

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 8, 1983

The 7th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Senator Himsl called the meeting to order at 8:09 a.m. to hear 5 House Bills.

ROLL CALL: Roll call was taken with all members present except for Senators Regan and Thomas.

CONSIDERATION OF HOUSE BILL 144: Representative Jan Brown, House District 32, Helena, said this bill was at the request of the Department of Military Affairs to reimburse the Federal Government for the state share of flood disaster in Lewis & Clark and other surrounding counties. The claims are only given if people cannot meet the expenses through some other way. The Federal government paid \$523,075 and then bill the state for 25% of that.

C. L. GILBERTSON, Administrator for the Disaster Emergency Program spoke as a proponent of the bill. He said he would concur with the sponsor and be available for questions from the committee.

There were no further proponents, no opponents, and Senator Himsl asked if there were questions from the committee.

SENATOR VAN VALKENBURG: To Mr. Gilbertson. What do the family claims include? Gilbertson: Serious needs and necessary expenses for families that don't qualify for any other assistance. They have to be turned down by SBA, FHA, etc. and it is only what is necessary for existence. Up to \$500,000.

SENATOR VAN VALKENBURG: We took up a bill in Local Government committee that dealt with the sheet flood area. There was some question as to whether the state became liable for cleaning out basements as a result of the flood. Gilbertson: We did replace some of the furnaces, etc. in the basements, but not for cleaning up the basement.

SENATOR VAN VALKENBURG: How much? Gilbertson: We have a statistical report and I would be happy to get you a copy of it.

SENATOR AKLESTAD: Who makes the determination of who is eligible? Gilbertson: As in all federal programs there are rules that we have to follow. This is administered by many departments in the state. This panel then sits down with the applications and makes the decisions.

SENATOR AKLESTAD: Anyone that is not within the bureaucracy? Gilbertson: No. We rely on the other state agencies because we have no funds to pay anyone with.

SENATOR KEATING: The Governor entered into an agreement with the Feds -- where does the Governor have the authority to enter into these type of agreements? Gilbertson: Many public assistance programs that gives the Governor the authority to commit the state for the 25%.

SENATOR KEATING: Where does the Governor get this authority within the state law? Gilbertson: I assume it is there, This has been done with any disaster since I have administered this department in the last 8 years.

SENATOR KEATING: There is no anticipation fund for these sort of things? Gilbertson: The Governor does have a disaster assistance program, but it is public assistance, not for the individual.

There were no further questions and Representative Brown said she had no further closing remarks.

Senator Hims1 declared the hearing on House Bill 144 closed.

CONSIDERATION OF HOUSE BILL 180: Representative J. Brown chief sponsor of H. B. 180 said this is a judgment in a sex descrimination case. She said she would defer to Curt Chisholm for testimony.

CURT CHISHOLM, Deputy Director, Department of Institutions, said this is a payment to Marjorie Langlois. This particular applicant had applied twice and had been recommended twice for the job. The warden at the time did not hire her, stating that in the interest of privacy for the inmates, based on sex, should not hire her. The hearing officer ruled that a bonafide provision had not been put in the application and Marjorie Langlois had probable cause. Human Rights denied it and Mrs. Langlois sued for review. The district court reversed the Human Rights decision and said that it was descrimination in theory and in fact and she was entitled to it. They directed it to the Federal Court for the amount. Judge Hatfield said only the salary she would have held if she had been hired and this was computed from the salary plus attorney fees plus interest on the award and attorney fees to date. The bill has been amended to reflect this. This amount will be through March of 1983, the statement I have here will be through the end of the fiscal year.

There were no further proponents, no opponents, and Senator Hims1 asked if there were questions from the committee.

SENATOR AKLESTAD: Why do we have to pay interest on this particular amount? It presumes she would have had this money and put it in the bank?

CURT CHISHOLM: Interest is payable in the statute of the state and it protects the rights of those that get the judgment until they are paid.

SENATOR AKLESTAD: The 10% is by statute? Chisholm: Yes.

SENATOR SMITH: Was this lady employed during this time?
Chisholm: Yes, she had to enter into the court this amount and it was deducted.

SENATOR VAN VALKENBURG: Did the Department ever offer to settle it? Chisholm: Not originally. At first the decision was not in her favor. Then the reverse of the court and there was no chance to settle, or to offer a settlement.

SENATOR BOYLAN: Isn't this the second suit in the Department of Institutions? Chisholm: Yes, the 2nd.

SENATOR AKLESTAD: Why was the amount amended? Chisholm: In the original bill the amount was calculated through February. The amount has been adjusted and what is current is in the bill until March 25.

SENATOR JACOBSON: In regards to the comment that this is the 2nd suit. What will the policy of the Department of Institutions be to correct this? Chisholm: Very cautious. We followed the policy in the personell division plus our own. It was clear at the time if you have to descriminate in regard to sex, then it should be established prior to the advertising. Our case is very weak. We were surprised at the first decision. Unless already established and cleared with the department of Labor on the basis of sex, we would have no case.

SENATOR AKLESTAD: When did Judge Hatfield make the decision?
Chisholm: June of 1982.

SENATOR AKLESTAD: Why wasn't there some settlement so there was no interest? Chisholm: What we did, we notified the Board of Examiners that we had a claim, they said the way to proceed was that we could not afford to pay it out of the prison budget, and we decided it was better to come before the Legislature. The interest amounts to about \$600 every two weeks. The state's investment is making more than that on the money that is currently invested.

SENATOR HIMSL: The problem I see is that it is open ended at the present time. Can't you make an agreement that the judgment will be paid at a certain time and cut of the interest? You are telling us that we will have to pay more.

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Chisholm: We anticipate a 2 week delay. They would not agree initially on it, but might agree to a two week agreement.

SENATOR HIMSL: Is it your intention to contact them so that we can put in a definite amount?

SENATOR VAN VALKENBURG: Can't the department eat that? They could certainly eat that amount and maybe learn a little lesson on the side.

SENATOR TVEIT: How long did the interest accrue? Chisholm: Since June of '82.

There were no further questions, Representative Brown said she had no further closing remarks, and Senator Himsl declared the hearing on House Bill 180 closed.

CONSIDERATION OF HOUSE BILL 84: Representative Lory said this bill is a request for a supplemental and he would ask Bill Opitz to explain the bill.

BILL OPITZ, Executive Director of PSC said this is a request for \$25,000. He passed out a sheet explaining the request which is attached as exhibit 1. We could not pay the increased pay plan and stay within our budget. This amount was \$90,000 the first year (82) and \$180,000 in 83. The Commission decided we would not hire the 5 new employees until we had accumulated enough vacancy savings to pay them. The letter (exh 1) also discusses money we will be asking for in House Bill 412.

There were no further proponents, no oponents, and Senator Himsl asked if the committee had any questions.

SENATOR AKLESTAD: What is the total budget? Opitz: \$1.4 million.

SENATOR AKLESTAD: Your staff? Opitz: 44 which includes the 5 commissioners.

SENATOR AKLESTAD: Does this include the 5? Opitz: Yes.

Senator Aklestad: At some time couldn't you have continued to shuffle your program and absorb this? Opitz: We did not hire them originally since we would have had to hire them and fire them in 1983. No one came up with a solution to the problem since 1983 two secretaries have quit. We need those positions refilled.

SENATOR AKLESTAD: What is House Bill 412? Opitz: That is a supplemental for other agencies.

SENATOR SMITH: I have one comment. The Legislature authorized the additional FTE. I see that reverted back to the general fund. I think it was only good management to do as they did and to do what the Legislature told them to do.

SENATOR HIMSL: You took the money for pay increases and used it instead of hiring the new people? Opitz: Yes, we created a vacancy savings.

SENATOR HIMSL: Vacancy savings and used it for the pay increases? Opitz: Yes.

Representative Lory said he had no closing statement and Senator Himsl declared the hearing closed on House Bill 84.

CONSIDERATION OF HOUSE BILL 131: Representative Menahan, the chief sponsor of House Bill 131 said this was to appropriate money to Micky Jacques versus the state of Montana. The case was heard in Deer Lodge County and this is the ruling and the adjudication. The State of Montana is liable for this amount of money, the man was an employee of the state of Montana in Industrial nursing. Mr. Rover brought his car up to wash it and was showing another person a shell. He had the shell and as he was putting it back in the car the shell exploded and killed Mr. Rover. Shrapnel flew across the way and Mr. Jacques legs had to be removed. Mr. Rover had picked up the shell from a military area.

GENERAL DUFFY, Diricter, Department of Military Affairs, said the case went to District Court. The suit was filed against the State of Montana and the Department of Military Affairs. He said he would urge the bill be passed.

MIKE YOUNG, Insurance Division, Department of Administration, said they have since changed insurance companies, and that this happened a few months before the change. It was handled by Glacier General Insurance Company and occurred 3 months before the end of the policy. The claim was for \$1 million and Glacier Insurance classified this as an errors and omission claim, and they paid only \$348,000 plus of this judgment. A cost bill was tacked on of \$1872. If you strike out the Glacier Payment and add the costs back in, you get this amount. We have prepared a complaint to get some back from Glacier Insurance Company.

SENATOR STORY: In other words, the fellow would have settled for less than \$1 million if offered? Young: He asked \$1.39 million and offered \$1 million settlement and it was rejected. They went up on appeal and lost. The state put on a very creditable case because of the fuse remains because of the color of the shell it was dropped by an air craft since it was an air craft shell. The court said army.

SENATOR HAFLEY: I think it would be appropriate for me to speak as a proponent of this bill. I know the persons involved. I have watched it go through the district court and through the state court.

There were no further proponents, no opponents, and Senator Hims1 asked if the committee had questions.

SENATOR SMITH: The problem with the insurance policy, what if the Glacier Insurance Company does not pay the \$1 million. Young: That is the problem. Glacier has paid approximately \$350,000. We will sue Glacier to try to get some back. We feel it is bodily injury which is an aggregate and has no limit.

Representative Menahan said he would not need to close, and Senator Hims1 declared the hearing closed.

CONSIDERATION OF HOUSE BILL 412: Senator Hims1 said he understood this was a supplemental introduced by Representative Bardanouve at the request of the Office of Budget and Program Planning.

REPRESENTATIVE BENGTSON said she would carry the bill since Representative Bardanouve was chairing the Appropriation meeting across the hall. She said there are a number of agencies that have requested supplementals, and the first one in the bill is the Consumer Council and she would defer to Representative Quilici on that section of the bill.

REPRESENTATIVE QUILICI, District 84, Butte, said You know the make up of the Consumer Council. It is Bi-partison and there are two members from each respective House. It is funded by revenue derived from the cost receipts of the Utilities involved, and it contains no general fund money.

Representative Quilici said that over the last 2 years the AT&T has been into what they call a divestiture. It has caused the local operating companies to divest themselves of the operating company. One, the committee has had to hire expert witnesses to intervene in various court cases and studies pertaining to the diversion. Yellow pages is a big money maker for Bell Company. AT&T originally felt thses yellow pages would go into the AT&T and would go into their funds. We maintain they should stay in the local areas since they are a good source of revenue. The committee

had no idea when we submitted our budget that there would be these drastic changes in AT&T. MDU is trying to transfer all their pipe lines, etc. to Wiliston Bason Pipe Line Company. It would put them under the Federal Energy Regulatory Commission. That commission has a tendency to make a higher rate of return and higher rate to the consumers. The people realize the cost increase and along with Montana participating in this it is another reason for the extra money.

There were no further proponents, no opponents, and Senator Himsl asked if there were questions on this section of the bill.

SENATOR HAFHEY: These two explanations are added to the \$100,000? The \$100,000 is major cases other than the AT&T? Quilici: These are added cases. We also have cases we are looking at.

SENATOR HAFHEY: This is not anticipated?

SENATOR HIMSL: Isn't it true the amount of money generated is an assessment against the utilities? Quilici: Yes.

Mr. Opitz said this was covered in the previous letter distributed in an earlier bill, exhibit 1. There was appropriated \$50,000 to investigate a rate base for one of the utilities. We did not have to do this, and the money reverted to the general fund. The settlement we made made for a rate decrease. Representative Quilici touched on the 2 cases AT&T and Bell Company. There is a law suit to appeal before Judge Greenback on AT&T spinning off. We feel we may have made a lot of money that will stay with Bell rather than going to AT&T. We would hope it would help to keep the rates down.

Representative Manuel, Chairman of the subcommittee that heard this said they recommend to the committee that this be okayed.

There were no further proponents, no opponents, no questions, and Senator Himsl declared the hearing closed on this section of House Bill 412.

WATER RIGHTS ADJUDICATION PROGRAM, section was discussed with LEO BARRY, Director, Natural Resources Department explaining this section of the bill. He said this is probably the only non-supplemental supplemental to come before the committee. The water rights adjudication money came from fees from the people. The law says when the earmarked account no longer can handle it, the payment will be made from the general fund. We received over 200,000 claims. It provided for a number of exemptions, the limit was 12 claims. This reduced the amount of funds to about \$18.50 per claim instead

of \$40 per claim. The program collected \$3.7 million. In effect since 1979, now as of March the earmarked fund is depleted. The Budget Department thought the Legislature should be made aware of the short fall to continue the program.

REPRESENTATIVE QUILICI said our subcommittee on Appropriations recommend that this be paid.

There were no further proponents, no opponents and Senator Hims1 asked if there were questions from the committee on this section of the bill.

SENATOR AKLESTAD: How many total claims? Berry: 201 claims.

SENATOR AKLESTAD: How many had the \$480 maximum? Berry: I don't know off hand..

SENATOR AKLESTAD: How about a ball park figure? Berry: I really couldn't say. The Federal Government had 33,000, Burlington Northern over 1,000.

SENATOR AKLESTAD: When you were anticipating the number you were figuring the state government or weren't you figuring the state govenrment, just the individuals. Berry: I wasn't with the agency when the bill went through. No fiscal note was prepared to file the laws of the maximum claims.

SENATOR STORY: How much has the Federal Government paid? Berry: Around \$18,00. Maybe 6 federal agencies paid \$15 to \$20,000 from federal agencies.

SENATOR DOVER: Wasn't it understood that this would pay for the over head plus the court costs to get at them? Berry: For a certain length of time. The Legislature anticipated some time in the future the general fund would pay for it since it was in the bill.

SENATOR DOVER: The money came in and they haven't paid for much more than getting the material in to start the court proceedings? Berry: Yes.

SENATOR SMITH: We haven't really got into the meat of the program. Much was spent running around getting people to sign up. There were too many meetings. No one showed up and they still had meetings.

SENATOR DOVER: Getting back to--what if we don't give you the \$575,000? Berry: I am not sure. The law says the general fund will pick it up. I would say if you did not pass it it would be that the Legislature did not want it and we would have to shut the program down.

There were no further questions on this section and Senator Himsl declared the hearing on the section closed.

OFFICE OF PUBLIC INSTRUCTION, Transportation and School for the Deaf and Blind.

Representative Bengtson explained this section of the bill. She said the \$350,000 addresses transportation--1/3 of the costs of the transportation on scheduled costs that the state is required to pay. This is not the actual cost, just 1/3 that by law we have to pick up. There was a short fall in appropriations in 1982 and the estimated short fall in 1983. \$348,146 was the actual cost.

Representative Bengtson said the School for the Deaf and Blind included one of the cottages that came on line to be built sooner than anticipated and actually the appropriations level was set before the authority to build it. The \$30,000 accounts for the amount of utilities they had to pay out of pocket.

Senator Himsl asked if there were proponents for the transportation section. There were none. There were no opponents. He then asked if there were proponents for the school for the Deaf and Blind, there were none, there were no opponents, and Senator Himsl asked if there were questions from the committee.

SENATOR AKLESTAD: How did the short fall really occur on the transportation? Bengtson: We appropriated \$4,800,000 plus. The costs were \$158,186 exceeded. The OPI anticipated an additional short fall in 1983. The extent that they exceed the statutory limits will revert.

SENATOR AKLESTAD: I still don't understand why the extra costs.

SENATOR HIMSL: The transportation is furnished many times by contracts so that they don't know what the real costs will be and they have no real control over the total amount and the state is responsible for 1/3. Bengtson: Many times the actual cost exceeds what the schedules have put in place.

SENATOR AKLESTAD: We put in more for gas than they needed since we anticipated a price of about \$1.60 per gallon. Gas has come down and there should be money left over. Bengtson: I don't have all the figures here, Bob Stockton has them and is available if you need him.

SENATOR JACOBSON: I don't think this has anything to do with gas prices. Curt Nichols is here and I would like to have him address this.

CURT NICHOLS, LFA, The gas price don't affect this. The schedules are set in law. The only way this changes is if more busses run or more miles are run. They pay by the bus mile. We set the statute per bus mile.

SENATOR HAMMOND: The state has never paid the 1/3 of transportation. They only pay 1/3 of the schedule as agreed. The districts have to pick up anything over that.

The hearing on this section of House Bill 412 was closed.

UNIVERSITIES. Representative Bengtson explained this section of the bill saying it deals with millage and increased enrollment. 2,293 students. In the first column--these figures are generated by the formula to pick up the costs of that additional enrollment. If we had paid the full cost it would have been several thousands--no millions of dollars more. Line # 2 is the millage shortfall. This is the 6 mill levy that fell short of the money we had anticipated. There had been some question too, about whether the fees were being put back into the fund or sent back to the counties that would account for that amount of money (vehicle fees). The second column is other funds. Tuition and fees, etc. It is not general fund, but we have to appropriate it. The \$1,898,782 in the first column, \$1,205,978 in the second column. The language below is the limited expenditure and puts a cap and reversion if exceeds the expenditure limit.

Senator Himsl asked if there were proponents to the bill, opponents to the bill or questions.

SENATOR HIMSL: On page 3 of the bill on top. This strikes enrollment increases and millage shortfall. It is distributed through the rest? Bengtson: \$726,000 is rolled into those figures and if you would total the first column the relationship is rolled into them. To get the figure you would have to subtract \$726,000 from it. I had problems and checked with the Fiscal analyst. It is just a matter of bookkeeping.

SENATOR HIMSL: It is a supplemental to cover 1/3 of the extra cost of the extra cost of the enrollment and millage shortfall because of the handling of vehicle fees. Bengtson: Also some shortfall. I don't know how much but vehicle fees. Perhaps Curt can tell you. Curt, how much of the \$700,000 would be vehicle fees?

CURT: I was not able to get a number from the counties.

REPRESENTATIVE BENGTON: \$1,898,782 general fund total in the supplemental. The other funds includes tuition and fees and is \$1,205,978. This also has to be appropriated.

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SENATOR DOVER: Does that also include the language between 10 and 22 or is that still to come? Bengtson: That language is the total figure to each university. The language between lines 20 and 22--start with 17, establish the cap. Limits expenditures to those amounts. The language then makes the university system revert if exceed those expenditure limits.

SENATOR HIMSL: It increases the spending authority over the previous budget to the extent of the figures you are giving us. Bengtson: Exactly.

Senator Himsl declared the hearing closed on this section.

DEPARTMENT OF JUSTICE. Bob Kuchenbrod, Administrator of the Central Services, Department of Justice said this is 1/2 of the salary of the county attorneys. When we put this together, we anticipated a certain amount. There were two items we could not anticipate, the number of county attorneys to go full time. That means 44 of the others could go full time. It could go from (12 full time) to all of them if they so decided. The elected officials have the option of joining PERS. We never know who. We are calculating about \$55,000 as a deficit for '83. 2nd part, \$17,000 is requested for transportation of prisoners. The department is obligated for paying from the sheriff's office to the prison, also extradition from out of state back to Montana. It can run from 1 to \$2,000. The cost from the Sherrif's office depends where it is located in the state.

SENATOR BOYLAN: How much is the total in the program?
Kuchenbrod: \$642,000 in the county attorney program.

SENATOR HAMMOND: Isn't it to be full time or part time according to the population of the county? Kuchenbrod: The Legislature said that they could opt to do it.

SENATOR HIMSL: Who?

SENATOR VAN VALKENBURG: The Legislature has given the counties the discretion. It is up to the discretion of the County Commissioners.

STATE LANDS. Dennis Hemmer, Commissioner of State Lands said determining how much to be needed here is impossible. \$775,355 to fight fires and in the supplemental. It was \$22,000 in '83. In 1981 the Legislature appropriated \$60,000 and said deficit spending to cover the rest. Those are the costs we are here on today.

Representative Manuel said the Subcommittee on Natural Resources said we are fortunate we had a low fire damage. Sometimes this can amount to \$1½ million.

There were no further proponents, no opponents, and Senator Himsl asked the committee if they had questions.

SENATOR AKLESTAD: What about the Governor's slush fund--\$750,000 for disaster. Can any of it be used for this?
Hemmer: It does not relate to this, but it could if it were declared a disaster. None of these were declared disasters.

SENATOR HIMSL: Related to this, is the state following some of the policies of the federal? Setting fires, or letting them burn. Hemmer: No. We cover the state and private timber lands. We found out if we can keep a fire below 10 acres it is fairly inexpensive.

SENATOR HIMSL: You go one way and the feds go another.
Hemmer: Our mission is to protect the private and state timber that is an investment of the schools.

SENATOR SMITH: The federal government can probably afford to let their resources burn, the state of Montana can't.

SENATOR HAMMOND: What was the original appropriation?
Hemmer: \$60,000 for fire oppression. It was recognized it did not even cover one small season when fires were very low.

SENATOR JACOBSON: What was the appropriation 2 years before that? I guess I don't understand if \$800,000 in that biennium why did the Legislature recommend \$60,000 only. Hemmer: No way we can estimate it and there is some talk about no appropriation this year and just going in for a supplemental.

SENATOR VAN VALKENBURG: Where do you get the money to pay the costs? Hemmer: We are getting the money by borrowing it.

SENATOR SMITH: There is no way to anticipate the amount of fires. When they find out the cost, it comes in as a supplemental. The \$60,000 is more or less for administration so that they have something to operate on in the budget. It was heard in the subcommittee and I think they do a fine job of suppressing fires. This is the way the statutes are set up.

SENATOR DOVER: You had to pay for men and supplies? Where did the money come from? Hemmer: We borrow against forest money and state lands. We put off buying capital equipment etc. We borrow against the entire amount of their appropriation.

SENATOR HAMMOND: Do you have stand-by crews all the time?
Hemmer: Crews on stand-by are used for other needs. Thinning etc. but these are not in the supplemental. Wherever it is possible, we use them. We pick up fire fighters and industry brings in heavy equipment and if the fire is bad enough we bring in the forest service.

The hearing was closed on this section of the bill.

MOTOR VEHICLE. John Clark, Department of Revenue, said the \$350,000 is to help pay the reimbursement of counties under the motor fuel fee system. We estimated \$30 million but we had no experience and no data. \$15,041,000 the first year and that leaves us \$14 million plus for this year. 48 counties are participating and we have disbursed over \$12 million so far to the counties. There is one pivotal county remaining. There has been some discussion and we feel this money will cover the added expense. \$2 million (plus) is left to disperse. That leaves the one county where we have trouble with the data and we don't know right now, but feel this should be enough to cover it.

There were no proponents, no opponents, and Senator Himsel asked if there were questions from the committee on this section.

SENATOR KEATING: Could I get the figures again please?
Clark: 1982, disbursed \$15,041,315.42

SENATOR KEATING: You said in '83 \$12.2 million and anticipate \$2 million that is committed? Clark: \$2.747 million that is committed. Yes. We know there are three counties and \$295,000 for two. Yellowstone County is the difficult one. We feel it will be up some but are not willing to pay the \$3.5 million they ask for. We don't feel the day to day data is enough to verify it. We feel it will be about \$2.8 million.

SENATOR KEATING: What happened then is the program cost \$30,350,000. Clark: We estimated \$30 million. We are looking at a little over 1% error.

SENATOR KEATING: Any counties that have miscalculated that have waived their refund? Clark: No one has waived their refund.

SENATOR VAN VALKENBURG: 48 counties participated? How come not the rest? Clark: The way it was set up we reimburse the difference between the advelorum tax and what the fee would have brought in. 8 counties--the fees bring in more. That is because in the counties the mill levy was low. Big Horn, Blaine, Fallon, Petroleum, Richland, Rosebud

and Sheridan.

There were no further questions on this section and Senator Hims1 asked for the Supreme Court section.

SUPREME COURT. Mike Abley, Court Administrator said they had requested two parts. One for the clerk of Court and the other was the Boards and Commissions. The increased cost and frequency of bar examinations was responsible for increased spending. The court has increased the fees, but they go directly to the general fund. We have increased the revenue and will request it. The other part is transition for the clerk of the Supreme Court. The old clerk did not choose to run again and a new one was elected. Vacation and sick leave for the one leaving, new seals, additional supplies necessary etc. for the transition.

There were no further proponents, no opponents, and the Chairman asked for questions from the committee.

SENATOR AKLESTAD: I would like a break down of the expenditure, to see that we are not funding part of the clerks put on arbitrarily. Abley: We anticipated this question. The LFA carefully looked into this and they can answer your question for you. The additional clerks came from the micro-filming part.

SENATOR STIMATZ: We are not paying the 2 clerks? Abley: They are not new clerks, we simply had them and kept them.

SENATOR AKLESTAD: What about the equipment etc.? Abley: We had all the equipment. They were ongoing. We retained them--we did not add them.

SENATOR HAMMOND: Is this the kind of costs everytime we change? Abley: Yes.

SENATOR HAMMOND: How did it come about? If they intended to pay you when you became ill how come you get paid when you do not become ill? Why?

SENATOR OCHSNER: I thought it accumulated. Hasn't it been set aside? Abley: The employee was there for 16 years and no way to accumulate it and set it aside.

SENATOR STIMATZ: It is considered part of the vacancy savings. We don't face it and appropriate money for it each year. They could tell us what would be a reasonable figure.

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Senator Stimatz said the last two of the long time audit committee employees--\$108,000 for "vacancy savings" in that office.

SENATOR HIMSL: A study was made, the liability has not been recorded yet. A survey in the audit section to determine what the liability exists to pay off the vacation and sick leave. It has not been accumulated to pay it off.

JACK NOBLE, said it has amounted to millions of dollars in the University system. Under the accounting system we are supposed to do it as current liability.

SENATOR HIMSL: It is something we are going to have to look forward to.

SENATE OCHSNER: How long can you accumulate it? Ans: 1/4 under all your sick leave. Vacation is limited. 2 years of service. After that you lose it.

SENATOR VAN VALKENBURG: I wasn't here at the time. The reason is you agree to pay 1/4 of the sick leave and they will be less inclined to take sick leave. They might call in sick leave when they could come in and do their work. It is not full pay, it is 1/4 of the pay.

SENATOR HAMMOND: I put in many years and they paid me for the time I took.

Senator Himsl announced the hearing closed on House Bill 412.

DISPOSITION OF HOUSE BILL 84: Motion by Senator Keating that House Bill 84 be concurred in. Voted, passed, unanimous by all present. Senator Keating will carry the bill.

DISPOSITION OF HOUSE BILL 131: Motion by Senator Haffey that House Bill 131 be concurred in. Voted and passed, unanimous vote of all present. Senator Haffey will carry the bill.

DISPOSITION OF HOUSE BILL 144: Motion by Senator Dover that we concur in House Bill 144. Voted, passed, unanimous vote of those present.

DISPOSITION OF HOUSE BILL 180:

QUESTION by Senator Van Valkenburg: The money that is in there is enough to pay it through March 25. Let's get it out and save more interest.

MOTION by Senator Haffey that House Bill 180 be concurred in.

HAFHEY; If we pass this no more money is needed?

VAN VALKENBURG: It should be taken care of in the second week it started, and wasn't. They should have offered to settle it for \$5,000 the first year. This is an indication of penny wise and pound foolish.

SENATOR HIMSL: The different legal actions made them think they might win it.

MOTION VOTED ON. Passed, unanimous of all present.
Senator Himsl will carry the bill.

DISPOSITION OF HOUSE BILL 412: Motion by Senator Haffey that we concur in House Bill 412. Voted, passed, unanimous of those in attendance. Senator Himsl will carry the bill.

The next meeting will be Wednesday, March 9 at 8 a.m. to hear House Bills 185, 449, 659, 805 and 861.

The meeting was adjourned.

Senator Himsl, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

48th LEGISLATIVE SESSION - - 1983

Date _____

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart, VC	✓		
Senator Dover	✓		
Senator Keating	✓		
Senator Smith	✓		
Senator Thomas			✓
Senator Van Valkenburg	✓		
Senator Stimatz	✓		
Senator Story	✓		
Senator Ochsner	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Regan			✓
Senator Lane	✓		
Senator Aklestad	✓		
Senator Hammond	✓		
Senator Tveit	✓		
Senator Boylan	✓		
Senator Hims1, Chairman	✓		

03-8-83

Finance & Claims

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

3/8/83
edw 2
NB/31

LANGLOIS vs STATE

1.	Judgement awarded by state district courts total amount of gross salary for David Beatty from 6/28/77 to 3/5/82.		\$71,753.40
	With interest at 6% from 6/28/77 to 6/30/79	\$1,432.29	
	With interest at 10% from 7/1/79 to 3/5/82	<u>\$4,788.18</u>	
	Subtotal		<u>\$ 6,220.47</u> <u>\$77,973.87</u>
2.	Plus: Benefits		
	Annual Leave plus Interest at 10% (2,197.17 + 219.72)	\$2,416.89	
	Sick Leave plus Interest at 10% (1007.03 + 200.70)	<u>\$1,107.73</u>	
	Subtotal		<u>\$ 3,524.62</u> <u>\$81,498.49</u>
3.	Less: Interim earning of Plaintiff (6/28/77 through 3/5/82)		<u>[23,416.32]</u> <u>\$58,082.17</u>
	3/6/82 - 6/22/82 (Add'l salary and interest)		<u>\$ 3,272.27</u>
	Total Judgment		\$61,354.44
4(a)	Principal		\$61,354.44
	Interest at 10% per annum 6-23-82 - 2-11-83		<u>\$ 3,933.37</u> <u>\$65,287.81</u>
	Attorney Fees	\$17,145.71	
	Interest @ 10% per annum 7-27-82 - 2-11-83	<u>934.79</u>	
	Total Payoff 2-11-83	<u>\$18,080.50</u>	<u>\$83,368.31</u>
(b)	Principal		\$61,354.44
	Interest @ 10% per annum 6-23-82 - 2-25-83		<u>4,168.73</u> <u>\$65,523.17</u>
	Attorney Fees	\$17,145.71	
	Interest @ 10% per annum 7-27-82 - 2-25-83	<u>1,000.56</u>	
	Total Payoff 2-25-83	<u>\$18,146.27</u>	<u>\$83,669.44</u>

(c) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 3-11-83		<u>4,404.08</u>
		\$65,758.52
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 3-11-83	<u>1,066.32</u>	
	\$18,212.03	
Total Payoff 3-11-83		<u>\$83,970.55</u>
(d) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 3-25-83		<u>4,639.38</u>
		\$65,993.82
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 3-25-83	<u>1,132.08</u>	
	\$18,277.79	
Total Payoff 3-25-83		<u>\$84,271.61</u>
(e) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 4-8-83		<u>4,874.73</u>
		\$66,229.17
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 4-8-83	<u>1,197.85</u>	
	\$18,343.56	
Total Payoff		<u>\$84,572.73</u>
(f) Principal		\$61,354.44
Interest @ 10% per annum 7-27-82 - 4-30-83		<u>5,244.52</u>
		\$66,598.96
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 4-30-83	<u>1,301.19</u>	
	\$18,446.90	
Total Payoff		<u>\$85,045.86</u>
(g) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 5-14-83		<u>5,479.87</u>
		\$66,834.31
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 5-14-83	<u>1,366.96</u>	
	\$18,512.67	
Total Payoff		<u>\$85,346.98</u>
(h) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 5-28-83		<u>5,715.17</u>
		\$67,069.61
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 5-28-83	<u>1,432.72</u>	
	\$18,578.43	
Total Payoff		<u>\$85,648.04</u>

(i) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 6-11-83		<u>5,950.52</u>
		\$67,304.96
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 6-23-82 - 6-11-83	<u>1,498.48</u>	
	\$18,644.19	
Total Payoff 6-11-83		<u>\$85,949.15</u>

(j) Principal		\$61,354.44
Interest @ 10% per annum 6-23-82 - 6-30-83		<u>6,269.93</u>
		\$67,624.37
Attorney Fees	\$17,145.71	
Interest @ 10% per annum 7-27-82 - 6-30-83	<u>1,587.74</u>	
	\$18,733.45	
Total Payoff 6-30-83		<u>\$86,357.82</u>

STANDING COMMITTEE REPORT

..... March 8 19 83

MR. **President**

We, your committee on **Finance and Claims**

having had under consideration **House** Bill No. **84**

Lory (Keating)

Respectfully report as follows: That **House** Bill No. **84**

BE CONCURRED IN
~~DO PASS~~

yle

STANDING COMMITTEE REPORT

March 8

19 83

President

MR.

Finance and Claims

We, your committee on

House

131

having had under consideration Bill No.

Menahan

(Haffey)

House

131

Respectfully report as follows: That Bill No.

BE CONCURRED IN

~~XXXXXX~~
DO PASS

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STANDING COMMITTEE REPORT

March 3

19 83

President

MR.

Finance and Claims

We, your committee on

House

Bill No. 144

having had under consideration

J. Brown

(Dover)

House

Bill No. 144

Respectfully report as follows: That

BE CONCURRED IN
DO PASS

W.C.

STANDING COMMITTEE REPORT

.....March 8..... 19 83.....

MR. **President**

We, your committee on **Finance and Claims**

having had under consideration **House** **180**
Bill No.

J. Brown (**Hinsl**)

Respectfully report as follows: That **House** **180**
Bill No.

BE CONCURRED IN

~~XXXXXX~~

41C

STANDING COMMITTEE REPORT

.....March 8..... 19 83.....

MR. **President**

We, your committee on **Finance and Claims**

having had under consideration **House** Bill No. **412**

Bardanoue (Hinsl)

Respectfully report as follows: That **House** Bill No. **412**

BE CONCURRED IN

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REXAXX