTENT ATTACHED

STATEMENT OF INTENT
House Bill No. 317

A statement of intent for this bill is necessary because section 3 grants the Department of Administration the authority to adopt rules to equitably administer the employee pay-for-performance bonus program.

It is contemplated that the rules will address the following:

(1) professional standards for equitable performance appraisal and recipient section procedures which must be met before any agency may implement this bill;

(2) the maximum size of the monetary pay-for-performance bonus which an employee may receive. It is intended that the award be large enough to be of significance so that it will motivate employees but no larger than necessary to satisfy that purpose. However, the amount of the bonus may not exceed \$250.

(3) the maximum percentage of eligible employees in each agency which may receive a monetary performance award in one year. It is intended that this percentage reasonably reflects the percentage of state employees who exhibit superior performance--that it not be so large as to award average performance and that it not be so small as to be out of reach of an "average" employee who through extra effort performs at an above average level. Initially it is intended that monetary awards will be limited to 5% of eligible employees.

(4) procedures for the review of employee concerns regarding the administration of the program;

(5) procedures to maintain the integrity of the program through the review of agency performance appraisal and performance awards procedures.

STANDING COMMITTEE REPORT

..... 2-17 19 83

MR. SEEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 839

first reading copy: white
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"AN ACT TO REQUIRE THAT ENERGY AUDITS BE PERFORMED ON BUILDINGS OWNED OR LEASED BY THE STATE AND TO REQUIRE THAT COST-EFFICIENT ENERGY CONSERVATION MEASURES BE IMPLEMENTED IN SUCH BUILDINGS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 839

-DO-PASS *Tabled*

STANDING COMMITTEE REPORT

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MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE JOINT RESOLUTION Bill No. 25

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
THE STATE OF MONTANA URGING THE PRESIDENT AND THE CONGRESS OF THE
UNITED STATES TO REQUIRE APPROPRIATE DISASTER SHELTER IN PUBLIC
BUILDINGS BUILT WITH FEDERAL FUNDS.

Respectfully report as follows: That HOUSE JOINT RESOLUTION Bill No. 25

DO PASS

HOUSE State Administration COMMITTEE

DATE 2/17/83

DATE 2/17/83

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Recommendation relating to HB-817

PERSONNEL AND LABOR RELATIONS STUDY COMMISSIONERS

Chairman

Representative Francis Bardanouve
Democrat from Harlem

Legislative Commissioners

Senator Fred Van Valkenburg,
Democrat from Missoula

Rep. Calvin Winslow
Republican from Billings

Senator Jan Johnson Wolf,
Republican from Missoula

Labor Commissioners

Jerry Driscoll, President
Montana State AFL-CIO
Assistant Business Manager
Laborers Local No. 98, Billings

Richard Ferderer, Secretary-Treasurer
Teamsters Local 45, Great Falls

Tom Schneider, Executive Director
Montana Public Employee Association,
Helena

Private Sector Commissioners

Percy Cline, Staff Manager
Mountain Bell, Helena;
resigned March, 1982

Jean Fitzsimmons, Regional
Director of Personnel,
Burlington Northern Inc.,
Billings; appointed March,
1982 to replace Percy Cline

Nancy Hanson, Vice-President
for Human Resources, First
Northwestern National Bank,
Billings

Don Robinson, Attorney
Law Firm of Poore, Roth,
Robeschon and Robinson, Butte

Executive Branch Commissioners

Marilyn Miller, Executive Assistant
to the Superintendent, Office of
Public Instruction, Helena;
appointed March, 1982 to replace
Ray Shackelford

Dr. LeRoy Schramm, Chief Legal
Counsel, Office of the Commissioner
of Higher Education, Helena

Ray Shackelford, Deputy State
Superintendent, Office of Public
Instruction, Helena; resigned
March, 1982

Gary Wicks, Director
Department of Highways, Helena

Staff

Provided by the Personnel Division, Department of Administration

Dennis M. Taylor, Administrator
Personnel Division

Joyce Brown, Project Director

John Balsam, Research Specialist
Lois Lofstrom, Secretary

EMPLOYEE PAY ISSUE

Because of time constraints, the Commission limited its examination of compensation policies and practices to the most pressing problem—insufficient pay plan flexibility to reward and encourage high levels of performance and productivity.

Under increasing pressure to increase productivity, managers commonly complain that they lack the tools to do so—that they lack tangible, monetary incentives with which to motivate employees to increase their proficiency and remain in state service. Employees correspondingly complain of insufficient recognition of a job well done.

Organized labor, on the other hand, opposes monetary performance incentives because of anticipated inequities in distribution and a preference that the funds involved be used to increase base pay or provide other benefits such as shift differentials.

Although public sector "merit pay" programs have been largely unsuccessful in increasing productivity because they have evolved into automatic annual increases unrelated to performance, private sector and well designed public sector pay-for-performance programs are reportedly successful in increasing production by 10% or more.

See the Bibliography "Issue Area C" in Appendix E for a list of the staff reports and other materials considered.

FINDINGS

F-17.

Since increased productivity is an important public policy goal and monetary incentives have proven useful in achieving that goal for a number of employers, they should be instituted for the state of Montana for unorganized employees with adequate controls on cost and with safeguards to insure proper administration.

F-18.

Monetary incentives should be in the form of periodic non-base-building bonuses as opposed to an increase to base pay which would perpetuate itself and increase costs.

F-19.

Greater pay plan flexibility is needed to more adequately meet diverse compensation needs.

RECOMMENDATIONS

Recommendation 16: Establish a non-base-building, pay-for-performance, bonus system for all unorganized employees. For employees within a bargaining unit, the subject of bonus pay shall remain a subject of collective bargaining.

Pay-for-performance funds appropriated by the legislature are to be distributed according to rules adopted by the Department of Administration.

These rules are to include:

1. a specification of the size of bonuses to be distributed (as opposed to a less structured system);

2. a requirement that the bonuses be limited to 20% of the eligible employees to insure that it does not become a blanket pay increase and;

3. a requirement that bonuses be limited to those agencies which have a fully implemented performance appraisal system which meets professional standards established by the Personnel Division. (Vote: 8-yes, 4-no)

Minority views are presented in Chapter VII.

Recommendation 17: Allow different pay plans and matrices for broad occupational groups of employees to better meet the compensation needs of each group but use the same underlying treatment to ensure internal equity. (Vote: passed unanimously)

CHAPTER VII

MINORITY REPORT

Minority views are presented below for three recommendations at the request of the minority contingents.

Recommendation 13: Amend the Collective Bargaining for Nurses Act (CBNA) to: (1) establish unfair labor practices for labor organizations representing nurses—as well as for health care facilities, (2) establish procedures for adjudicating unfair labor practice charges consistent with procedures under the Collective Bargaining for Public Employees Act (CBPEA), and (3) make procedures for determining appropriate units and resolving representation questions for nurses more consistent with provisions established by the CBPEA for public employees.

MINORITY VIEW: Opponents of Recommendation 13 generally favored the option of placing nurses under the CBPEA and abolishing the CBNA arguing that the Nurses Act is no longer needed and creates unnecessary confusion and duplication. Other arguments in favor of this minority option were that it creates no ill effects because, while supervisory nurses could legally join a bargaining unit under the Nurses Act but not the CBPEA, none have done so during the 12 years of existence of the Nurses Act, and while private sector nurses who are not covered by the National Labor Relations Act (those employed by a health care facility with annual revenues under \$250,000) could legally organize under the Nurses Act but not under the CBPEA, again, none have done so during the existence of the Nurses Act.

MINORITY MEMBERS: Rep. Francis Bardanouve, Jean Fitzsimmons, Nancy Hanson, Marilyn Miller, and Gary Wicks.

Recommendation 16: Establish a non-base-building pay-for-performance bonus system for all unorganized employees.

MINORITY VIEW: Opponents of this recommendation argued that: (a) pay-for-performance can be expected to generate more animosity and hard feelings than productivity because performance appraisal is never completely objective, (b) the experiences of the City of Great Falls and County of Missoula with performance pay were unfavorable, (c) rank and file members oppose it as demonstrated by letters or petitions from 1,865 organized employees, and (d) pay-for-performance funds could better be spent on making base salaries more competitive or on other benefits such as shift differentials.

MINORITY MEMBERS: Jerry Driscoll, Tom Schneider, Senator Fred Van Valkenburg, Richard Ferdever.

Recommendation 33: Establish a uniform procedure for resolution of significant employee grievances by: (1) statutorily requiring each agency to establish a grievance procedure with specified features, (2) statutorily provide employees with the right to enforce grievance rights through district court and to be awarded costs and attorney's fees, (3) abolish the Merit System Council, and (4) repeal statutory provisions establishing grievance appeal procedures through the Board of Personnel Appeals for employees of the Departments of Highways and Fish, Wildlife and Parks.

MINORITY VIEW: Some opponents of Recommendation 33 argued against it because it eliminates existing statutory right of appeal to the Board of Personnel Appeals for employees of the Departments of Highways and Fish, Wildlife and Parks and existing appeal procedures through the Merit System Council. Others opposed any procedure that involves an independent hearing, arguing that grievance resolution should be handled internally by each agency unless employees have collectively bargained a grievance arbitration process. Still, others argued that the current diversity in grievance processes creates no real problems and is preferable to either creating a costly grievance board or eliminating existing statutory rights. Some favored extending the statutory right of appeal through the Board of Personnel Appeals currently held by employees of the Departments of Fish, Wildlife and Parks and

VISITORS' REGISTER

HOUSE State Admin COMMITTEE

BILL H.R. 839

Date 2.17.83

SPONSOR _____

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HOUSE HJR 25 COMMITTEE

DATE _____

SPONSOR Market

[illegible]

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WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE _____ COMMITTEE _____

BILL SB 312

DATE _____

SPONSOR Nemil

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
<i>F. Robert Johnson</i>	<i>1100 S. 1st Ave</i>	<i>Teacher Retirement</i>	<i>✓</i>	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

EXPLANATION OF SENATE BILL 312
INCREASING THE PER DIEM COMPENSATION
FOR QUASI-JUDICIAL, LICENSING, AND REGULATORY BOARDS
(SPONSORED BY SENATOR HIMSL)

As a result of a number of sunset audits and subsequent public hearings concerning regulatory and licensing boards, the Legislative Audit Committee recommends that the per diem for each member of these boards be increased from \$25 to \$50.

This bill merely replaces the \$25 per day compensation with \$50 per day.

The Committee identified approximately 50 boards which would be affected by such an increase. The impact would be different for individual boards depending on board size and number of meetings per year. The overall impact would be about \$56,000 annually. This ranges from a \$2,700 increase for one board to \$125 per year for another. The average increase would be about \$1,000 per board. In reviewing fund balances for these boards the Committee found that all boards would have adequate funds to cover an average year's number of board meetings if per diem was increased by \$25 per day.

Senate Bill 312

1. Amend page 4, line 5

Following Section 2.

Insert: Section 3. Section 19-4-202 Per diem and expenses of board members. The members of the retirement board shall serve without direct or indirect compensation except that each appointed member shall receive \$50 \$25 per day and travel expenses as provided for in 2-18-501 through 2-18-503, for each day in attendance at the meetings of such board or in the execution of his duties as a member of the retirement board. All per diem and expenses paid under the provisions of this section shall be paid from the expense fund of the retirement system.

Renumber: all subsequent sections.

PROPOSED AMENDMENTS TO HOUSE BILL 786 - INTRODUCED BILL

1. Title, lines 4 through 5.

Following: "AN ACT"

Strike: "CREATING A PUBLICATION TO LIST"

Insert: "TO REQUIRE STATE AGENCIES TO MAINTAIN A CENTRAL LIST OF"

2. Title, line 5.

Following: "LET BY THE"

Strike: "STATE"

Insert: "AGENCY;"

3. Title, lines 5 through 7.

Following: "STATE"

Strike: "AND PROVIDING FOR PAYMENT OF THE COSTS OF PUBLICATION THROUGH SUBSCRIPTION FEES;"

4. Title, line 8.

Following: "BIDDERS; AMENDING"

Strike: "SECTION"

Insert: "SECTIONS"

Following: "18-1-102, MCA"

Strike: "."

Insert: "and 18-8-105, MCA."

5. Pages 1 through 3.

Strike: Sections 1 through 3 in their entirety

Insert: "Section 1. Section 18-8-105, MCA, is amended to read:

"18-8-105. Solicitation of bids. (1) In order to contract with a private consultant, a state agency shall establish a bid list in its central office.~~or in another appropriate division or unit of the state agency.~~ Any private consultant who desires to submit bids to that agency to provide consulting services may request in writing the agency place him on the agency's bid list.

(2) Whenever it is reasonably foreseeable that a proposed contract for private consultant services will exceed \$5,000, the state agency shall notify all private consultants who have requested to be placed on the agency's bid list. The notice shall contain the following:

(a) a notice of invitation for offers of consulting services;

(b) the name and address of the person within the agency to be contacted by a private consultant wishing to make an offer;

(c) the closing date for receipt of offers of consulting services;

(d) the procedures and specifications upon which the agency will award the contract for consulting services; and

(e) any other information that the agency believes pertinent.

(3) In addition to the notification required in subsection (2), the state agency, in its discretion, may solicit bids for consultant services by advertisement or other means.

(4) An agency need not follow the provisions of this section in bona fide emergency situations."

Renumber: all subsequent sections

-End-

Proposed Amendments to HB 283

1. Title, line 4.

Following: "ACT"

Insert: "REVISING THE DEFINITION OF CONTRIBUTION FOR THE PURPOSE OF CAMPAIGN PRACTICES;"

2. Title, lines 5 and 6.

Following: "CONTRIBUTIONS" on line 5

Insert: "TO SENATE AND HOUSE CANDIDATES"

Following: ";

Strike: "LIMITING" on line 5 through "OFFICES" on line 6

Insert: "ESTABLISHING A VOLUNTARY EXPENDITURE LIMIT ON BALLOT ISSUES"

3. Title, lines 8 and 9.

Strike: "REQUIRING" on line 8 through "MAILINGS" on line 9.

Insert: "PROVIDING FOR CAMPAIGN EXPENDITURE LIMITS AND FOR THE AVAILABILITY OF PUBLIC FINANCING TO CANDIDATES SUBJECT TO THESE LIMITS"

4. Title, line 10.

Following: "SECTIONS"

Insert: "13-1-101,"

Following: "13-37-229,"

Insert: "13-37-302 THROUGH 13-37-305,"

Following: "AND"

Strike: "13-37-230"

Insert: "13-37-307"

5. Page 1.

Following: line 12

Insert: "Section 1. Section 13-1-101, MCA, is amended to read:

"13-1-101. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Anything of value" means any goods that have a certain utility to the recipient that is real and that is ordinarily not given away free but is purchased.

(2) "Candidate" means:

(a) an individual who has filed a declaration or petition for nomination, acceptance of nomination or appointment as a candidate for public office as required by law;

(b) for the purposes of chapters 35, 36, or 37, an individual who has publicly announced his intention to seek nomination or election to public office by write-in vote and who has received a contribution or made an expenditure or has given an authorization to another person to receive a contribution or make an expenditure for the purpose of supporting his nomination or election.

(3) (a) "Contribution" means:

(i) an advance, gift, loan, conveyance, deposit, payment, or distribution of money or anything of value to

influence an election; , some of which terms are further defined as follows:

(A) "loan" includes a guarantee, endorsement, and any other form of security in which the risk of nonpayment rests with the surety, guarantor, or endorser, as well as with a political committee, candidate, or other primary obligor. A loan is a contribution to the extent that the obligation remains outstanding.

(B) "money" includes currency of the United States or of any foreign nation, checks, money orders, and any other negotiable instrument payable on demand;

(C) "anything of value" includes securities, goods, facilities, equipment, supplies, personnel, advertising services, or other in-kind contributions provided without charge (other than volunteer services) or at a charge that is below the normal charge for the items. "Normal charge" for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of their contribution; and "normal charge" for any services, other than those provided by an unpaid volunteer, means a charge based on the weekly, hourly, or piecework rate charge, whichever is best applicable, ordinarily paid to the person providing the services.

(ii) a transfer of funds between political committees;

(iii) the payment by a person other than a candidate or political committee of compensation for the personal services of another person that are rendered to a candidate or political committee.

(iv) a written contract, promise, or agreement, such as a signed pledge card, whether or not legally enforceable, to make a contribution, and is a reportable debt owed to the candidate or committee until it is honored.

(b) "Contribution" does not mean:

(i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee or meals and lodging provided by individuals in their private residence for a candidate or other individual;

(ii) the cost of any bona fide news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication of general circulation;

(iii) the cost of any communication by any membership organization or corporation to its members or stockholders or employees, so long as such organization is not a primary political committee; or

(iv) filing fees paid by the candidate.

(v) payments made for the purpose of determining whether an individual should become a candidate, such as those incurred in conducting a poll;

(vi) unreimbursed payments for transportation expenses made by an individual in volunteering services to a candidate, to the extent that the cumulative value of the payments does not exceed \$100 for an election;

(vii) unreimbursed payment from a volunteer's personal funds for usual and normal living expenses incident to volunteer activity.

(4) "Election" means a general, special, or primary election held pursuant to the requirements of state law, regardless of the time and/or purpose.

(5) "Election administrator" means the county clerk and recorder or the individual designated by a county governing body to be responsible for all election administration duties, except that with regard to school elections, the term means the school district clerk.

(6) "Elector" means an individual qualified and registered to vote under state law.

(7) (a) "Expenditure" means a purchase, payment, distribution, loan, advance, promise, pledge, or gift of money or anything of value made for the purpose of influencing the results of an election.

(b) "Expenditure" does not mean:

(i) services, food, or lodging provided in a manner that they are not contributions under subsection (3);

(ii) payments by a candidate for his filing fee or for

(ii) payments by a candidate for his filing fee or for personal travel expenses, food, clothing, lodging, or personal necessities for himself and his family;

(iii) the cost of any bona fide news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication of general circulation; or

(iv) the cost of any communication by any membership organization or corporation to its members or stockholders or employees, so long as such organization is not a primary political committee.

(8) "General election" means an election held for the election of public officers throughout the state at times specified by law, including elections for officers of political subdivisions when the time of the election is set on the same date for all similar political subdivisions in the state.

(9) "Individual" means a human being.

(10) "Issue" or "ballot issue" means a proposal submitted to the people at an election for their approval or rejection, including but not limited to initiatives, referenda, proposed constitutional amendments, recall questions, school levy questions, bond issue questions, or a ballot question. For the purposes of chapters 35, 36, and 37, an issue becomes a "ballot issue" upon certification by the proper official that the legal procedure necessary for its qualification and placement upon the ballot has been completed, except that a statewide issue becomes an "issue" upon approval by the secretary of state of the form of the petition or referral.

(11) "Person" means an individual, corporation, association, firm, partnership, cooperative, committee,

club, union, or other organization or group of individuals or a candidate as defined in subsection (2) of this section.

(12) "Political committee" means a combination of two or more individuals or a person other than an individual who makes a contribution or expenditure:

(a) to support or oppose a candidate or a committee organized to support or oppose a candidate or a petition for nomination; or

(b) to support or oppose a ballot issue or a committee organized to support or oppose a ballot issue; or

(c) as an earmarked contribution.

(13) "Political subdivision" means a county, consolidated municipal-county government, municipality, special district, or any other unit of government, except school districts, having authority to hold an election for officers or on a ballot issue.

(14) "Primary" or "primary election" means an election held throughout the state to nominate candidates for public office at times specified by law, including nominations of candidates for offices of political subdivisions when the time for such nominations is set on the same date for all similar subdivisions in the state.

(15) "Public office" means a state, county, municipal, school, or other district office that is filled by the people at an election.

(16) "Registrar" means the county election administrator and any regularly appointed deputy or assistant election administrator.

(17) "Special election" means an election other than a statutorily scheduled primary or general election held at any time for any purpose provided by law. It may be held in conjunction with a statutorily scheduled election.

(18) "Voting machine or device" means any equipment used to record, tabulate, or in any manner process the vote of an elector.""

6. Page 1, lines 14 and 15.

Following: "contributions" on line 14

Strike: "and expenditures"

Insert: "-- voluntary expenditure limit for ballot issues"

7. Page 3, line 3 through line 13 on page 4.

Strike: subsections (3) and (4) in their entirety

Insert: "(3) A candidate for the state senate may receive no more than \$1,000 in total combined monetary contributions from all political committees contributing to his campaign, and a candidate for the state house of representatives may receive no more than \$600 in total combined monetary contributions from all political committees contributing to his campaign. In-kind contributions may not be included in computing the limitation totals.

Renumber:

subsequent

subsections

8. Page 4, line 15.

Following: ", "

Insert: "A person or political committee organized in support of or in opposition to a ballot issue is encouraged to voluntarily limit"

Strike: "to"

Insert: "in"

Following: "support"

Insert: "of or in opposition to"

Strike: "may not"

9. Page 4, lines 16 and 17.

Strike: "exceed" on line 16

Insert: "to"

Strike: "of" on line 16

Insert: "not to exceed"

Strike: "and" on line 16 through "\$250,000" on line 17

10. Page 6, line 17 through line 8 on page 8.

Strike: section 3 in its entirety

Insert: "Section 4. Section 13-37-302, MCA, is amended to read:
"13-37-302. Definitions. As used in this part, unless the context requires otherwise, the following definitions apply:

(1) "Fund" means the election campaign fund established in 13-37-304.

(2) ~~"Political~~ Major political party is a party whose candidate for governor in the ~~last~~ next-preceding general election received 5% or more of the total votes cast for that office as verified by the secretary of state.

(3) "Department" means the department of revenue provided for in Title 2, chapter 15, part 13.

(4) "Candidate" means:

(a) for purposes of a general election, an individual who has been nominated by a major political party for election to the a state office of--governor-lieutenant governor or has been nominated in the nonpartisan primary election for the office of chief justice, or justice of the supreme court, or district court judge in this state; and

(b) for purposes of a primary election, any person who has filed for elective office.

(5) "Minor party candidate" means a candidate nominated by a political party that received not more than 5% of the total votes cast for governor at the next preceding general election.

(6) "Independent candidate" means a candidate who is not a minor party candidate and who is not affiliated with a major political party.

~~(5)~~ (7) "Individual" means a natural person.

(8) "Race" means an election contest involving one or more candidates for a particular office and includes primary and general elections.

(9) "District means the electoral district of an office and includes the entire state if the office is a statewide office.

(10) "Qualified donor" means an individual who is a resident of the state."

NEW SECTION. Section 5. Limits on campaign expenditures. In the year in which an election is held for an office sought by a candidate, no expenditures may be made by a candidate who has signed an agreement under 13-37-307 or by the principal campaign committee of that candidate or otherwise on behalf of that candidate which result in an aggregate amount in excess of the following amounts:

(1) for governor and lieutenant governor, running together, \$700,000;

(2) for chief justice or justice of the supreme court, \$50,000;

(3) for clerk of the supreme court, \$25,000;

(4) for attorney general, \$150,000;

(5) for secretary of state, \$150,000;

(6) for state auditor, \$150,000;

(7) for state superintendent of public instruction, \$150,000;

(8) for public service commissioner, \$20,000;

(9) for district court judge, \$20,000;

(10) for state senator, \$11,000;

(11) for state representative, \$8,000.

Section 6. Section 13-37-305, MCA, is amended to read:

"13-37-305. Records to be kept -- availability. (1) The treasurer of each major political party or independent campaign or minor party candidate campaign shall maintain a complete record of all disbursements of funds received by him under 13-37-304 and used for the candidate's campaign expenses plus receipts or other evidence of each expense.

(2) The record shall be available for inspection by anyone at any reasonable time. A copy shall be deposited in the office of the secretary of state by December 31 of each general election year."

Section 7. Section 13-37-307, MCA, is amended to read:

"13-37-307. Application to receive money -- agreement -- cancellation -- reallocation of money. (1)(a) All candidates who wish to receive money from the fund must notify the department on a form prescribed and supplied by the department. As a condition of receiving money, candidates must also present to the department:

(i) a copy of the agreement specified in subsection (2)(a) signed by the commissioner provided for in 13-37-102; and

(ii) a list of all donors for whom the candidate is requesting matching money, including the amount or amounts they have donated to the candidate's campaign and the information necessary to ascertain that the donors are qualified donors.

(b) Acceptance of money from the fund is voluntary.

(2) As a condition of receipt of any money from the public campaign fund, a candidate shall agree by stating in writing to the commissioner that:

(a) all expenditures on behalf of the candidate, whether made on his own, by his campaign, or with his approval, will not exceed the expenditure limits set forth in [section 5]; and

(b) he will not accept contributions which in the aggregate exceed the difference between the amount that the candidate may legally expend under [section 5] and the amount he receives from the public campaign fund.

(3) For purposes of subsection (2), the period of agreement begins on the date the candidate files for office or first expends money for his campaign and ends with the dissolution of the candidate's campaign committee.

(4) Any agreement entered into with the commissioner under subsection (2) shall be available for inspection by anyone at any reasonable time.

(5) A candidate whose opponent has not signed an agreement may cancel his agreement at any time until 5 days after the primary election. A candidate canceling his agreement shall so designate in a written statement to the commissioner. The cancellation statement shall be available for public inspection.

(6) If a candidate chooses not to sign the agreement, the share of public funds available for that race shall be made available to the other candidates in that race.

(7) Any candidate who violates a provision of the agreement on campaign expenditure limits is subject to the penalty and enforcement provisions of 13-37-128 and 13-37-129."

Section 8. Section 13-37-303, MCA. is amended to read:

"13-37-303. ~~Donation~~ Contribution to fund by taxpayer.

(1) An individual ~~whose--withheld--income--tax--or--payment--of estimated--tax--exceeds--by--more--than--\$1--his--income--tax--liability for--the--taxable--year~~ may ~~donate--\$1--to--be--paid~~ designate whether he wishes to have \$1 from tax withheld or paid transferred to the fund. In the case of a joint return, as provided in 15-30-142, of a husband and wife ~~having--an--income tax--overpayment--as--defined--in--15-30-149--of--\$2--or--more~~, each spouse may ~~donate--\$1--be--paid~~ designate individually whether he or she wishes to have \$1 from tax withheld or paid transferred to the fund.

(2) An individual with an unpaid tax liability may at the time of payment ~~donate~~ designate an extra \$1 to be paid transferred to the fund.

(3) The department shall provide a ~~place~~ box or, in the case of a joint return, two boxes on the face of the blank form of return, provided for in 15-30-144, where an individual or individuals may ~~make~~ designate the ~~donations~~ transfer provided for in subsections (1) and (2). The form shall adequately explain the individual's option to ~~donate~~ transfer \$1 to the fund, and in an appropriate space corresponding to the box or boxes, the department shall provide an explanatory statement that the money designated to be transferred by the taxpayer will be issued to candidates who request funds from the public campaign fund and who agree to abide by campaign expenditure limitations."

Section 9. Section 13-37-304, MCA, is amended to read:

"13-37-304. Public campaign fund. (1) There is a public campaign fund within the earmarked revenue fund provided for in 17-2-102.

(2) All money designated under 13-37-303 shall be deposited in the fund. All private contributions to the fund,

(b) he will not accept contributions which in the aggregate exceed the difference between the amount that the candidate may legally expend under [section 5] and the amount he receives from the public campaign fund.

(3) For purposes of subsection (2), the period of agreement begins on the date the candidate files for office or first expends money for his campaign and ends with the dissolution of the candidate's campaign committee.

(4) Any agreement entered into with the commissioner under subsection (2) shall be available for inspection by anyone at any reasonable time.

(5) A candidate whose opponent has not signed an agreement may cancel his agreement at any time until 5 days after the primary election. A candidate canceling his agreement shall so designate in a written statement to the commissioner. The cancellation statement shall be available for public inspection.

(6) If a candidate chooses not to sign the agreement, the share of public funds available for that race shall be made available to the other candidates in that race.

(7) Any candidate who violates a provision of the agreement on campaign expenditure limits is subject to the penalty and enforcement provisions of 13-37-128 and 13-37-129."

Section 8. Section 13-37-303, MCA. is amended to read:

"13-37-303. ~~Donation~~ Contribution to fund by taxpayer.

(1) An individual whose ~~withheld income tax or payment of estimated tax exceeds by more than \$1 his income tax liability for the taxable year~~ may ~~donate \$1 to be paid~~ designate whether he wishes to have \$1 from tax withheld or paid transferred to the fund. In the case of a joint return, as provided in 15-30-142, of a husband and wife ~~having an income tax overpayment as defined in 15-30-149 of \$2 or more~~, each spouse may ~~donate \$1 to be paid~~ designate individually whether he or she wishes to have \$1 from tax withheld or paid transferred to the fund.

(2) An individual with an unpaid tax liability may at the time of payment ~~donate~~ designate an extra \$1 to be paid transferred to the fund.

(3) The department shall provide a ~~place~~ box or, in the case of a joint return, two boxes on the face of the blank form of return, provided for in 15-30-144, where an individual or individuals may ~~make~~ designate the ~~donations~~ transfer provided for in subsections (1) and (2). The form shall adequately explain the individual's option to ~~donate~~ transfer \$1 to the fund, and in an appropriate space corresponding to the box or boxes, the department shall provide an explanatory statement that the money designated to be transferred by the taxpayer will be issued to candidates who request funds from the public campaign fund and who agree to abide by campaign expenditure limitations."

Section 9. Section 13-37-304, MCA, is amended to read:

"13-37-304. Public campaign fund. (1) There is a public campaign fund within the earmarked revenue fund provided for in 17-2-102.

(2) All money designated under 13-37-303 shall be deposited in the fund. All private contributions to the fund,

unspent or unused allocated money, and appropriations to the fund shall be deposited in the fund.

(3) (a) ~~Five~~ Two months before the-general a primary election in the an election year, money in the fund shall be paid over--in--equal--amounts allocated by the department to all eligible---candidates---for---the a fund for each designated political office according to the percentages in (3)(b) subsection (4), to be accrued until an election is held for such office or distributed according to the provisions of this part upon proper application.

(b) The amounts allocated to each political office shall be paid to a candidate for such office, subject to the provisions of this part, on a matching basis. The candidate shall be paid, from the funds allocated to that office, an amount equal to each contribution of:

(i) \$50 or less from a qualified donor if the district is less than statewide; or

(ii) \$100 or less from a qualified donor if the race is for a statewide office.

(c) The money shall be spent only for the legitimate campaign expenses expenditures of the candidates, and any unspent money as of dissolution of a candidate's campaign committee must be remitted to the department and transferred to the fund.

(b) (4) The money shall be distributed allocated in the following percentages:

(a) campaign for office offices of governor-lieutenant governor, 50% 25%;

(b) campaigns for offices each office of chief justice and or justice of the supreme court, 50% .875% equally-allocated to-each-eligible-campaign-fund-;

(c) campaign for clerk of the supreme court, .24%

(d) campaign for office of attorney general, 2.5%;

(e) campaign for office of secretary of state, 2.5%;

(f) campaign for office of state auditor, 2.5%;

(g) campaign for office of state superintendent of public instruction, 2.5%;

(h) campaign for each district office of public service commission, .45%;

(i) campaign for each office of district court judge, .2%;

(j) campaign for each office of state senator, .2%; and

(k) campaign for each office of state representative, .38%.

(4)---Three---months---before---the---general---election---in---a general-election-year-the-remainder-of-any-money-in-the-fund shall-be-remitted-to-the-treasurer-of-each-candidate-in-the-same proportion-----as-----provided-----in-----subsection-----3(b)-.

(5) Minor party and independent candidates shall receive the same amounts as major party candidates if they present a petition bearing signatures of registered electors equal to 15% of the total votes cast for the office in the next preceding general election."

NEW SECTION. Section 10. Distribution of funds. (1) Money allocated for a race shall be divided to provide that one-fourth of the money will be available in equal shares to each candidate

for a race for the primary election. The remaining three-fourths of the money for each race must be split and made available in equal shares to each candidate signing an agreement in a general election race as provided in subsections (2) through (6) of 13-37-307.

(2) The first payment of funds to primary election candidates must be made no later than 30 days preceding the date of the primary election. The first payment of funds to qualifying general election candidates shall be made not earlier than 15 days or later than 30 days after the primary election date.

NEW SECTION. Section 11. Codification instruction. Sections 5 and 120 are intended to be codified as an integral part of Title 13, chapter 37, part 3, and the provisions of Title 13, chapter 37, part 3, apply to sections 5 and 10.""