

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION COMMITTEE
March 7, 1983

CHAIRMAN JOE BRAND called the meeting to order at 9 a.m. in Room 129, Capitol building, Helena, Montana. All members were present.

SENATE BILL 390

SENATOR PAUL BOYLAN gave an opening statement on the bill. This bill would take the warden of the Montana State Prison out from the jurisdiction of the Department of Institutions and place him directly under the Governor. The bill also attaches the prison to the Department of Administration for administrative purposes only. Senator Boylan indicated that he was vice chairman of the committee that reviewed the prison situation in March, 1982. While this committee was working on its review, they spoke to many inmates at the prison. They toured the ranch and spoke to the many persons assigned there. The members of this committee came up with some definite decisions that should be reviewed. This is a society of itself. He expressed the concern about the prison being a very volatile place. There should be some dictatorship in this type of society; in other words, the warden should have the ultimate say of running the prison and as it is presently handled, this is not the case. It is lost in the connection between Deer Lodge and Helena. Senator Boylan indicated that they had talked to some of the guards but that these employees were reluctant to come to Helena to testify because they were fearful for their jobs.

"The word down there from day-to-day is, keep the lid on." They know that the pressure gets so great in there that they do start problems. He referred to the old prison and the fact that the warden at that time had a mansion right across the street from the prison. This is not the case today. The warden lives out in the mountains somewhere, and the impact of his presence is not the same. The previous situation was such to show the dignity and authority of that person. Today he is not down there around the citizens of the community, and he felt that the citizens are very apprehensive that the lid is going to blow and there will be escapes, etc.

He mentioned the amount of discussion that has been given to harrassment of the prisoners as far as the administration is concerned. There should be three things that the guards, inmates, and everybody knows and they are; "yes", "no", or "if I don't know, I will find out in a hurry." But that is not going on down there. There aren't even any real good "maybe's". He reviewed the problems that have arisen at the prison regarding no specific rules and regulations. The prison administration sets down directives with no explanation about "why" this is necessary and then all this does is stir things up. Maybe they are good directives but no one really has the opportunity to know this because they always lack a reason.

He discussed the time when various state representatives and

senators went to the ranch and drove all over it all day long without ever being challenged. This happened to be a day when a prisoner was loose and the representatives and senators were driving a "hippie" van around the prison. Yet no one challenged them. I feel that this place is very volatile. It could explode any time. There could be loss of life on both sides, the inmates as well as the administration.

Senator Boylan then mentioned that he was passing out a letter that had been written by an individual with very good creative writing. He mentioned that he felt this covered many things that go on in the prison and just how volatile the place really is. See EXHIBIT A attached.

PROPONENTS

SENATOR KERMIT DANIELS, Powell County, spoke in favor of this bill. He mentioned that he has been associated with the prison since 1946 in various capacities serving the people. He has reasonable knowledge about what goes on there. He is not claiming to be an expert on penology or anything of that nature, but he feels somewhat frustrated by trying to find out who is running the present Montana State Prison. When you go to the warden, he directs you to Dan Russell and then to Carroll South and back again. The morale at the prison among the staff employees is not good. They would love to come over here and testify on a lot of things but each of them are afraid for their jobs. He stated that he did not think that it was a healthy situation under any circumstances. When there is an institution that is relatively small as this one is, we should have an institutional situation that would be ideal. But this one has so many layers of bureaucracy on it that it is ineffective. If we were a large state, perhaps the Department of Institutions would be an appropriate vehicle to administer the state prison. But when we have such a small institution, it should be directly under the governor. It would take care of many of the problems that are inherent and potential at the Montana State Prison.

JOHN PRICE, Bozeman, who is the author of the literature that was passed out by Senator Boylan, presented testimony in favor of the bill. Mr. Price explained that he was very concerned about the conditions at the prison presently. He read from a volume that was generated by the National Advisory Commission on Criminal Justice Standards and Goals. He stated that this volume was the one which was most applicable to the current situation at the state prison level.

Mr. Price stated that there are all kinds of recommendations of how to avoid situations like what occurred in March, 1982. The commission has made a complete study of the states that have favorably held down the things that have occurred in the Montana State Prison, and Montana is always under the "No" column.

He talked about the fact that it is true that there are many persons at the prison who do indeed want some constructive reform but that it is true that none of them would come up here to testify because of the fear of losing their jobs. He mentioned that he was speaking with a great deal of knowledge about what was going on down there, "As long as that prison is managed from the Department of Insitutions, there will be hell to pay." There has to be a boss man, and he must be strong. He must be on the scene and must be known as the boss man. This is a crucial situation, and it must be dealt with immediately. This is a matter of life and death for many people and from his own experiences he said that it wouldn't be hard for the inmates to turn things around and run that place themselves if they so chose. They may know that they are fighting a losing battle but why should this be necessary. It can be avoided. He stated that it would be impossible to outline the changes that need to be made; there is a mountain of them. It must be done through a change in the management and control of the Montana State Prison.

REPRESENTATIVE ROBERT THOFT, District 22, spoke in support of the bill. He said that there really are some problems with the prison being operated from Helena. It must be changed so that everyone knows who the boss is and at present they do not know that.

The ranch is one of the problems at the prison. We put 30 people out there in a dormitory situation. They get up at 2 a.m. to milk the cows, and they don't get the good time that the people who stay inside get and have access to go to school for 3 or 4 hours a day. These things that are unfair to the inmates create tensions and the way that it is going right now, we are dealing with a very dangerous situation. We need one man in charge of the prison. We don't know if Warden Rissley is a good warden because he has never had the opportunity to run that prison, and I think that it is time that we found out.

CHUCK WALDRON, Deer Lodge, former employee of the State Prison, spoke in support of the bill. He is presently the Executive Secretary of the Deer Lodge Chamber of Commerce. He mentioned a couple of perceptions held by the people in Deer Lodge. One of these was that they feel that part of the problem at the prison is the Department of Institutions. This perception concluded that since the state had screened a large number of applicants for the job of warden and selected one, namely Hank Rissley, he must be an expert because the state had a wide choice of candidates for the job. Therefore, if he is an expert, he should be running the prison, but the perception is that he is not. His hands are tied by the Department of Institutions. The guards at the prison were unable to get up here. He said that he spoke to many of them and they have

contacted him regarding this bill. They see methods of handling prison routine day-by-day so far different from that which it use to be and rightly or wrongly, they perceive that the problem is in the Department of Institutions and that is that the warden doesn't have a free hand. The guards say that the over-riding problem at the prison is too many inmates. But that is a different subject.

REPRESENTATIVE JOE BRAND, Deer Lodge, spoke in support of this legislation. He stated, "We in Deer Lodge, and even in Montana are concerned about the penal system which we have. I think all of Montana should be concerned with what is happening at the prison. Let me say that many of the people who work in the system also go to other prisons throughout the United States and they say that Montana is by far the most lenient in allowing inmates to do things more freely. In fact, in Marion, Illinois at the prison they say it is one of the toughest prisons that they have ever been around and it is run by the warden. I am not going to condemn the warden at Deer Lodge. He was selected by the Governor's staff and the Department of Institutions, and there were many applicants for that position. I think that maybe this body is responsible for some of the problems at the prison by not addressing the laws that we instituted making it more strict in the courts and allowing these people to go to prison. This not only applies to the prison but the county jails as well. They are filled up. Today in Montana there are towns that will not accept half-way homes.

I was told yesterday, by the people at the prison that if you are contemplating a 200 cell maximum security facility that will not even take care of the problems in maximum security which exist now. It has to be at least 400. I think that these are the kinds of things that we are going to have to address and possibly there is mismanagement going on. But I think that when your peers are watching you continually, you are always going to have problems. As you know, in the testimony you have heard today, we who live in that vicinity listen and try to talk to the people so those problems can be addressed here in the Montana legislature."

OPPONENTS

GENE HUNTINGTON, Governor's Office, spoke in opposition to the bill. He stated that there are three reasons that the Governor's office oppose this bill. The first one is that it is counter to the principles of executive reorganization that they manage state government with and are somewhat bound by the constitution to uphold. Second they don't think that it is good correctional policy. Third they don't think that the problems which are being addressed by the sponsor of the bill is a problem of organization but a problem of policy which the legislature could address.

Executive reorganization in the state constitution provided that we should have twenty principle departments for the operation of state government and that these should be made orderly. Every effort should be made to avoid fragmenting and creating separate agencies that existed prior to executive reorganization. This bill would create Montana State Prison as one separate agency with a warden that would have the same status as a department director.

Correctional policy would be addressed poorly through this bill in that a goal of correctional management over the last couple of decades in Montana has been to integrate all correctional programs into a unified correctional program. The prison, Swan River Youth Camp, probation - parole officers, pre-release centers and all the functions that deal with adult corrections are in one program. This gives us an orderly movement of people through the program. They get the appropriate level of security treatment that is needed - the right kind of program for people who are committed to an adult corrections system, not people who are committed to one institution.

Mr. Huntington made reference to the Commission report that Mr. Price had mentioned. He said that the recommendation that the Commission made was right on point and it was Standard 16.4 which states that each state should enact legislation by 1978 to unify all correctional facilities and programs. The Board of Parole may administer the part of the overall correctional services agency but it should be autonomous in decision making. The Parole Board as it is in Montana should be the only autonomous group within the unified system. He said that in 1979 the legislature took the final steps in terms of response to this recommendation and suggestions made by a number of other state studies and reports.

He commented on the many charges that have been made during this hearing which he would disagree with very strongly. Regardless of the merit they are charges that deal with policies within the prison or policies that are affected by state laws that the legislature can address. He doesn't believe that these are problems of organizational structure in the way that we organize our correctional system. If you change the structure of it, will you change any of the policies?

He then mentioned the comments that have been made several times over regarding keeping the prison staff away from this hearing. He said that he was unaware of any effort and he said that he could speak on behalf of the Governor that they would do anything they can to make sure that the prison staff can come here and speak without fear of retribution. He did point out that the public employees cannot come to the legislature on behalf of a bill unless they are registered lobbyist, and they are currently lobbying. If you want those people to come simply invite them and they can come to present their feelings.

CHAIRMAN JOE BRAND stated that yesterday he ask a prison employee to testify and his lawyer advised him not to come because he thought there would be retribution.

REPRESENTATIVE FRANCIS BARDANOUVE, District 6, spoke in opposition to the bill. He ask Mr. John Price if he was the author of the letter that had been handed out by Senator Boylan. Mr. Price replied that he was.

Representative Bardanouve stated, "I am so damn mad that I am shaking." He felt that he had been personally attacked by some of the most unfounded charges that he had ever read.

CHAIRMAN BRAND made it clear that there wasn't going to be any attacks on personalities during this hearing.

Representative Bardanouve stated that the letter made personal attacks on him throughout its contents. This report states that this was a political frame up to put Hank Risley into the job as warden. "I want to set the record straight on this matter because these statements are totally unfounded and untrue." He then explained the process by which the new warden had been selected. This was a long and difficult search and they did not reach their decision easily. But after careful screening of thirty-one applicants they narrowed it down to five. These five were sent invitations to come to Deer Lodge and have personal interviews with the committee. They spent two days in Deer Lodge interviewing the applicants but finally they all decided on Hank Risley. This total process took several months. The advertising was very thorough; it consisted of the entire United States. This was one of the most indepth investigations on anyone that he had ever seen. Not once did Carroll South ever care, not once did he have any communication with the Governor, before the selection was made and finalized. He said that he had spoken to the Governor the day after the committee made their selection. He advised the Governor that he may want to interview this man, and he explained that this man was younger but that he was very qualified.

The one reason that we picked Hank Risley was because while in the position as deputy warden in Michigan, he had 50,000 prisoners and many of these prisoners were very tough. He has consistantly been promoted up the career ladder to a higher level. He mentioned that the ranchers in the Deer Lodge valley praise Warden Risley.

Things have become more strict since Hank Risley has been appointed warden, he reprimands guards for things that they should be accountable for. This is something that didn't occur very often before. There hasn't been any escapes there for years. But then there may be one tomorrow. It is an overcrowded prison and this needs to be dealt with.

JOHN PRICE made a brief statement in rebuttal for what Representative Bardanouve said. He stated, "I am not mad at anyone. All of what the gentleman has said may very well have been true in its time. But, that time changed on March 24, 1982 when that riot broke out. Said as it is, the worst thing that could have happened, did happen. This was when the Governor called a special session of the Legislature to deal with the prison affairs. That is when Warden Risley lost his effectiveness; he will never regain his effectiveness and that is when Carroll South lost his position at the Department of Institutions." This was what the Governor told you, "the situation is such, that the prison officials cannot handle it, it is such that the Department of Institutions is incapable of handling it; therefore, I am calling a special session of the Legislature. It shall be your responsibility to straighten out that prison."

THERE BEING NO ADDITIONAL PROPONENTS TO SENATE BILL 390 SENATOR BOYLAN MADE A CLOSING STATEMENT.

Senator Boylan stated that he was not here to attack anyone personally. I do feel that the person in charge of the prison should have full authority to do the things that I would like to see him do. I would like to see that person be able to prove himself and do those things. I think that with the resources and the small population comparatively in the State of Montana we could have the model penal system of the United States. We could have a good Department of Corrections and I do not think that any state is proud when they have riots. People loose lives on both sides. After serving on that task force, we talked to alot of prisoners and alot of guards, and it seems like the people from the Department of Institutions are answering all the questions. I think that this man is getting a pretty good salary out there, and I think that he could answer the questions of the committee instead of only a few of the questions referred to him.

He said that he had talked to various people on the Institutions budget committee and the department people seem to be the ones that are answering the questions, not necessarily the people that work directly in line with what is being dealt with.

COMMITTEE QUESTIONS

REPRESENTATIVE JOE HAMMOND asked Gene Huntington to what degree is Warden Risley's decisions subject to the Department of Institutions. Mr. Huntington said that there are decisions that have to do with the day-to-day operations of the prison that the warden can make. There are decisions that have to do with correctional policies in general and these become decisions that the warden shares with Mr. Russell, the head of the Corrections Division. There are major policy decisions within the department that effect other institutions; then the warden

has to work with Mr. South. That is not only true of the warden but the superintendents of the other institutions. I think that they are suppose to follow that type of chain of command.

Representative Hammond stated that he is trying to sort this out. He asked if Carroll South is appointed to the job and approved by the Senate. Representative Bardanoue said that is correct.

Representative Hammond said that in lieu of what Francis has said regarding the extensive interview that was given for the position of the warden, yet he is still subject to review. The argument that I heard convinced me that Hank Risley should be the head of the prison and that he should not be subjected to answering to Mr. South or Mr. Russell because he has gone through such an intensive interview. Even more than that of Carroll South. Mr. Huntington stated that this interview involved members of the legislature and it was a long one, but this is not unlike the interview process that superintendents of all state institutions go through.

REPRESENTATIVE GLENN MUELLER asked Mr. Huntington, if I am hearing it correctly, I am hearing a problem of management from the Governor's office down through Carroll South and down to Warden Risley. If this is a management problem, it appears to me that where there is so much smoke there must be a little fire. Has the Governor really taken a hard look at this situation? It appears to be a management problem, does the Governor agree with that? Mr. Huntington replied that he was not sure that he would characterize it as a management problem. He thinks that management issues like the ones handled in the past legislatures are not the kinds of problems we are having now. The Governor is very much aware of the concern of the legislature regarding the degree of authority that Carroll South exercises over the prison and I am not sure that it has been discussed. The Governor pays very close attention to every decision made in the prison since the riot as does Carroll South. We don't perceive that Carroll South runs the prison on a day-to-day basis but maybe this is a problem. We are looking into it to see if there is anything that we can do if there is a real problem here.

Representative Mueller asked how Gene Huntington would respond to the statement that was made when the legislature was called into special session that Warden Risley, for all practical purposes, had been gutted as far as the manager of that institution. Mr. Huntington answered that he did not feel that this was what was intended. He stated that Mr. Risley was new on the job at that time and since then he has been able to handle more things on his own. I would disagree with that statement.

Representative Mueller asked Senator Boylan to respond about the long term management of the prison. Could we be creating a problem rather than helping to solve a personnel problem of people

that are sitting in office today? In the long pull, might it not be better to have all of corrections in one pot? Senator Boylan said that he feels that this is a volatile situation and the warden needs to be the boss. He should be answerable only to the Governor not through this whole layer process. It has been pointed out that even minor things that have to be handled are difficult to get taken care of because of the mirage of paper and people that must be gone through.

Representative Mueller asked if the warden didn't have the responsibility to do whatever is necessary to be done. Senator Boylan replied, "Yes, but that you can't get any straight answers on the questions that are asked. Even when the question is simple it may not be answered in time. He gave an example of a prisoner who wanted to go to his mother's funeral and no one would make a final decision since the warden was not available to answer this.

REPRESENTATIVE FRANCIS KOEHNKE asked Mr. Price to give the committee a little background on himself. Mr. Price stated that he was an inmate in Deer Lodge for 8 and 1/2 months. He also carries three Bachelor degree's and expressed that he is fairly knowledgeable in various fields.

Representative Koehnke asked Senator Boylan if he had considered the possibility that a new warden may be appointed if a different Governor is elected. Senator Boylan said that this could change tomorrow under the system as it is now. This makes no difference.

Representative Koehnke asked Mr. Huntington under the present situation if they were to decide that the warden was not competent who would terminate the job. Mr. Huntington replied that this would be the duty of the Director of the Department of Institutions.

REPRESENTATIVE JERRY DRISCOLL asked Representative Thoft about the people that work at the prison ranch. How did it come about that these people were selected to go there? Was this a management or legislative decision? Representative Thoft stated that it is a management matter but that he had contemplated making it a legislative matter by introducing legislation that would do just that. Mr. South was totally against this consideration. It has been nine months since our review and Mr. South hasn't done anything to correct the problem yet. I am not even sure that it will be corrected.

REPRESENTATIVE FRANCIS BARDANOUVE asked Mr. Price why this committee should consider any of his testimony since parts of it have already been proven to be untrue. He referred to the court of law in which a jury is given the instruction that if part of a persons testimony is proven to be false, it would all be dismissed as evidence. Mr. Price stated that he did not feel that relates to the issue at all. He stated that he

could back up anything that he said.

Representative Bardanouve asked upon what basis did Mr. Price prepare the information that he has supplied today regarding the appointment of the warden. You should know that you have to have material facts to back these kinds of comments up. Mr. Price replied that Representative Bardanouve had stood before this committee and several times he had said, "I know". I could challenge you the same way. How in the hell do you know?

Representative Bardanouve asked Mr. Price if he was involved in the selection process and the months, weeks and hours of work that it took to select this individual? Mr. Price replied that he was on a committee twenty-four hours a day. He stated that he knew the flavor of the cell block as well as he knew what happened with the management and operations of the prison. I think that the prison has to be straightened out and it must be done soon.

REPRESENTATIVE PAUL PISTORIA asked Representative Bardanouve about this program being in the Department of Institutions for a number of years. Representative Bardanouve replied, "Yes, that it has been. There has been a very strong reluctance to have the department in Helena set any policy dealing with that particular institution. It may well be true that South, being a strong personality, has created some hard feelings when he sets down new rules, etc."

Representative Pistoria mentioned that it has been a case of personalities for the past year or so. It seems to be pointed to Mr. South. He felt that the persons involved in this should get together and solve it once and for all.

REPRESENTATIVE JOHN PHILLIPS asked Representative Thoft about when they went through the prison last spring. Did he feel that there was a great deal of missing authority? Representative Thoft replied, yes and he explained about the drive in the "hippie" van.

Representative Phillips asked Mr. Price if he felt that there was a lack of discipline during his time at the prison. Mr. Price replied, yes, that he believed there certainly was.

Representative Phillips asked Senator Boylan if the warden was placed directly under the Governor would he be instructed to tighten up on the discipline down there. This seems to be one of the biggest problems at the prison. Senator Boylan replied that if he is given that authority, let him exercise it, whether that means that he wants to turn them all loose or whatever it might be. That is his business, and I think that if he is given the prerogative that he is the boss man and let him do what he feels is best. They have gone in and selected a man of penal

experience and training so let him use that expertise.

REPRESENTATIVE FRANCIS KOEHNKE asked Mr. Huntington if he felt that if you have a man with that experience and training you should give him the authority that is necessary. Mr. Huntington replied that he had mentioned earlier that the appropriate decisions have been left with the warden. Warden Risley brought some new procedures that have been implemented now and we have riot control teams that we did not have before. Again, this was done at Mr. Risley's initiative.

Representative Koehnke responded by saying that he did not mean just in case of a riot but that he was referring to the day-to-day routine of the prison as a whole. Mr. Huntington said that this is probably a difference in perception. Where he sits in the Governor's Office, dealing with the prison inmates and guards, he does not share the perception that the authority has been taken away from the prison.

REPRESENTATIVE FRANCIS BARDANOUVE asked Senator Boylan about a matter regarding towels being placed over the windows. Could this directive be to the inmates safety because the towels may be flammable. Maybe we, the legislature, should consider having them place some kind of shade on these windows. Senator Boylan replied that maybe this should be done. The shades are available at the canteen but they cost \$8, and the prisoner's can't afford this.

REPRESENTATIVE GLENN MUELLER asked Representative Thoft about the perception regarding the day-to-day management coming from the Department of Institutions. What led you to this perception? Representative Thoft said that he was glad that this question was asked. He said that Mr. South has said over and over again, to the Institutions Subcommittee and to the Task Force that he was ultimately responsible for anything that went wrong down at the prison. So in light of that I would think that he was going to be in control of it all.

CHAIRMAN BRAND yielded the floor to Mr. Price to speak. Mr. Price replied that regarding the towel issue, it was simply a matter of harassment. There's many other things that could be flammable and it makes no difference about the other items. This is what creates an explosive situation.

REPRESENTATIVE JERRY DRISCOLL asked Representative Thoft to continue to explain about the Task Force. Representative Thoft said he should explain that Carroll South made himself responsible and he felt that this is basically what is wrong with the matter. The warden is the one that is responsible and should rightly be. If there is any criticism the warden should take it and then if he is not doing his job, then the Governor can find a new warden. He doesn't have any problems with the warden of this institution. The problem is that he

is not allowed to run the prison.

CHAIRMAN JOE BRAND asked Mr. Huntington about the Special Session. Why isn't the Governor taking the advice of the committee regarding their findings on this issue? As you know, two members of that committee are here today and they are addressing some of these problems that you are opposing. Mr. Huntington replied that they do recognize the committee's work and they will work with them in terms of their projections and the number of people and type of facilities which we think were the critical element that this committee was to address. As you will recall in the Special Session, the Governor asked that 8 bills be introduced. Seven of those bills were passed and one bill that didn't pass was to authorize the construction of a close security unit. The question that people had was whether that kind of security was really needed. The committee addressed that question and we are willing to accept their answer. There were a number of other recommendation made that deal with sentencing and this sort of thing which we are in disagreement on. The bill that we are hearing here today was not one of the committee's recommendations.

Chairman Brand asked who the members of the committee were that did the screening for the wardens job. Representative Bardanouve replied that they were: Senator Van Valkenburg of Missoula; A County Attorney of Phillips County, Willis McQuene; head of the Crime Control Board; Representative of the Department of Institutions; the Parole Board and himself.

Chairman Brand asked if Carroll South was one of them. Representative Bardanouve said, "No, Carroll South was not on the committee; it was Dan Russell."

Chairman Brand asked who does Dan Russell answer to. Representative Barndanouve replied that he answers to Carroll South, but he did not in any way attempt to dominate that committee.

Chairman Brand asked how many in-state people made application for that position. Representative Bardanouve explained that Mr. Blodget was included and early on in the selection there may have been a couple others but they were not considered to be qualified. Mr. Blodget was the only one that was considered to be qualified at all from the state.

Chairman Brand asked Representative Bardanouve if it was ever conveyed to the Deputy Warden Blodget that if he would take certain instruction through the university system that he might be the warden of the Montana State Prison. Representative Bradanouve replied that he did not know anything about this. The reason that Mr. Blodget was not chosen for the job was because it was decided that we needed a new look at the prison, not a local hometown person that all the people knew, etc.

There were some family relatives of this man in the prison and we felt that this would not have been a good situation at the time.

Chairman Brand indicated that in this case a long time employee who started out at the bottom might as well get out of the system. Representative Bardanouve replied, yes, in this particular case it worked against him.

In regards to the Governor's office taking into consideration the Task Force suggestions, Representative Thoft stated that "he really took offense to that because they really did anything but that." "They sand bagged us every way that they could; they wouldn't sit down with us and consider the possibilities of renovating the old prison and getting the hard core criminal out of there so that the other prisoners could have a chance."

CHAIRMAN JOE BRAND asked Mr. Huntington about the penal system being kept under one umbrella as he had stated in his testimony. Mr. Huntington replied that they wanted to preserve th corrections system as a system.

Chairman Brand asked if he was saying that this would not work if the warden is attached directly to the Governor and you can have that same umbrella. Mr. Huntington said that you would have elements of the system under two different directors. the adult system should be maintained under one agency.

THERE BEING NO ADDITIONAL QUESTIONS FROM THE COMMITTEE CHAIRMAN BRAND CLOSED THE HEARING ON SENATE BILL 390.

SENATE BILL 398

SENATOR BOYLAN, sponsor of Senate Bill 398 opened the hearing by explaining the licensing requirements of the state. He had talked to alot of different people that were effected with this part of the law but the main idea is to move the licensing requirements for contractors from the Department of Revenue to the Department of Commerce. This is just a start in cleaning up the problems that have occurred with this. There are other problems with changing of contract orders, bid letting, bidding among the contractors, bonding, etc.

PROPONENTS

SONNY HANSON, Montana Technical Contractors Association for Design Professionals, said that his organization's interest and concern in following this bill and encouraging the passage of it is that we are restricted to who we can allow and award contracts to. As the law is now, a contractor is either an "A", "B" or "C" contractor, but when we open the bids we may know that a contractor is not capable of completing the contract for various reasons; we must still award him the contract. Anyone

can send in his \$100 and become a contractor. The law is very vague on this matter.

BILL OLSON, Secretary/Manager of the Montana Contractors Association, rose in support of this bill. The current law does need some strengthening. Right now the way it is, an individual can put a sign on his pickup, put a ladder in the back of it, go up and put down \$10, pick up a couple forms and become a class "C" contractor. This authorizes him to bid work up to \$25,000. This bill should help within the field of contracting. He reminded the committee that this only applies to public contracts. This does not cover the private contracts that are handled by many small contractors.

OPPONENTS

JOHN HOLLOW, Montana Home Builders Association, spoke in opposition to the bill but not totally. He said he was making some suggestions so therefore he is a proponent/opponent. This bill itself should be passed. It is taking a licensing function and licensing law and putting it into the Department of Commerce where it should be. There have been some areas of the present law that have not been enforced as they should so reading through this bill I had no objections. But in listening to the testimony, I say it makes the little guy nervous. We are asking the Department of Commerce to do what the Department of Revenue never did. We would like to know exactly what this bill will do. I would like to see a Statement of Intent attached to it. This bill does not delegate rulemaking authority, and they are now asked to implement something that has never been implemented before.

We are talking about the licensing field and this was not there before. I think that you should make an amendment that clarifies that if you are applying both for a general contractor's license and for a specific plumbing license that the second license comes at a lower rate. He suggested some language in subsection 2 on line 17, page 5. He said he would give this to Ms. Menzies for her review. This language provided that once you have made the basic application and if you must have a second license, you don't have to pay the full fee.

THERE BEING NO ADDITIONAL OPPONENTS SENATOR BOYLAN MADE A CLOSING STATEMENT.

Senator Boylan indicated that they had talked to many contractors who want to back out of the state building business because they have such a terrible process with change orders, etc. We have such a mess in the laws and would like to get this straightened out.

COMMITTEE QUESTIONS

REPRESENTATIVE JERRY DRISCOLL asked John Hollow to clarify his suggested amendment. Mr. Hollow explained that if you were a class "C" contractor and your second license was a class "B", then you would pay 25 percent of that class "B" requirement for electrical.

Representative Driscoll asked, "If you were a contractor, wouldn't you go out and buy a class "C" general contracting license so you could get your class "B" license cheaper?" You could save a lot of money by doing that. I could see it within a class but not from class to class. Mr. Hollow replied that you have to move up your general license class in order to be able to apply for any mechanical, electrical, plumbing, etc. in that class. But this language could be worked on so that it covered everything that you are saying.

Mr. Hanson said that the assumption was that just to go from a "C" to a "B" you would take a percentage but that is not the case. You will have a "B" license and if you wanted to specialize in say electrical work then you would only pay 25 percent but you would have to have the "B" license first. You would have to have one of those at the full price.

Mr. Hollow explained that you would merely have to add the language, "within the class."

REPRESENTATIVE PAUL PISTORIA asked if the Department of Commerce had been contacted about this and is it alright with them regarding the move. Senator Boylan explained that it was alright with them. They had no opposition and all departments involved are in agreement. They are fully informed on what we are trying to do.

CHAIRMAN BRAND asked why was it in the Department of Revenue to begin with? Senator Boylan replied, it was a matter of collecting fees and I guess that it got there sometime in the past. Representative Bardanoue said maybe it was because it involved revenue. It was done back in 1935.

THERE BEING NO ADDITIONAL QUESTIONS CHAIRMAN BRAND CLOSED THE HEARING ON SENATE BILL 398.

SENATE BILL 378

SENATOR HARRY BERG, sponsor explained that he had a few amendments for this bill. The fiscal note that is attached to the bill applies to the employer contribution. He pointed out that the amount shown at the bottom of the page is the combined contribution (employee and employer). The employer's contribution is 1.588 the first year and 1.667 the second year. He passed out a letter from Mr. Alton P. Hendrickson, ASA, who is an actuary.

Mr. Hendrickson has determined that this is the contribution rate that would be necessary to make this actuarially sound. Mr. Hendrickson's letter is attached as EXHIBIT B. He also handed out a comparison study of some of the other retirement systems that are administered by the state now. See EXHIBIT C attached.

There has been some question about the effective date of the bill. The bill presently does not mention an effective date so it would not become effective until October 1, 1983 and this could present some problems both for the individual involved and the school districts. I would like to suggest that if you approve this bill, you add an amendment that would make an effective date of July 1, 1983. This would allow enough time for planning for all parties concerned.

He said this bill would take away the existing penalty that we currently have in the law today.

We are not sure how many teachers would take advantage of this program. The current law is somewhat discriminatory, especially towards women. There are alot of women that take out 5-8-10 years to have families and for those people who have to put in 30 years of service, this would mean that many of them would have to serve until they were 65 or 70 years old before they could be eligible for retirement. This is detrimental to education and to teachers.

PROPONENTS

DAVE SEXTION, Montana Education Association, spoke as a proponent. He said Montana teachers should have the option of retiring after 25 years of service without a severe penalty as is in the present law. Occupational stress and burn-out has become a stark reality to teachers. Testimony attached as EXHIBIT D.

JOEL HARDY, representing the students of the four Montana colleges, said that he supports this bill for three reasons. First, several teachers have contacted him saying they are in favor of this bill. Second, high school students are in favor of this because of the effect that uninterested teachers can have on a high school student's education. Third, the college students would be helped by this bill because jobs would be created by openings in the teaching profession.

IRVING DAYTON, Commisioner of Higher Education, spoke in favor of this bill on behalf of the university systems. There are three reasons that this is being supported by them. First, there is definitely a burn-out problem with teachers. It is a tough job, and they get tired. The quality of education that the students get is going to be improved if those people who don't really want to be teaching are then able to move out

in middle age and find something else, rather than hanging on doing the kind of job that you would expect under those circumstances.

There are two management reasons that make this very desirable. We too may be facing retrenchment situations as the public schools have at various times. This option would allow some of the more senior people to take retirement after 25 years, thus eliminating the necessity for retrenchment of young active teachers. It loosens up staffing situations.

The third advantage is, in the university system we have students moving from one subject area to another inside the institution. Any retirements that we can produce in over-staffed areas mean that we can put that division into an area which is presently understaffed and being flooded by students. This would enable us to give better service to the students by allowing this flexibility.

CHIP ERDMAN, Montana School Board Association, appeared as a proponent for this bill. We feel that it would give the school board alot more flexibility in their planning. Allowing the teachers that have over 25 years to leave the system. The school board could then either replace that individual or not fill it at all. I feel that there is no question that the education level will improve since a new fresh teacher in the classroom will be a better incentive for the students. He then mentioned the handout material from Dr. Russell S. Carlson, Superintendent of Havre. See EXHIBIT E attached.

TERRY MINOW, Montana Federation of Teachers, AFTAL-CIO, testified in strong support of this bill. She mentioned some of the things that have been previously mentioned. She stated that they had called a few of the school superintendents that would be effected by this bill and the amount of people who would be eligible is small but it is a good bill. This is unique because it is supported by so many various groups. It is supported by administrators, teachers and students, and it deserves this committee's support.

JESS LONG, Executive Secretary of the School Administrators of Montana, spoke in support of the bill. This is an earned retirement, it is not a double dippers bill. There is no cost-of-living allowance in it at all. A superintendent that he knows retired in 1969 and he received retirement pay at that time of \$5,000 and it looked pretty good then. But today with the inflation factor which we have had it is not so good. It has had almost no gains over that time.

BOB JOHNSON, Administrator of the Teachers' Retirement Division and the Teachers' Retirement Board would be in favor of this legislation if the legislature is willing to provide the .994

percent funding to fund this benefit.

REPRESENTATIVE JERRY NISBET, District 35, Great Falls, rose in support of the bill and he also conveyed the similar support of over 200 teachers that he spoke to in Great Falls who are in favor of this bill.

OWEN NELSON, Montana Education Association, spoke in favor of the bill pointing out one other thing that his colleagues forgot to mention in regards to the cost of this bill and the employer contribution portion. He mentioned figures that were similar to the ones presented by Senator Berg. If a retired teacher were replaced, you figure a starting salary of about \$14,000 plus the contributions. This would come out to \$16,100. He then referred to the fiscal note and the 13 persons that would retire. He indicated that if this were true that there were 13 persons retiring, it would be a savings of \$1,086,000. The examples are attached as EXHIBIT F.

REPRESENTATIVE JOE HAMMOND, District 24, Albion, spoke in support of the bill and discussed the problem of teacher burn-out. He referred to the fact that the teacher has to entertain the students in class today. They have to be more entertaining than the TV and anything else that is more interesting to them. The way that education was 30 years ago is not possible today. This entertaining is supported by the parents. Even entertainers don't have to do this 180 days a year. Teachers do and they have to be stronger. He said that summers off is a total misnomer. I have never had a summer off. This is when you prepare your curriculum for the coming fall.

THERE WERE NO ADDITIONAL PROPONENTS AND NO OPPONENTS TO SENATE BILL 378 SO SENATOR BERG CLOSED.

Senator Berg said it is interesting to have all this support from the various groups. I believe this bill could eliminate the need to lay-off teachers. I don't subscribe to the theory that this will lower the quality of education and in fact it has the potential of improving education. It is a small incentive, and it may prove to be one of the best things this legislature can do for education.

COMMITTEE QUESTIONS

REPRESENTATIVE WALTER SALES asked Dr. Dayton, three sessions ago we had a bill to encourage the early retirement of teachers. What is the main difference between this bill and that one? Dr. Dayton replied that he was not sure, unless someone can describe the other bill better.

Representative Sales said that it was Representative Nordtvedt's bill and you were present when we had it in State Administration.

Dr. Dayton said that he thought the problem was funding; this bill addresses that and his did not. Mr. Long responded that one of the factors of the bill in the past that involved reducing the retirement age from 30 to 25 years was that it also changed the rate in which they retired from the current rate of 30/60th and it would now go as 25/60th under this bill. At that time it would have gone to 25/50th and the impact was substantial.

Representative Sales asked Bob Johnson, we have these information sheets on the savings to the school districts but I don't quite see how this applies to the retirement system. Mr. Johnson replied it is a negative effective. There is no incentive to the retirement system.

Representative Sales said this bill says that the employer shall put in a certain percentage. Normally when we would read this we would think that the school district is the employer; however under state law we now have a county-wide equalization system that takes care of the teachers' retirement. I happen to be from a school district that has a one-room school that is paying enough teachers' retirement to retire six plus teachers. How is this going to effect that school system? The employer is the tax payers of the county so do you have any idea of how it is going to effect school districts such as mine? Mr. Bob Johnson replied that if you take the percentage increase that an employee earned in benefits, it would be about a 7.69 percent increase. In other words, employee benefits would go up 7.69 percent. That is just the raise of the employer contribution. The dollar effect to the school districts was explained earlier.

REPRESENTATIVE FRANCIS BARDANOUVE asked Mr. Johnson about the actuarial calculation. Are we going to be more than 8 1/2 years behind the Teachers' Retirement System? Mr. Johnson replied that their actuary has assured them that the .994 percent would be sufficient to fund this without an extension of the amortization period.

REPRESENTATIVE GLENN MUELLER said that when the younger teacher comes on, he pays the lower percentage into the system. Has this been taken into consideration on this actuary calculation? Mr. Johnson said, yes, this was taken into consideration. This is a plus.

REPRESENTATIVE CHESTER SOLBERG asked Senator Berg about the retirement figures on the hand-out material that he presented. I can't see where the less than one percent increase is going to pay for that difference plus better the actuarial figure of the retirement system. Would you explain that please? Senator Berg said that he is not the actuary and he can't vouch for what the actuary has taken into account. I have taken Mr. Hendrickson's figures as being sound, honest figures. I know that a teacher coming into the system pays more money

because it is over a longer period of time. The increase from 29 percent to 42 percent, if you will look at the other sheet that I gave you, explains that.

REPRESENTATIVE BRENT BLISS asked Mr. Johnson if he was here awhile ago and asked for the seven percent increase to bring the Teachers' Retirement System back on a sound basis. Mr. Johnson replied, "Yes."

Representative Bliss said that he did some rough estimating and if the employee had to pay the entire cost of this bill and then the employer came along and picked up the seven-tenth, wouldn't that put it back at a fifty-fifty relationship? Mr. Johnson said that he thinks there is some misunderstanding that this bill is going to reduce our amortization period from 48.5 years to 40 years. That is not the case. This bill is simply going to fund the unfunded liability that will result from this bill over a period of 40 years.

Representative Bliss explained that his question had been misunderstood. If we were to amend this bill so that employees would pay the total cost and then we would agree that the employer would pick up the seven-tenths to bring that down, then wouldn't both groups be down to the fifty-fifty level at what everybody thinks it should be? Mr. Johnson replied that is pretty close to being true.

REPRESENTATIVE JERRY DRISCOLL said, in the fiscal note, if the 35 teachers were averaging \$27,000 a year and they were not replaced, it would result in not having \$56,000 contributions go to the fund and those 35 teachers would draw somewhere around \$500,000. He further explained that this cost should not be shifted entirely to the employee either.

CHAIRMAN JOE BRAND asked Mr. Long if he made the remark that many years ago a teachers retirement was \$5,000 and that would not include any increases? Mr. Long replied, yes, the retirement was \$5,000 and there was about a two percent increase in that two years ago. This was no cost-of-living increase though.

Chairman Brand asked what the lowest amount is that is paid to those people today. Mr. Long replied, \$3,600 per year.

REPRESENTATIVE JOHN PHILLIPS said that this figure was increased to \$300 a month sometime ago.

CHAIRMAN JOE BRAND asked Dr. Dayton how many teachers retired since it became more liberal? Dr. Dayton responded that they have not made a detailed study on that.

Chairman Brand asked how many will retire if this bill is passed. Dr. Dayton said they have not completed a survey on this.

Chairman Brand asked if Dr. Dayton would argue with the fiscal note figures? Dr. Dayton said that he didn't know about the 35 teachers but there may be more if we get a bad budget from the legislature.

Chairman Brand asked about the school boards. Are you going to replace these teachers with new teachers when there may be a reduction in student population? Dr. Dayton said in some cases they may not be replaced. That is hard to tell right now.

Senator Berg explained that they did have a lay-off in his district but that 44 persons would be eligible to retire under this bill, and he wasn't sure if they would be replaced.

REPRESENTATIVE FRANCIS BARDANOUVE said this bill could have a big impact on Butte since they are being faced with closing some of their schools.

CHAIRMAN JOE BRAND asked if teachers receive social security. The committee responded yes.

REPRESENTATIVE JOHN PHILLIPS stated that teachers' retirement is a separate mill levy but asked how it is figured. Senator Berg replied that it is applied to the total salary of the school district. He said, "I am not saying that there won't be costs involved in this bill, but it has good quality." He expressed his concern and hoped that this would be the prime concern of all the persons present today.


REPRESENTATIVE HELEN O'CONNELL expressed her concern of not having a cap on this kind of a system.

THERE BEING NO ADDITIONAL QUESTIONS FROM THE COMMITTEE CHAIRMAN BRAND CLOSED THE HEARING ON SENATE BILL 378.

REPRESENTATIVE GLENN MUELLER MOVED for adjournment and it was seconded by Representative Joe Hammond. The question being called, the motion carried by unanimous voice vote.

The meeting adjourned at 12:10 p.m.

Respectfully submitted,



REPRESENTATIVE JOE BRAND, CHAIRMAN

Cleo Anderson, Secretary to Committee

VISITOR'S REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SENATE BILL 390

DATE MARCH 7, 1983

SPONSOR SENATOR BOYLAN

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Boyle

EXCERPT FROM THE "CORRECTIONS" VOLUME PUBLISHED BY THE NATIONAL ADVISORY COMMISSION ON CRIMINAL JUSTICE STANDARDS AND GOALS:

FOREWORD

This volume is one of six reports of the National Advisory Commission on Criminal Justice Standards and Goals.

This Commission was appointed by Jerris Leonard, Administrator of the Law Enforcement Assistance Administration (LEAA) on October 20, 1971, to formulate for the first time national criminal justice standards and goals for crime reduction and prevention at the State and local levels.

The views and recommendations presented in this volume are those of a majority of the Commission and do not necessarily represent those of the Department of Justice. Although LEAA provided \$1.75 million in discretionary grants for the work of the Commission, it did not direct that work and had no voting participation in the Commission.

Membership in the Commission was drawn from the three branches of State and local government, from industry, and from citizen groups. Commissioners were chosen, in part, for their working experience in the criminal justice area. Police chiefs, judges, corrections leaders, and prosecutors were represented.

Other recent Commissions have studied the causes and debilitating effects of crime in our society. We have sought to expand their work and build upon it by developing a clear statement of priorities, goals, and standards to help set a national strategy to reduce crime through the timely and equitable administration of justice; the protection of life, liberty, and property; and the efficient mobilization of resources.

Some State or local governments already may have equaled or surpassed standards or recommendations proposed in this report; most in the nation have not. But in any case, each State and local government is encouraged to evaluate its present status and to implement those standards and recommendations that are appropriate.

The process of setting the standards that appear in the "Report on Corrections" and the other Commission volumes was a dynamic one. Some of the standards proposed are based on programs and projects already in operation, and in these cases the standards are supported with empirical data and examples.

The Commission recommends specific guidelines for evaluating existing practices or for setting up new programs. In some areas, however, the Commission was unable to be as specific as it would have liked because of the lack of reliable information. The Commission urges research in these areas.

The Commission anticipates that as the standards are implemented, experience will dictate that some be upgraded, some modified, and perhaps some discarded. Practitioners in the criminal justice field will contribute to the dynamic process as they test the validity of the Commission's assumptions in the field.

One of the main priorities of this volume—and of the Commission itself—is to encourage and facilitate cooperation among all the elements of the criminal justice system and with the communities they serve. Consequently, some of the subjects discussed in this volume bear a close correlation to standards in the other volumes. The Commission has attempted to maintain a consistent approach to basic problems, but different facets of common concerns are discussed in the volume that seems most appropriate.

The Commission has completed its work and submitted its report. The Commission hopes that its standards and recommendations will influence the shape of the criminal justice system in this Nation for many years to come. And it believes that adoption of those standards and recommendations will contribute to a measureable reduction of the amount of crime in America.

MEMORANDUM

To: Senator Paul Boylan,
Montana State Legislature,
Bozeman, Montana.

This is intended to comprehensively cover my views relative to the prospective and forthcoming legislation which will affect the administration, operation, management and funding of the state's prison system. Certainly, these views represent "the way I see it" — but nevertheless they are derived from a considerable array of tangible knowledge. As you already know, I not only had the opportunity to continuously observe the prison management and operations in motion for several months prior to the special legislative session in June, but I assiduously monitored all functions of the Legislative Task Force which was subsequently engaged in a study of the prison establishment.

Consistent with the capabilities (and limitations) of my educational background, I shall attempt to present a syncrastic picture of the situation; i.e., the amassing and blending of different and antagonistic parts into a whole. Hopefully, this will inspire an in-depth process of reasoning when legislation is in preparation to correct the existing problems. Far from considering myself super in any field of endeavor, it would, however, be my inclination to think extensively and unrelenting on any project or activity to which I am attracted.

First and foremost is the proposition that there are no "easy answers" — it would be sheer folly to attempt any kind of action with a "satisfaction guaranteed" label on it. By the very nature of our rapacious bureaucracy, you will undoubtedly be blocked and re-blocked in every effort to develop meaningful solutions. And, here, you must be mindful that whatever legislation is enacted into law, it will be another two years before the legislature can reconstruct it. Conjunctively speaking, it's more than an assumption that improper or inadequate legislation could have serious repercussions long before that.

The situation at hand is much more than a categorical "problem" — it's a package which we can justifiably label a dilemma! And regardless of the alternative selected, you will be dealing with traumatic conditions. Moreover, there is no singular malfunction to be reckoned with (such as the element of "overcrowding" which was ostensibly the conjured-up reason for the legislature being assembled into its special session in June).

To be sure, there was an overcrowded condition and a riotous disturbance in the cellblock on March 24, 1982, but that affair was merely the culmination of the deviate series of events which preceeded it — events as diversified in propensity as the stories on a totem pole. The whole situation is as far-reaching as the expanse of time and complex behavior which produced all the problems, combined, to create an incident of violent upheaval — the crisis.

In essence as well as fact, the legislature will indeed be grappling with a many-tenacled monster — a bureaucratic ogre that has been so gluttonously nourished during the past two decades that it defies any semblance of reasonable description. If I can accomplish nothing more by this presentation, then it would be my pitch to urge that individual thinking mechanisms be geared to think strenuously on the impacts likely to result from what is done (or not done) at the legislative level. To assume that the whole prison atmosphere is charged, short-fused and potentially explosive, would be in good order.

Lest we allow our naive minds to become even more naive, there is much to consider in the flow of political strategies during the past couple of years. These, in my opinion, served only to compound the problem of inefficient prison management that was already nearing the chaotic stage. In this connection, I am depicting the difference between an efficient management and the asinine bureaucracy which keeps it from being efficient.

If we prefer not to call conditions at the prison chaotic, how shall we describe it? — near-chaotic, abysmally disordered, malformed, ignorantly disoriented, or just plain discombooberated? Any way you look at it, it's obvious that conditions there were unhealthy enough for the governor to call a special session of the legislature to deal with it. So what did this special session signify? Besides the staggering expense to the taxpayers, it signified that something was radically wrong in the management and operations of the prison — so wrong that the governor didn't trust either the prison or the institutions department (or both combined) to straighten it out, and therefore placed the straightening-out process in the hands of the legislature. Conceivably, this could have been an unwise move. Somewhere in my counterpoised mind is the vision that a worse mess is in the making — worse for the prison environment and worse for the body-politic. And two "worses" do not equate into a betterment.

Actually, in retrospect, we should now be able to comprehend that the special-session move was politically innovated so as to take the governor "off the hook" because of the fear that the prison lid would blow and he would be left holding the well-known sack for inadequately responding to the situation (and it's common knowledge that the governor always prefers for someone else to be the sack-holder). This reasoning, however, was decidedly in good order, but for another reason. Based on the premise that if the prison management was so lacking that a cellblock riot did occur, it wasn't trustworthy to prevent a small insurrection either.

It is significant at the moment to dwell on the governor's most recent "State of the State" message to the legislature — no mention whatsoever of the prison "crisis" which prompted him to call a special session. We observe, however, that he obviously expects the legislature to allocate the umpteen millions for prison matters that are found in his budget. It's now getting close to the question of "who sold who a bill of goods" on how to handle the prison "crisis" to begin with? And yet, it was a bill of goods strong enough to call the legislature into special session despite the staggering expense to the taxpayers.

How could we possibly not connect this into the political move which brought Hank Risley in from Michigan to be the prison's warden? It would be hard to say (and even more difficult to find out) just what Governor Schwinden had in mind when he gave his institutions director (Carroll South) the go-ahead to steer Risley into the wardenship, with conceptual knowledge that it was bound to create an upheaval in the Deer Lodge community at large (and here I'm talking about the time-honored, fraternalized affiliate which has managed Montana's state prison for well over a century.

Whether good, bad or indifferent, the people who have been employed at the prison have resided in the Deer Lodge area (or somewhere in Powell County). Considerable amounts of their daily conversation has been pointed to prison affairs. And the warden, especially, has always been a public figure of no small stature — traditionally a long-time resident of the state, and who, by the very nature of his position and experience, possessed an abundance of first-hand knowledge of what he was dealing with.

This is not to condemn Hank Risley for his lack of know-how and expertise in Montana's prison matters or in Montana politics (and believe me, the Montana politocorum does play a highly significant role in the management and operations of its prison establishment. But the fact persists that Risley was totally unknowledgeable and ill-equipped to head-up the Montana State Prison. This would be comparable to a well-educated and highly-skilled Eskimo going to Florida to head-up that state's wildlife department. Despite his vast knowledge of the Arctic's wilderness, he would be at a loss to understand and manage its tropical counterpart. Michigan's penal system (with its 50,000 or so inmates) is by no means compatible with Montana's prison set-up, and it would be several years before Risley could become thoroughly acquainted with the difference. Besides that, Risley was never such a head-runner in Michigan's penological affairs as to qualify him to be a prison warden anywhere. So let's come down to some relative facts surrounding his appointment — it was Carroll South who didn't want a competent and proficient warden. South was after a "yes" and "me too" man.

Granted, after Risley was officially appointed, the way ahead was one of pretentious dimension. As is customary in political disjoinders of this type, Risley was accorded the usual "honeymoon" time. But the honeymoon is now long over, and the general concensus of opinion (both in public and prison circles) in assessing his ability and competence is that he was the poorest selection that could possibly have been made. This adversely reflects on Carroll South's competency as a DEPARTMENT HEAD by pursuing such a discreditable route in selecting his prison warden to begin with.

To top this off, Risley has added insult to injury by declining to live at the warden's residence in the city of Deer Lodge — preferring to seclude himself at his lake spread on the prison acreage. This, in effect, tells the people of Deer Lodge that he does not wish to be counted among them. Really, that kind of attitude is neither healthy nor conducive to an amicable relationship with the fraternalized affiliate. And it's highly probable that there is no communication link between Risley's hide-away and the prison — indicating that he can be reached only by a guard dispatched by vehicle.

But ... let's face it. Risley wasn't brought to Montana to really be in charge of the prison as the warden is supposed to be. It was a foregone conclusion that he would be loyally subservient to Carroll South and the Department of

Institutions. This doctrine showed up clearly in every Task Force assembly from June through December. Risley stuck adhesively close to South, with Dan Russell hovering nearby to supply them both with his pre-arranged views, expertly tutored by Carroll South. An associate warden, Pat Warnecke, appeared for the first three or four meetings and then dropped. This was relatively easy to see through — Warnecke's qualifications and expertise stemmed from his initial position (July, 1979) as a Class II social worker in the prison's clinical services department. Later he became a counsellor in one of the medium-security wings, and still later was elevated to the position of Associate Warden of Treatment (undoubtedly a buddy-buddy appointment by former warden Roger Crist.

The one prison official who could have furnished the Task Force with a comprehensive and accurate description of the real prison picture was barred from attending any of the Task Force meetings — Deputy Warden Gary Weer, an official whose employment dates back to his position of guard at the old prison. South is not exactly a nit-wit — he knew all too well that Weer could not be tutored, coerced or manipulated.

My personal appraisal of Hank Risley is that (with or without his beard) he is a very insecure person with an inferiority complex pervaded by failure to be the master of his own convictions. This implies a personified weakness of character, stamina and endurance, almost to the point of inanity. He is noticeably lacking in organization and foresight. Being a prison warden requires that person to have considerable more qualifications and meaningful grit than Risley will ever have. Probably the strongest characteristic of an effective warden would be his LEADERSHIP qualities which would be respected by the inmates as well as his staff. Risley is generally known for his lack of such qualities. No one can be expected to respect their leader if, in fact, he is not a leader. A warden who has not earned the respect of the inmates he has to control puts the state in the position of expecting perpetual trouble and uprising.

I note by the deductive method that another tour of the new and old prisons by "about 50 legislators" (as the media had it) occurred on Friday, January 7th. The media failed to mention, however, that this group consisted of the forty new freshman legislators and a few of the older heads who were unable to tour the prisons in June. This recent tour had all the earmarks of a surprise that was not to be announced in advance — Carroll South presiding.

And how courteous it was of the warden to personally conduct this tour — one that is reminiscent of how the term "Cook's Tour" got its meaning. The tourists saw that which was prepared for them to see, when they were to see it. As could have been expected, the deputy warden was relegated to showing the dilapidated old prison. Any way, the touring legislators were described as having departed with the satisfaction that the prison was in "smoooooth" running order. I have since wondered how many of those legislators have kept abreast of the various incidents which have occurred at the prison throughout the summer — escapes, knifings, hunger-strikes, demonstrations, deaths, etc. If the news accounts of this tour were any where near accurate, it presents a sharp contrast to how the touring legislators saw it in June.

It is essential now to comment on the study performed by the Legislative Task Force. Within the meaning of the word "investigate" we could conscientiously envision the committee's work as an investigative venture. There was much inquiry, much evidence, much testimony, much concentration, and much mental agony with respect to what-to-do and how-to-do-it. But it's the RESULTS of the process that takes top priority. And here (like the governor assessed it), the Task Force must acquiesce to the report-card grade of "F" (which does not mean "fine"). It must be emphasized, however, that this grade is applicable only to the results (and had the governor or anyone else been a participating member, they too would share an equal portion of the grade).

Insofar as effort is concerned, all members of the Force are entitled to a much higher grade (even "A"). I knew only too well the arduous and brain-wracking work that lay ahead when their work began in June. If we were to apply a single word that best describes the whole entangled mess, SWAMPED would be my choice.

Rather than doing what it could and should have done (which was to recommend legislation providing for state policy and standards that would contain effective guidelines for the prison management to follow), the Task Force grandiosely dabbles in an attempt to restructurize the state's criminal justice system — as if that Brobdingnagial monster isn't enough of a curse to mankind as it is. Here's an example: the proposed BILL FOR AN ACT to create a CORRECTIONS COMMISSION, which would do nothing more than add another white-elephant to the one we already have; namely, the Department of Institutions. The bill is a 45-page document, with the commission's composition being sickening enough by itself — meaning

five more of the governor's cronies in swivel chairs and another three-story building to accomodate the lesser bureaucrats who would function parallel to that which is now in evidence at the Department of Institutions.

So let's assume that there was a legitimate need for the special session in June to begin with, and confine it to the issue of "overcrowding" by itself. The one simple solution didn't even get to bat, much less on its way to first base. This would have been legislation to provide for an early release program. As explained in my memorandum dated June 6th, the release of FORTY PERCENT of that prison population could have been justified. This would have reduced the population to less than 500 inmates, and there would have been no need to consider expansion of existing facilities. Certainly, this would not have been a permanent solution, but it would have been a start in the right direction to CAREFULLY restructurize the prison system so as to provide for efficient management.

The next step would have been to separate the prison from its bondage to the Department of Institutions — giving it a practical autonomy so that it could be efficiently managed. WASTE is what I am primarily talking about — its daily companion being asinine bureaucracy.

So how many millions of public funds have now been spent? And to do what? To do exactly what did not then (and does not now) need to be done — which is to provide for more concrete cells and iron doors (bricks, mortar and steel). I repeat, the millions spent so far is only to pave the way for the umpteen millions yet to be allocated.

Consider the prime example of how the legislature was sucked into believing that "emergency" funds were needed to expand the prison food service (and this was in June!) As of December 17th when I was at the prison to interview a group of inmates, a total of NOTHING had been done expand it. Oh, to be sure, the prison purchased an abundant stock of so-called "hot food trays" which are used to slip meals under the cell doors of inmates who are locked-up some 22 or 23 hours a day. Maybe this can be called "expansion" of the food service — your guess is as good as mine.

Why is this, you ask? The "why" can be easily understood by subjunctive reasoning. Funds allocated for expansion of the prison food service first goes to the Department of Institutions. When Carroll South decides to let go of it, then the food-service expansion project can proceed. One needs only to backtrack to the 1981 new guard-tower project to see a paralleled condition. The site for that tower had already been selected by the prison planners to compensate for the blind-area that could not be covered by the existing tower because that tower was not of sufficient elevation to begin with. Lo and behold, Carroll South decided that the site selected was not to his liking — so he selected the one on which the tower was constructed. The prison was forced to "go along" — it was either that or no new tower at all (Carroll South presiding). The outcome? — a new guard tower that still falls short of covering the blind-area. And now the prison wants a third tower. After that (in due course) will come the requirements for a fourth tower — then number five followed by number six.

The two examples cited above are by no means isolated occurrences of sculduggerous malfeasance. The whole prison history is literally FULL of them. One of the very important jobs that the Task Force could have done was to instigate a thorough audit of the prison's accounting system. This would have been a fertile field of inspectional endeavor for at least five top-notch CPA's. The findings would undoubtedly have improved the Force's report-card grade under RESULTS.

In assessing the whole package of events that have occurred to date (beginning with the prison riot of March 24, 1982), what we have tallied-up is something akin to what Shakespeare had in mind when he wrote his farce drama, "The Comedy of Errors." As is always the case when government nincompoopery reigns supreme, only the taxpayers bear the burden of loss.

So far, the public expense has been the cost of the special session, cost of the Task Force operations, cost of the study on rennovating the old prison, and the band-aid outlays from the special session to "correct" the immediate prison deficiencies. Staggering as this total may be, it's still not too late to thwart the avalanche of monetary outlays that are in the making.

If it might be possible that the whole configured situation has not yet totally reached the point-of-no-return, I would still see a thin-skinned merit in pursuing the prison problem at this legislative session as outlined below. Granted, this proposition is something like writing a treatise in 1950 on how to avoid World War II, but somewhere in my probing brain is the notion that it's worth the effort to present it for consideration. This is based on the intermittent thought that there is still much more homework to be done in research, study, comprehension and multifarious thinking before the legislature outlays the many millions that are now called for in pending bills.

The following multi-point program could turn out to be the best step in the most favorable direction at this time.

1. Separate the prison from its ties to the Department of Institutions, thereby establishing it as an autonomous state agency. A simple-worded one-page legislative bill can accomplish this — the implementing procedure would be formulated by the Department of Administration (or whatever state agency that may be designated to handle the transition).

SPECIAL NOTE RELATIVE TO THE ABOVE ITEM: If this initial step is not accomplished, you may as well forget the rest.

2. Cordially invite the present warden to seek employment elsewhere (a crafty way of saying "you're fired"), and take immediate steps to install a new warden who is capable in all respects of heading-up the prison establishment.
3. Immediately legislate an early inmate-release program so as to reduce the prison population to a number that is consistent with existing quartering facilities.
4. Cancel (or at least table) all plans and proposals to renovate the old prison or the construction of a new maximum-security unit at the new prison site.
5. Make do with existing cellblock and inmate-housing facilities, but provide adequate funding for the prison's associated units (located at sites other than Deer Lodge), the industries programs (including appropriate housing and facilities), agricultural production, upgraded medical facilities, hobbies, etc. This would include reinstatement of the hog-farm, poultry-farm, and garden-farm.

6. Direct that the prison management and operations shall basically adhere to the guidelines established by the National Advisory Commission on Criminal Justice Standards and Goals.

Item 6 is equally as important a MUST as item 1. It is a most needed development in Montana's prison establishment. Any one who would take the time and initiative to consult the Commission's volume entitled CORRECTIONS would surely understand the crying need for implementation of these guidelines in Montana's prison. As a starter in acquainting oneself with the powerful contents of this 636-page documentary, I am attaching the major portion of its FOREWORD.

7. By whatever language the legislature deems appropriate, press for a non-interference pact with the unions in matters relating to the prison's internal affairs — some meaningful provision which would discreetly invite the unions to BUG OFF in their constant harassment of what-can-be-done and what-cannot-be-done with inmate labor and associated enterprises. This is one of the worst stumbling-blocks there is in the prison's maintenance, educational, industries, productions and therapeutic programs.

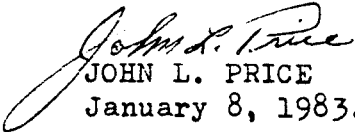
With respect to item 3 (and admittedly without accurate statistical knowledge to support it), it would be a qualified guess that the larger portion of the FORTY PERCENT reduction in population by an early-release program (explained on page 7) would be composed of inmates who have less than one year yet to serve. Really, would it be so difficult for the state to grant this one-year head-start on the road to rehabilitation? Magnanimous or not, it is the most feasible and economical way to correct the "overcrowding" factor. To state it bluntly, what we're contending with here is the alternative of fiscal sensibility — the option of either reducing the prison population to a number consistent with the prison's capability to handle it, or stick the state's taxpayers with a multi-million dollar package for new prison construction. And THIS in near-desperate times of a deteriorated economy (?????).

The most significant underlying causes of prison disturbances hinges not on the "overcrowding" bushwah, but in matters relating to idleness, unfairness, unwholesome treatment, antiquated and careless handling of the human entity. Both Carroll South and Hank Risley have repeatedly sounded their clarions for more total confinement; the so-called "safe" way to deal with the inmates. Actually, the instigator is Carroll South, "me-too'd" by Hank Risley.

Even now the number of inmates who are confined to their cellspace 22 or 23 hours a day is the surest way possible to invite a real catastrophic showdown. That kind of intolerable treatment is not only the wrong way to achieve tranquility, it's a hell-bent path to a disastrous explosion, ala-Attica! .Prison life must be balanced out with ACTIVITY, with as many inmates participating as is humanly possible under the security restrictions that must prevail.

If the Montana State Prison is ever to be an institution of palatable design, management and operation, there must be many revisions which will turn it from the direction it is headed. But the first and foremost step lies with the top governmental body in the state; the legislature. Policy and regulatory criteria must be established to determine how the prison is to be managed and operated, and the purpose for which the institution is intended. So far, neither the Task Force nor any other exploitive movement has met these needs.

Any attempt to describe what any one else could or should do in the position of warden would, at best, be speculative and presumptuous. I could, however, present a comprehensive listing of the revisions that I would view as essential, and which would be pursued if I were the warden.


JOHN L. PRICE
January 8, 1983.

VISITOR'S REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SENATE BILL 398

DATE MARCH 7, 1983

SPONSOR SENATOR BOYLAN

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name William Olson Committee On State Adm.
Address Helena Date 3/7/83
Representing Mt. Contractors Assn. Support X
Bill No. SB 398 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. *Current law needs strengthening. SB 398 will do this.*
2. *License within field of contracting important. Necessary to have contractors perform within their field of expertise.*
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

VISITOR'S REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SENATE BILL 378

DATE MARCH 7, 1983

SPONSOR SENATOR BERG

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



1820 Eleventh Avenue • Helena, Montana 59601 • Telephone (406) 442-5222

December 13, 1982

Owen Nelson, Director
Research/Negotiations/IPD
Montana Education Association
1232 East 6th Avenue
Helena, MT 59601

Dear Owen:

As requested in your letter of November 23, 1982, I have performed an actuarial valuation to determine the cost of allowing members of the Teacher's Retirement System to retire after 25 years of service rather than 30 years. The additional contribution required expressed as a percentage of each active member's compensation would be .994%. This amount would be sufficient to pay the additional cost of this benefit for future service as well as to amortize the cost of the unfunded liability over a 40-year period.

The cost shown above is based on the assumption that the benefits would continue to be determined by the present "1/60th" formula.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alton P. Hendrickson".

Alton P. Hendrickson, ASA

mb

AVERAGE SALARY	CURRENT LAW			SENATE BILL 378	
	YEARS OF SERVICE			YEARS OF SERVICE	
	<u>30</u>	<u>25</u>	<u>Penalty</u>	<u>25</u>	<u>30</u>
15,000	7,500	4,375	1,875	6,250	7,500
18,000	9,000	5,250	2,250	7,500	9,000
21,000	10,500	6,125	2,626	8,750	10,500
24,000	12,000	7,000	3,000	10,000	12,000
27,000	13,500	7,875	3,375	11,250	13,500

$\frac{1}{60}$ x number of years x average salary = RETIREMENT BENEFIT

0.005 x number of months = PENALTY (This is subtracted from benefit)

(maximum first 60 months)

0.003 x number of months - PENALTY (This is also subtracted from benefit)

(next 60 months maximum)

COST SAVINGS TO LOCAL SCHOOL DISTRICTS

E X A M P L E

ASSUMPTIONS:

1. Average salary of retiring members -- \$27000.
2. Direct costs for contributions to retirement, social security, and unemployment compensation = 15%.
(\$27000 x 0.15 = \$4050) TOTAL COST -- 27000 + 4050 = \$31050
3. Replacement cost per person-- \$14000 + 2100 = \$16100.
(\$14000 x 0.15 = \$2100)

SAVINGS:

Per Person \$31050 - 16100 = \$14950

Retirement with 25-Years of Service

Berg SB 378

RETIREMENT BENEFIT

	Teachers' Retirement System	Public Employees' Retirement System	Judges' Retirement System	Highway Patrol Retirement System	Sheriffs' Retirement System	Game Wardens' Retirement System	Police Retirement System
Portion of Final Average Salary	29%	29%	60%	50%	50%	50%	55%
	(SB 378 would increase to 42%)						

Age Requirement	50 Yrs	50 Yrs	Any Age	Any Age	55 Yrs	55 Yrs	Any Age or 55 Yrs. (Employed after 7/1/75)
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EMPLOYEE CONTRIBUTION

Portion of Earnings	6.187% (SB 378 would increase to 6.684%)	6%	6%	6.5%	7%	7%	6% (7.5% for those employed after 6/30/79)
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EMPLOYER CONTRIBUTION

Portion of Earnings	6.463% (SB 378 would increase to 6.96%)	6.32%	26%	16.57%	7.62%	7.15% (plus fees to keep solvent)	28.08% (14.04%-state 14.04% - employer)
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MEAP POSITION PAPER



25-YEAR RETIREMENT

WITHOUT A PENALTY (SB 378)

Montana teachers should have the option to retire from teaching after 25 years of service without the severe penalty in the present statutes.

Occupational stress and teacher burnout have become a stark reality in the teaching profession. A person must have a choice to

leave teaching if it becomes necessary or desirable.

Presently members of the Teachers Retirement System may retire without a penalty after 30 years of creditable service or at age 60. Retirement prior to 30 years of service or age 60 carries with it an excessive penalty. To retire with 25 years of service carries with it a 30% reduction in the amount of the retirement stipend. This is prohibitive; it is as though the option did not exist. Removing this 30% penalty would create benefits for everyone affected--students, public employers, taxpayers and the teaching profession.

Today's teaching force is relatively static; the turnover rate is very low. New graduates are experiencing difficulty in finding jobs due in part to senior teachers hanging onto their jobs. Some veteran teachers have difficulty maintaining the level of energy and enthusiasm that the challenge of today's classroom requires. And they cannot afford to retire under the present penalty system. Removal of this penalty could be the incentive necessary to revitalize the profession by opening more jobs for young teachers while allowing senior teachers the option to pursue other interests with some financial security.

In school districts that have experienced declining enrollments and find themselves overstaffed, the earlier retirement incentive would alleviate the need to lay off teachers. More of the veteran teachers could leave voluntarily lessening the need to lay off the more recently hired younger persons.

The cost of implementing this needed change in the retirement procedure is slightly less than 1% of the salary. This cost is being split evenly between the member and the employer. The member's total contribution rate will be 6.684% and the employer's rate will be 6.96%.

Actually the additional cost to employers could be offset by reduced salary costs. The higher paid teachers would be retiring and be replaced by less expensive new hires or not replaced at all.

SB 378 is endorsed by the Montana School Boards Association, Montana University System, Teachers' Retirement System Board, School Administrators of Montana, Montana Federation of Teachers, as well as MEA. There is no organized opposition.

SB 378 is needed by teachers and would be beneficial to students, taxpayers, employers, and the profession. It deserves your full support.

WITNESS STATEMENT

Name Loel Hardy Committee On State Admin
Address 520 N Benton Helena Date 3/7/83
Representing Mont Colleges Support X
Bill No. SB 375 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Teachers in Helena area are in favor of 25 year retirement option.
 2. Enthusiastic young teachers help to maintain a student's interest.
 3. Openings are created for the college graduate looking for teaching positions.
 4. Teachers' motto "If you can read this
Thank a teacher"
- This bill would be a good way of saying
"Thanks"

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Terry Lynn Minow Committee On House State Adv
Address Box 513, Boulder, MT ⁵⁹⁶³² Date March 7, 83
Representing MT Fed of Teachers AFT, AFL-CIO Support X
Bill No. SB 378 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

March 2, 1983

The Honorable Joe Brand, Chairman
House State Administration Committee
Montana House of Representatives
Capitol Station
Helena, MT 59620

Dear Representative Brand and Committee Members:

We would like to indicate our support and endorsement of
Senate Bill #378.

We hope you consider this bill favorable.

Sincerely,

Judy Jurgens

Bernie Jones

Nancy Peterson

Marion G. Nelson

Kathryn M. Craig

Suzanne Waring

Phil Calum

Marlene M. T. Bickel

Jim Whoolley

Aida B. Luer

Deane Bell

Carl J. Smith

Gilbert Kewer

James C. Calum

James L. Burnett

Wayne Hansen

Geneva C. Goodman

Barbara Bowlen

Loan Fagin

Elaine Hyson

Archie L. Stod

Charlotte Wierching

Egon M. Whoolley

Dennis Finken

March 2, 1983

In an attempt to give Legislators information other than "gut feelings" and "pure guesses", I have tried to analyze the effects of Senate Bill 378 on existing staff of the Havre Public Schools.

We are intensely interested in this bill for possible financial savings and the chance to change some staff and give us a little "new blood".

Havre Public Schools during the current school year has 154 certified staff members on the negotiated salary schedule. Thirty one teachers (approximately 20%) have twenty or more years of teaching experience.

I. PERSONNEL DATA - STAFF WITH 20 OR MORE YEARS EXPERIENCE

<u>Years Experience</u>	<u>Number</u>	<u>Average Salary</u>
20 to 24 years	17	
25 and 26 years	7	\$24,810.03
27 or more years	7	

Projecting the group eligible to use the retirement option - if Senate Bill 378 were passed - I have charted some financial data on a person retiring versus a new person hired at a salary of \$14,000. The assumption is made that a person quitting with an average salary of \$24,810 would be replaced by a fairly new teacher at a salary not to exceed \$14,000.

II. COST COMPARISON - 25 PLUS YEAR TEACHER VERSUS NEW TEACHER

Chart One - 25 Plus Teacher Current Average Salary - \$24,810:

<u>School Year</u>	<u>Salary With 5% Increase</u>	<u>Social Security Contribution @ 6.7%</u>	<u>Teachers Retirement @ 6.463%</u>	<u>Unemployment Contribution @ 0.7%</u>	<u>Worker's Comp @ .18%</u>
1983-84	\$ 26,046	\$1,745	\$1,683	\$ 182	\$ 46.88
1984-85	27,348	1,832	1,768	191	49.23
1985-86	28,715	1,924	1,856	201	51.69
1986-87	30,151	2,020	1,949	211	54.27
1987-88	31,659	2,121	2,046	222	56.99
Five Year Totals	\$143,919	\$9,642	\$9,302	\$1,007	\$259.06

Chart Two - New Teachers Beginning With \$14,000 Salary:

<u>School Year</u>	<u>Salary With 5% Increase After 1st Yr.</u>	<u>Social Security Contribution @ 6.7%</u>	<u>Teachers Retirement With New Rate 6.96%</u>	<u>Unemployment Contribution @ 0.7%</u>	<u>Worker's Comp @ .18%</u>
1983-84	\$14,000	\$ 938	\$ 974	\$ 98.00	\$ 25.20
1984-85	14,700	985	1,023	102.90	26.26
1985-86	15,435	1,034	1,074	108.05	27.78
1986-87	16,207	1,086	1,128	113.45	29.17
1987-88	17,017	1,140	1,184	119.12	30.63
Five Year Totals	\$77,359	\$5,183	\$5,383	\$541.52	\$139.04

Chart Three - Comparison of Five Year Totals - Existing Teacher Versus New Teacher

	<u>Salary Cost Over Five Year Period</u>	<u>Social Security Costs 5 Years</u>	<u>Teacher Retirement Costs 5 Years</u>	<u>Unemployment Costs 5 Years</u>	<u>Worker's Comp 5 Years</u>	
Existing	\$143,919	\$9,642	\$9,302	\$1,007	\$259	
New Teacher	77,359	5,183	5,383	542	139	<u>Total</u>
Five Year Savings	\$ 66,560	\$4,459	\$3,919	\$ 465	\$120	\$75,523

Chart Four - Additional Costs of Senate Bill 378:

A. Salary 1982-83 - Havre Staff - 154	\$3,315,516
B. Assume five people @ \$24,810 retired - minus	124,050
C. 1983-84 payroll minus 5 retired teachers	\$3,191,466
D. Add 5% salary increase - returning staff	159,573
E. Add cost of five new teachers @ \$14,000 each	70,000
F. Projected Staff Salary Costs	\$3,421,039
G. Additional cost on county levy for Employer's Increased Contribution on total staff \$3,421,039 X one half of one percent.	\$ 17,105

Chart Five - Savings First Year - One Teacher Versus Increased Costs Total Staff:

A. Increased Costs to District - County Levy - Due to Employee Retirement increase of one half of one percent on total payroll.	\$17,105
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B. Savings - New Teacher:

<u>Salary</u>	<u>Social</u>	<u>Teachers</u>	<u>Unemployment</u>	<u>Worker's</u>	
<u>Savings</u>	<u>Security</u>	<u>Retirement</u>	<u>Contribution</u>	<u>Comp</u>	
\$10,806	\$807	\$709	\$84.32	\$21.68	= \$12,428.00

Other Possible Savings:

It is possible that new teachers hired would be single or two party family units which would be a savings to the district on the insurance contribution.

III. ASSUMPTIONS

1. The approval of Senate Bill 378 is financially beneficial to the Havre Public Schools. A single teacher electing early retirement has an estimated payback the first year of \$12,428.00. The continued payback through succeeding years until a person met the 30 year requirement for retirement would be greater each year with increased salaries.
2. The approval of Senate Bill 378 would be beneficial for the soundness of the Teachers' Retirement Fund. The increased contribution by the employee and employer would reduce unfunded liabilities.

In addition, those individual's electing early retirement would be much less of a cost to the fund which would also benefit the retirement system.

3. Individual teachers who are somewhat "burned" out would benefit from a career change. Needless to say, students would also benefit.

Please give thoughtful consideration to Senate Bill 378 when discussed in the House and vote yes on the bill.

Thank you,

Dr. Russell S. Carlson
Superintendent - Havre

RSC/cc

E X A M P L E

25 YEAR RETIREMENT - SAVINGS TO SCHOOL DISTRICTS

BASIS:

1. 35 persons would retire.
2. Contract salaries of these persons average \$27,000.
3. Direct cost for contributions to retirement, social security and employment compensation -- 15%
(\$27,000 x .15 = \$4,050).
4. Replacement cost per person -- \$14,000 + \$2,100 = \$16,100.

COSTS:

Per Person -- \$27,000 + \$4,050 = \$31,050

35 Persons -- \$31,050 x 35 = \$1,086,750

SAVINGS:

Not Replaced

\$1,086,750

Replaced \$1,086,750 - \$563,500 = \$523,250

THE CARD SHOWN BELOW WAS SENT TO EACH OF THE MEMBERS
OF THE HOUSE STATE ADMINISTRATION COMMITTEE TO URGE
SUPPORT TO SENATE BILL 378. THESE CARDS WERE RECEIVED
ON MARCH 6, 1983

Dear Rep. Solberg,
Please support passage of
S.B. 378 as well as the 6.8%
increase in the State
Foundation Program.

We of the teaching profession
~~can~~ need your assistance
Mr. & Mrs. Carl Rosenleaf

Carl & Patricia Rosenleaf
618 30th St. S.
Great Falls, MT 59405

Rep. Joe Brand
c/o House of Representatives
Capitol Station
Helena,
MT 59620.

Joe:

I talked to Alton
Hendrickson as to
whether he took into
account that teachers
retiring under L B 328
would not be replaced.
He said no, he assumed
that anyone retiring would
be replaced by another
younger teacher.

Bob Johnson