

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 6, 1985

The meeting of the State Administration Committee was called to order by Chairman Sales at 9:00 a.m. on the above date in Room 317 of the State Capitol.

ROLL CALL: Sixteen members were present with Rep. Pistoria absent and Rep. Holliday excused.

CONSIDERATION OF HOUSE BILL NO. 451: Rep. Fred Thomas, District #62, said that this bill is a practical way of looking at things. This would not limit the contributions that could be made by PACs but would require full disclosure by the candidates as to what they received and the public could then decide for themselves. He said he didn't feel they could prevent money being spent on legislative elections. The public doesn't and won't get the full picture of who is donating to what candidate. He said the candidates should be allowed to take as much in contributions as they wish and then require a full disclosure. There are numerous ways of getting around the law and this way the public isn't getting the true picture.

PROPOSERS: There were no proposers.

OPPOSERS: Jonathan Motl, representing Common Cause read and explained his prepared testimony which also included information concerning the contributions by PACs in Montana. See Attached Exhibit #1 .

Don Judge, Montana State AFL-CIO, said that two years ago they supported the legislation even though they are the largest contributing group and they continue to support the spending limitation. Candidates have returned money to the AFL-CIO because they have reached their limit. He said they do not give in-kind contributions as the present law does seem to allow. He urged the Committee to give this bill a Do Not Pass. He also urged the Committee to close the loop holes in in-kind contributions. Don't allow special interest groups to have more than a fair share of influence.

Teri England, Montana Public Interest Research Group, read her prepared testimony. (See attached Exhibit #2)

Nancy Harte, Montana Democratic Party, said that the Democratic Party vigorously opposes the removal of any limitations and asked the Committee for a Do Not Pass on the bill.

Tom Ryan, Montana Senior Citizens' Association, said they find their influence diminishing although they are a rapidly growing organization and said their in-kind contributions would be more significant by diminishing the influence of the PACs.

Mr. Earl Riley, member of the Montana Senior Citizens' Association, urged a Do Not Pass.

Don Reed, Environmental Information Center, said they wanted to go on record in opposition to the bill. He said if there is a problem with evasion under the law it would be more appropriate to close these loop holes and would support legislation to accomplish that.

DISCUSSION OF HOUSE BILL NO. 451: In answer to a question by Rep. Fritz, Rep. Thomas said that the in-kind contributions is an easy way to get around the law and there is no way to shut off interest in campaigns. Rep. Jenkins brought out the possibility of receiving a contribution after the reporting date but before the final reporting. Rep. Thomas said that perhaps they could set a certain time for contributions. This would give the candidate plenty of time to report that contribution.

Chairman Sales asked Mr. Motl what Common Cause's attitude was towards group special interest as opposed to individual special interest because evidently there is something wrong with group special interests but not individual special interest. Mr. Motl said that the problem is that the money comes from diverse sources. When it comes from group special interests that is more money coming from them than from individuals. What is wrong is when they become the dominant financier in the campaign.

Rep. Phillips stated that the money the candidates receive is spent on communication with the public in advertising, etc. He asked Mr. Motl if the report cards they publish don't have more value to them than donating a couple hundred dollars. Mr. Motl said the purpose of Common Cause is to furnish information to the members of the legislative districts.

In closing, Rep. Thomas said that this is a common sense bill based on reality.

The hearing was closed on HB 451.

CONSIDERATION OF HOUSE BILL NO. 359: Rep. Jerry Nisbet, District #35, sponsor of the bill, explained the purpose of the legislation and in particular page 3, lines 17-22.

PROPOSERS: Fred Napier, Department of Commerce, Commissioner of Financial Institutions, spoke in support of the bill and said it would encourage participation in the State program.

Les Alke, Montana Bankers' Association which represents 95% of the banks in Montana, said this would permit the small banks to take part in the Montana Economic Loan Program. Without this legislation they would be prohibited from participating. This way they could make a significantly large loan because

they would have the guarantee.

There were no further proponents.

OPPONENTS: None.

DISCUSSION OF HOUSE BILL NO. 359: Rep. Cody said she was concerned with how much of a guarantee the banks have and what is the risk. Mr. Napier said it eliminates the risk to the bank. Their risk would be 20% of their capital and surplus. He said that the smaller banks could go after larger loans thus putting them more on a par with larger banks.

Chairman Sales remarked that the history of government lending has not been good and wondered if this is really encouraging the banking industry in more bad loans. Mr. Napier said that the Montana Economic Development Board is the only agency involved right now. They screen the loans.

Rep. Smith asked if this 20% of the bank comes off the top in the event of failure. Mr. Napier explained the different types of programs but said that generally speaking the 20% would be at the top.

Without further comment, Rep. Nisbet closed on HB 359.

The hearing was closed on HB 359.

CONSIDERATION OF HOUSE BILL NO. 427: Rep. Kelly Addy, District #94, said this would give public employees full pay for accumulated sick leave on termination of their job. Right now on termination they are paid for 25% of sick leave accrued. He said that this could encourage absenteeism if they are only going to receive pay for 25% of accrued sick leave. If the employee is going to get paid for 100% of sick leave they will go to work. He also said perhaps a compromise could be reached somewhere between 25-100% and said that maybe 50% would be adequate.

PROPOSERS: Nadiean Jensen, Federation of State, County and Municipal Employees, Council No. 9, read her prepared testimony in support of HB 427. See attached Exhibit #3. She also told the Committee if they could not support HB 427, perhaps they could consider some alternative.

Larry Conner, Lieutenant with the Bozeman Police Department, spoke in favor of 100% reimbursement and read his prepared testimony attached as Exhibit #4.

Michael Hunt, Montana State Firemans Association, urged support of HB 427.

Eileen Robbins, Montana Nurses' Association, said their Association would be agreeable to reaching a compromise somewhere between 25-100%.

Tom Schneider, Montana Public Employees' Association, said that one thing missing on the fiscal note is consideration of savings by someone in a job that has to be replaced. If someone has to be called in to replace another person that person is considered a 2 1/2 employee. He suggested an amendment on page 2, line 5 following the second "to" insert "the minimum of one-fourth". This would not limit the employer to paying more than one-fourth.

OPPONENTS: Gordon Morris, Montana Association of Counties, called to the attention of the Committee that the fiscal note does not contain any reference to county employees. There are 6,000 employees in the counties and if they were included in this bill it would add approximately \$18 million to the fiscal note. Sick leave is a benefit, not a right, to be used during employment not after employment. He said there are a variety of ways to contend with sick leave abuse. Missoula is currently converting 6 days of sick leave accrued to one day of annual leave. An additional 25 mills would have to be raised to fund this program if the county employees were to be included.

Sandra Whitney, Montana Taxpayers' Association, said their Association feels that sick leave parallels an insurance program, not a retirement program. She read prepared testimony which is attached as Exhibit #5.

DISCUSSION OF HOUSE BILL NO. 427: Rep. Harbin said he thought there could be an increase in employee's wages toward the end of his employment if the 100% was to be computed on the wages earned at the time of employment. Why is 1985 not used rather than 1971 so these employees would only receive 100% from 1985.

Rep. Cody asked if the counties had the options for other alternatives. Mr. Morris said they are required to follow this particular statute, however, this is the minimum. Missoula County is going beyond paying the minimum and is converting unused sick leave to annual leave.

Rep. Addy closed without further comment.

CONSIDERATION OF HOUSE BILL NO. 394: Rep. Dave Brown, District #72, sponsor of HB 394, served on an interim subcommittee and was requested to draft a bill to remedy the inequities concerning compensation for service on quasi-judicial boards. He read a memorandum prepared by Karen Renne, Legislative Council, which is attached as Exhibit #6. The bill deals with boards that were not included in legislation last year.

PROPOSERS: Carol Ferguson, Hard Rock Mining Impact Board, stated that on this board one of the members must be a county commissioner. Because he is a full time elected official he cannot receive compensation to serve on this board.

Irving Dayton, Commissioner of Higher Education, said this is not a University system bill but they do support it. He said there are some faculty members that do serve on these boards and did not see this as creating a problem for them and would be in line with the policy used such as for jury duty. Last session when this compensation was introduced, some of these boards noticed they weren't being included and got themselves amended in. This is not true for these four boards.

Rep. Brown stated that the fiscal note shows \$15,500 per year or about \$31,000 for the biennium. It would really be only about \$29,000 because there would be some federal funds.

There were no further proponents and no opponents.

DISCUSSION OF HOUSE BILL NO. 394: Rep. Harbin, after some calculations, said that the fiscal note seemed to be pretty well in range.

Rep. Phillips stated that the county commissioners could still be paid mileage. However, Ms. Ferguson said they are not serving on the Hard Rock Mining Impact Board as a county commissioner and should receive compensation.

Rep. Peterson asked why the State Library Commission was not included. Sara Parker, State Librarian told the Committee that currently they are prohibited from receiving any funds under another statute, therefore, Rep. Fritz is introducing a bill that will amend that statute.

Mr. Dayton said it was very possible to miss these quasi-judicial boards because they are scattered throughout the statutes and you have to go looking for them.

There being no further questions, the hearing on HB 394 was concluded.

The Committee then went into executive session.

DISPOSITION OF HOUSE BILL NO. 451: Rep. Garcia moved that HB 451 DO NOT PASS, seconded by Rep. Moore. Motion CARRIED 10-6 with Reps. Phillips, Jenkins, Campbell, Smith, Sales and Compton voting no. Rep. Holliday, having been excused, left written votes with the Chairman. (See attached)

DISPOSITION OF HOUSE BILL NO. 359: Rep. Phillips moved HB 359 DO PASS, seconded by Rep. Fritz. The motion CARRIED with Chairman Sales voting "no".

DISPOSITION OF HOUSE BILL NO. 427: Rep. Phillips moved that HB 427 DO NOT PASS, seconded by Rep. Compton. Motion CARRIED with Reps. Campbell and O'Connell voting "no".

DISPOSITION OF HOUSE BILL NO. 394: Rep. Cody moved that HB 394 DO NOT PASS, seconded by Rep. Garcia.

Rep. Cody said that she had taken this bill home and studied it and made some calls concerning it. People serving on these boards told her they are not making any money but they are breaking even with what they were receiving. They told her when they accept a position on these boards they were doing it as a public servant.

Rep. Moore moved that this bill BE PASSED FOR THE DAY to allow Lois Menzies, Staff Researcher, to further check into whether these boards are quasi-judicial or not. Motion seconded by Rep. Harbin.

Rep. Smith said that no compensation limits some very good members from serving on these boards. Rep. Cody reminded the Committee that they had turned down compensation for themselves, the legislators, to set the tone for this session and didn't think they should give compensation to these board members.

Motion CARRIED TO PASS FOR THE DAY with Reps. Campbell, Smith, Garcia, Cody and Sales voting "no".

DISPOSITION OF HOUSE BILL NO. 461: Rep. Bradley had contacted the chairman and asked that HB 461 be tabled in Committee at the request of the Department of Health and Environmental Sciences.

Rep. Smith moved that HB 461 BE TABLED, seconded by Rep. Jenkins. Motion CARRIED UNANIMOUSLY.

There being no further business, the Committee adjourned at 11:05 a.m.



WALTER R. SALES, Chairman

Wed. State Admin.

Feb. 6

HB 359 - Nisbet - Yes
HB 394 - D. Brown - Yes
HB 427 - Addy - No
HB 451 - Thomas - No
HB 461 - Bradley - Yes

Any and/or all votes
remain the same on
any amended bills.

(Type in committee members' names and have 50 printed to start).

DAILY ROLL CALL

State Administration COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/6/85

NAME	PRESENT	ABSENT	EXCUSED
Chairman Walter Sales	/		
V-Chairman Helen O'Connell	/		
Campbell, Bud	/		
Compton, Duane	/		
Cody, Dorothy	✓		
Fritz, Harry	/		
Garcia, Rodney	/		
Hayne, Harriet	/		
Harbin, Raymond	/		
Hollicay, Gay			✓
Jenkins, Loren	/		
Kennerly, Roland	/		
Moore, Janet	/		
Nelson, Richard	✓		
Peterson, Mary Lou	/		
Phillips, John	/		
Pistoria, Paul		/	
Smith, Clyde	/		

STANDING COMMITTEE REPORT

February 6

1925

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 359

First reading copy (White)
color

LOANS GUARANTEED BY STATE AGENCY EXEMPT FROM BANK LOAN LIMIT

Respectfully report as follows: That HOUSE Bill No. 359

DO PASS

STANDING COMMITTEE REPORT

February 6

19 35

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 427

First reading copy (White)
color

FULL PAY FOR ACCUMULATED SICK LEAVE

Respectfully report as follows: That HOUSE Bill No. 427

DO NOT PASS

~~DO PASS~~

STANDING COMMITTEE REPORT

February 6

1935

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 451

First reading copy (White)
color

**REMOVING LIMITS OF CONTRIBUTIONS BY INDEPENDENT POLITICAL
COMMITTEES**

Respectfully report as follows: That HOUSE Bill No. 451

DO NOT PASS

~~DO NOT PASS~~

WITNESS STATEMENT

NAME Robert M Panchich, Administrator BILL No. 359
ADDRESS 1424 9th Ave Helena DATE _____
WHOM DO YOU REPRESENT MEDB (Montana Economic Development Board)
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Would allow state guarantees and commitments to have the same treatment as Federal Guarantees with regard to Lending Limits of Banks. Present law allows for deduction of ^{Federal} guaranty from the loaned amount in determining a Lending Limit violation. This is important to small banks with small lending limits.

This amendment in effect says that state of Montana guarantees and commitments are as good as Federal guarantees and commitments.

Ex #1
2/6/85
HB-451

TESTIMONY BEFORE THE
HOUSE STATE ADMINISTRATION COMMITTEE
FEBRUARY 6, 1985

Mr. Chairman and members of the Committee, my name is Jonathan Motl and I speak today on behalf of Montana Common Cause. We appear in opposition to H.B. 451, the bill that would repeal the limits on the total amount of money a candidate for the Montana House or Senate may receive from all political action committees or PACs.

In way of background, political action committees have been contributing money to legislative candidates in Montana since 1976, when changes in election laws first allowed corporations, labor, trade and professional associations to do so. Although for some the word "PAC" conjures up the image of a multi-national corporation with millions to spend on a few sympathetic senators, in fact the size and nature of a PAC may range from that extreme to the other - a few teachers in Butte pooling their dollars to help an education-minded local candidate get elected, for instance. A political action committee exists whenever people of similar political orientation join together to contribute money or services to a candidate or a ballot issue. While PACs can and do contribute to campaigns for all kinds of elective office, Montana's PAC limitation law affects only the contributions made by PACs to the campaigns of candidates for the Montana Legislature.

Nine years after their inception, PACs are today a well-established fact of political life in Montana. In 1976 special-interest PACs (excluding political party PACs)

contributed \$22,648 to legislative candidates in this state, or about 8 percent of the total campaign contributions for that year. By 1982 PAC contributions had increased to \$122,767, or 19.3 percent of all contributions. In other words, PAC spending growth exceeded growth in overall campaign spending by about 250 percent during those six years.

In 1982 national campaign finance trends (showing PAC contributions often exceeding 50 percent of a candidate's total funding), caused many Montanans to become concerned that an unchecked increase in the influence of special-interest PACs could dilute the potential for an individual's effective involvement in the financing of legislative campaigns. Faced with extensive public concern and the fact that some Montana legislative campaigns were already being largely funded by money from special-interest PACs rather than people, the 1983 Montana Legislature considered imposing a limit on the amount of money a legislative candidate may receive from PACs. H.B. 356, now codified as § 13-37-218, M.C.A., was passed into law limiting the aggregate total of PAC dollars a candidate for the Montana House of Representatives may receive to \$600 - candidates for the state Senate may receive up to \$1,000 from all PACs.

The aim of these limits was to restrict the amount of political action committee dollars to no more than 20 percent of a candidate's contributions - the average level they had achieved by 1982. Supporters of the bill believed this level would allow PACs to retain a significant role in financing legislative campaigns while reserving the major funding role for the people of Montana.

As the following chart shows, the new PAC limit law

accomplished its purposes. In 1984 legislative campaigns PAC contributions fell as measured as a percent (from 19.3 percent of 1982 campaigns dollars to 17.1 percent of 1984 campaign dollars) of total campaign contributions for the first time since PACs came into existence in Montana.

FIG. 1 SPENDING FOR MONTANA LEGISLATIVE RACES, 1976-84

	1976	1978	1980	1982	1984
Total Contributions:	\$278,609	\$382,140	\$582,708	\$635,596	\$792,729
Special Interest PAC dollars	\$22,648	\$48,777	\$111,330	\$122,767	\$109,634
PAC In-Kind Contributions:	0	0	0	0	\$26,214
% PAC Contributions: (includes in-kind)	8.1%	12.8%	19.1%	19.3%	17.1%

Attached to this testimony is a copy of a list of all PACs contributing to the campaigns of candidates for the 1984 Montana Legislature.

With the above in mind, it is Common Causes's position that the aggregate PAC limit law is a sound reform that actually succeeded in its purpose during its first year of operation. It is our position that the law needs to be strengthened (the "in-kind" loophole which allowed some PACs to avoid the limits needs to be removed) and not repealed. The new law has drawn much favorable attention on a national level. The Montana Common Cause office has answered letters and phone calls from individuals in over 20 states who are attempting to pass similar legislation in their home states. In addition the reform has

attracted much attention in the national press. Attached to this testimony are copies of several supportive articles.

It is our understanding that legislators who support repeal of this law do so, at least in part, because they wish to have access to additional sources of money. In response I remind the Committee that this bill does not limit the amount of money a candidate can receive, it simply limits the amount of money a candidate can receive from special interests. This approach conforms to the long standing social policy of limiting the possibility of corruption by limiting the influence of special interest dollars in the electoral process. From Common Causes' viewpoint, passage of the bill before the Committee would be a direct gain to special interest influence in Montana electoral politics and a direct loss to the influence of Montana's people. We urge you to vote against H.B. 451.

Attachment 2: Contribution breakdown for 58 PACs involved in 1984 legislative races.

PAC Name	Dollars	#Cont.	In-kind Amount	#Cont.
*AT&T PAC	\$100	1	\$50	1
BANKPAC (Montana Bankers)	\$1,900	19	-	-
*Brotherhood of Locomotive Engineers Legislative League (Cleveland, Ohio)	\$475	4	-	-
Burlington Northern Employees Voluntary Good Government Fund	\$2,275	44	-	-
CEL PAC (Committee to Elect Leaders)	\$12	1	-	-
*Citizens Against Poverty	\$75	3	-	-
Citizens for Responsible Government (Montana Power Co. employees)	\$2,850	17	-	-
*Citizens Republican Banking Committee	-	-	\$250	1
COMPAC (Montana Contractors)	\$10,400	52	\$2,157	11
*Citizens For The Republic (California)	\$250	1	\$1,500	6
*Concerned Citizens Fund (Arco, Los Angeles, California)	\$50	1	-	-
COPE (AFL-CIO)	\$3,625	76	-	-
Montana Society of CPAs PAC	\$1,900	31	\$850	7
CU-PAC (Montana Credit Unions)	\$2,325	35	-	-
*D.C. Montana Committee	\$200	2	-	-
*First Banks of North Dakota	-	-	\$100	1
Four Rivers Manufacturing Association	-	-	\$149	1
Freedom Lobby PAC	-	-	\$100	1
Glendive Education Association PAC	-	-	\$100	1
Billings Education Association PAC	\$775	4	-	-

Butte Teachers' Union PAC	\$100	2	-	-
Great Falls Education Association PAC	\$850	6	\$208	5
*IBPAT (International Brotherhood of Painters and Allied Trades PAC, Washington, D.C.)	\$250	1	-	-
Independent Montanans PAC	-	-	\$100	1
Independent Businessmen's PAC	\$1,400	11	-	-
IMPAC (Insurers of Montana PAC)	\$850	11	\$150	2
Lake County Senior Citizens PAC	-	-	\$95	1
Libby Education Association PAC	\$150	1	-	-
Lincoln County Tavern Association PAC	\$50	2	-	-
MAPA (Montana Agriculture PAC)	\$15,122	42	\$1,607	16
MEAPAC (Montana Education Association PAC)	\$15,900	56	\$500	1
MEPAC (Montana Engineers)	\$475	16	\$300	9
MEGPAC (Montanans for Effective Government PAC)	\$450	3	\$1,608	10
Mission Valley Farmers and Ranchers PAC	-	-	\$175	1
Mission Valley Taxpayers Legislative League	-	-	\$155	1
Missoula Unified PAC for Education	\$950	5	-	-
MoDePAC (Montana Dental Assn.)	\$3,300	34	\$1,280	15
MiniMart PAC (Casper, Wyoming)	-	-	\$100	1
MON-CAR (Montana Auto Dealers PAC)	\$2,350	44	-	-
MON-DAK (Montana-Dakota Utilities PAC)	\$1,550	14	\$3,170	28
MONT PAC (Montana Life Underwriters)	\$11,400	100	\$1,550	10
Montana Employees of Mountain Bell PAC	\$2,800	29	\$802	7
Montana Petroleum Association	-	-	\$150	2
Montana Realtors PAC	\$7,425	32	\$1,450	9

Montana Resources PAC (oil producers)	\$2,625	63	\$100	1
Montana Nursing Home Association	\$700	6	\$900	9
Montana Right to Life	\$100	1	-	-
Montana T.P.E.L. (Transportation Political Education League)	\$3,525	48	\$150	1
Motor Transportation PAC	\$2,425	23	\$2,327	24
Norwest State PAC (Norwest Banks)	\$500	10	\$300	6
*NOWPAC (Washington, D.C.)	\$500	2	-	-
*Responsible Citizens Political League: A Brotherhood of Railways, Airlines and Steamship Clerks (Rockville, Maryland)	\$1,000	1	-	-
*Sears PAC (Chicago)	\$500	3	\$100	1
Sidney Education Association	\$100	1	-	-
Suds and Bubbles (beer and wine wholesalers PAC)	\$475	4	\$3,630	38
TRANSPAC	\$4,300	41	-	-
*Transportation Political Education League (Cleveland, Ohio)	\$300	4	-	-
REMPAC (Retired Employee of Montana)	-	-	\$51	2
Category Totals:	Dollars: \$109,634		In-kind: \$26,214	
Total PAC Spending: \$135,848				

*donotes out-of-state PAC

21. February Times
AM 280,000
AM 500,000

MAY-3 -83

Montana curbs the PACs

Comparatively few people inhabit the vastness of the state of Montana but they can manage their own affairs, thank you. Concerned by the wildly spreading influence of political action committees (PACs), the Montana Legislature has sent them packing. It is now unlawful for a Senate candidate to accept more than \$1,000, or a House candidate more than \$600, from PACs. That's from *all* PACs combined. "I am pleased the Legislature of Montana and not PAC men will build the future of our great state," said Gov. Ted Schwiniden when he signed the bill into law April 15. No other state has such a law setting aggregate limits.

In Florida, in contrast, the PACs are riding high. They gave \$2.8 million to the state legislators who were elected last year, an average of \$26,754 per senator and \$14,513 for each member of the House. Predictably, most legislators are indifferent if not hostile to bills that would rein them in. House Speaker Lee Moffitt is pledged to reform, but even he could do no better than to have the matter set down for committee study after the current session. It would help if Gov. Bob Graham took an interest, but PAC reform seems to be far from a priority with this future candidate for the U.S. Senate.

FLORIDA HAS 12 times Montana's population, but even if it enacted restrictions at a corresponding rate the PACs would be held to less than half their average contributions. By that standard, Common Cause, the public affairs lobby, is being more than reasonable when it proposes PAC limits of \$15,000 for a House campaign and \$35,000 for a Senate candidacy. Even so, 16 of the 40 senators and 49 of the 120 House members received more money than that from PACs last year.

Such numbers were unheard of in Montana where, thanks to the new law, they will remain so. According to the office of the Commissioner of Political Practices, the typical Senate candidate collects \$6,000 to \$8,000 from all sources, with a House race usually costing no more than \$5,000. In Florida, that's the kind of money unopposed candidates raise. Florida also allows

candidates to accept contributions from corporations. Montana does not.

Corporations don't vote and neither do PACs. Only people do. There are sound moral and constitutional grounds for prohibiting PAC and corporate contributions or for imposing stringent restrictions on them. PAC apologists, who are usually the lobbyists for the special interests the PACs represent, argue the converse, of course. "PACs get people involved in politics who might not otherwise know enough to get involved," said the public affairs manager for the Montana Chamber of Commerce, which opposed the bill. But by the same reasoning, PACs could claim the right to cast their members' ballots.

"I HAVE always felt that most of the money that finances campaigns ought to come from individual citizens who are casting individual votes, and not from special interest groups," says John Vincent, the Montana House majority leader and principal sponsor of the new law. He believes the Legislature reacted to public opinion — and to the perceived threat that PAC limits would be adopted by initiative if the Legislature failed to act. One poll, he said, showed that "over 70 percent of the people felt that money was synonymous with power and influence in the Legislature. We still have enough of a populist tradition here that may be what did it."

Because of their remoteness, sparse population and great wealth of natural resources, Montanans are more than ordinarily resentful of outside influences such as PAC involvement in their congressional races and statewide referendums. U.S. Sen. John Melcher, a Democrat, was able to turn to his advantage the fact that PACs spent \$228,011 in so-called "independent" campaigns against him last year. Says Diak Running, auditor for the Commissioner of Political Practices, "It's kind of a feather in your cap in Montana to say 'I get my contributions from local interests and am not controlled by outside people.'"

If that's xenophobia, the U.S. needs more of it. Let Congress and other state legislatures profit by the Montana example.

Courage in Big Sky Country

Montana legislators seem to have stronger backbones than their Connecticut counterparts.

Late last month the Connecticut Legislature's Government Administration and Elections Committee collapsed like the Red Sox in September when political action groups handed thumbs down on a proposal to establish a uniform ceiling for political action committee contributions in state elections.

Earlier, the committee had voted 19-0 in support of the bill to equalize the amount of money business and labor PACs can give. The legislation also brought ideological PACs under the ceiling for the first time and placed limits on contributions to municipal election campaigns.

But the committee's unanimous resolve to limit the growing power of special interest groups wilted under a barrage of criticism from PAC lobbyists. To a man and woman,

the committee then voted to gut the bill and called instead for a yearlong study of political reform.

In Big Sky country, lawmakers stand and fight. The Montana Legislature put the clamps on PACs despite heavy lobbying against the proposal by special interests.

Montana's approach is different from the dead Connecticut proposal. The new law is confined to legislative elections and puts the ceiling not on individual PAC contributions, but on the combined total amount the candidates can accept from political action committees. If slightly different from what was killed here, it nonetheless is a step in the right direction.

"I am pleased the Legislature of Montana and not PAC men will build the future of our great state," said Gov. Ted Schwinden when he signed the bill into law.

Would that the governor of Connecticut could say the same thing.

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Montana Courier May - 5 (about)

Montana Curbs What Candidate Gets From PAC

Special to The New York Times

HELENA, Mont., April 28 — Despite heavy lobbying from special interest groups, Montana has become the first state to place a ceiling on the amount of funds state legislative candidates can collect from political action committees.

The measure, based on model legislation devised by Common Cause, the public affairs lobby, limits House candidates to a combined total of \$600 from all political action committees, and Senate candidates to a total of \$1,000. The legislation does not affect gubernatorial candidates.

The bill was passed by the Senate by a vote of 23 to 22, then passed by the House, 63 to 29, and signed on April 15 by Gov. Ted Schwinden. At the time, the Governor said, "I am pleased the Legislature of Montana and not PAC men will build the future of our great state."

Many states limit political action committees, but most limit the amount a PAC can donate, rather than the amount a candidate can receive.

"It will mean that PAC's will not become the dominant financiers of legislative campaigns," said Jonathan Motl, Common Cause's legislative representative, who drafted the bill. "But they'll still play a significant role."

But the Montana Chamber of Commerce, which opposed the legislation, says it hinders the political process. "PAC's are made up of people," said Janelle Fallon, public affairs manager for the business group. "Those are voluntary contributions from private individuals. PAC's get people involved

in politics who might not otherwise know enough to get involved."

Miss Fallon said that members of public interest PAC's such as the Montana Committee for an Effective Legislature, can spend as much time and effort as they wish in campaigns. "If you limit money, you favor those with more time," she said.

In the 1982 elections, 85 House candidates received more than \$600 from political action committees, while 16 senatorial candidates got more than \$1,000.

It's time to limit PACs

The Montana Senate is considering three bills to limit the influence of special interest political action committees (PACs) on legislative campaigns.

Those campaigns have gone from being 8.1 percent PAC-financed in 1976 to 19.3 percent last year. In other words, money from the political arms of various business, agriculture and labor groups made up 8.1 percent of the total raised in legislative campaigns in 1976, and now makes up almost 20 percent of that total.

In dollars, PACs contributed \$122,767 of the \$635,596 raised by legislative candidates last year — nearly one in every five dollars. This rapid increase in PAC campaign contributions is a disturbing trend.

Disturbing, because when special interests finance campaigns and win elections, the average citizen may lose. A real danger exists of legislators becoming representatives of special interests and of single interests, rather than of their constituents.

The bills under consideration by the Senate would limit the amount of money a candidate could accept from PACs, limit the amount an individual could contribute to a PAC, and force PACs to bear names that accurately reflect the special interest they represent.

Under the first bill, HB356, Senate candidates could accept no more than \$1,000 total from PACs; House hopefuls, no more than \$600. According to the bill's sponsor, House Majority Leader John Vincent, D-Bozeman, that would put the average campaign fund at 20 percent PAC money, the current average level. Donations from citizens would then account for 80 percent of a candidate's funds. That's reasonable.

The second bill, HB387, would limit individual contributions to PACs to \$500, and thus limit the funds PACs have to help finance campaigns and win influence. That also is reasonable.

The last bill, HB386, would keep special interests from disguising their political aims with innocuous-sounding names. It would make them spell out their particular special interest in the title of the PAC. That's not just reasonable, it's only logical and fair.

This series of bills will probably have a much tougher time getting through the more conservative and politically seasoned Senate than they did in the House. But senators need to be convinced of the bills' value to an open and fair elective and representative process — a goal no one can oppose.

The bills merit approval.

Public office should not be up for sale

Common Cause of Montana commissioned a study of political action committees (PACs) in Montana has concluded that the time to put the lid on PACs has arrived.

The government reform citizens group says its study shows that PACs are on the way to becoming "the dominant force in elective politics in Montana. Nearly 80 percent of the respondents to a poll, which was part of the study, think that special interests gain "inordinate political power" by campaign contributions.

State Common Cause president John Lowry of Butte said the people don't like the fact that the influence of special interest PACs is growing in Montana. Lowry added that Common Cause will lobby during the next legislative session for laws to limit the impact of PAC contributions.

Common Cause supports legislation calling for public financing of legislative campaigns; putting a limit on the amount raised and spent by candidates and requiring that PACs involved in supporting initiative efforts to clearly identify themselves in support or opposition to the initiative.

We don't think Montanans, independent as they are, want much to do with public financing of campaigns. Common Cause's poll substantiates this. It found that 44.1 percent of Montanans favored some form of public financing of campaigns while 52.8 percent opposed the idea, including 26.9 percent strongly opposed. It's going to be extremely difficult to convince the legislators that they should opt for public financing in light of the poll results.

Limiting contributions and expenditures will also be a problem. Incumbents aren't going to cut their throats and reduce their campaign spending ability so challengers will have a better shot at them.

We also doubt that limiting PAC contributions to candidates will have the desired effect. The courts have ruled that PACs can run independent campaigns for or against a candidate. They don't contribute money directly to the candidate. They run their own campaign whether the candidate likes it or not. NCPAC's campaign against Sen. John Melcher is a perfect example.

But we do think PACs should be accurately identified, as well as their stands for or against issues and candidates. And in spite of all the problems we have cited, we also think the Legislature should somehow place some limits on campaign spending. Spending on elections on the national level has gotten completely out of hand, and the effect of big-state bucks on a small-state's election process can

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VIEW

TUESDAY

October 19, 1982
Helena, Montana
Vol. 39 No. 332

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INDEPENDENT RECORD

FROM MONTANAS CAPITAL

Opinion and comment

PACs could change legislative politics

That Common Cause of Montana report on political action committee (PAC) involvement in legislative races is an eye-opener. If the trend continues, PACs could be supplying most of the money spent in legislative campaigns within the decade.

University of Montana professor James Lopach, who conducted the study for Common Cause, says PACs were responsible for only 8 percent of the contributions to legislative campaigns in 1976. In 1980, PACs furnished nearly 20 percent of the money spent in these races. The 1982 races, of course, aren't over yet, but PAC bankrolling presumably has been heavy again this year.

In 1980, a total of about \$582,000 was donated to Montana legislative candidates. PACs provided about \$111,000 of this. Montana Common Cause Chairman John Lowry of Butte says a poll conducted as part of the study shows that Montanans think these donations give interest groups "inordinate political power."

Money, probably isn't the decisive factor in all Montana legislative races. Districts are small, in terms of voter population, which means face-to-face contact between voter and candidate can have more effect than heavy spending.

But nobody scoffs at a big campaign war chest, either. In races that otherwise would be fairly even, money can make the difference.

Common Cause wants the Legislature to restrict the PACs. The organization will ask the Legislature to limit campaign spending and/or contributions and provide for some sort of public campaign financing. Common Cause also wants to limit the total PAC contributions a candidate can receive and to require PACs that get involved

in ballot measure campaigns to be identified so that voters can tell if the PAC is for or against the measure.

Limiting the amount of money candidates could receive or spend might just cause Montana's PACs to conduct independent campaigns, like NCPAC. The courts have ruled that, because of freedom of expression, independent PACs can collect and spend all they wish. Limiting campaign spending also might be opposed on grounds it could favor well-known, incumbent office-holders over unknown challengers.

Public campaign financing might be acceptable to Montanans, depending on how it's done, but there are drawbacks to public financing, too.

The Legislature and other organizations, of course, may have their own thoughts about PAC spending. Not everyone will agree that growing PAC involvement in state politics is necessarily bad.

Sooner or later, though, PAC money could change the face of legislative politics in Montana. For that reason, the Legislature should at least take a good look at the growing role of PACs in these races. It should try to determine whether the trend will, indeed, result in more and more political power flowing to the interests behind the PACs. It should try to determine whether ordinary Montanans, without connections or backing from outside their districts will be at a growing disadvantage in races against PAC-backed candidates.

And the Legislature should do so soon. As Lowry points out, the longer PACs give to legislative candidates and the more they give, the harder it will be for many legislators to examine the issue objectively.



Ex. # 2
2/6/85
HB-45

Montana Public Interest Research Group

729 Keith Avenue • Missoula, MT. 59801 • (406) 721-6040
532 N. WARREN HELENA, MT. 59601 443-5155

TESTIMONY BEFORE THE STATE ADMINISTRATION COMMITTEE OF THE MONTANA HOUSE OF REPRESENTITIVES

FEBRUARY 6, 1985

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS TERI ENGLAND. I AM SPEAKING ON BEHALF OF THE MONTANA PUBLIC INTEREST RESEARCH GROUP, MONTPIRG. MONTPIRG IS A NON-PROFIT, NON-PARTISAN RESEARCH AND ADVOCACY ORGANIZATION ESTABLISHED AND DIRECTED BY MONTANA UNIVERSITY STUDENTS. WE STRONGLY OPPOSE HB451.

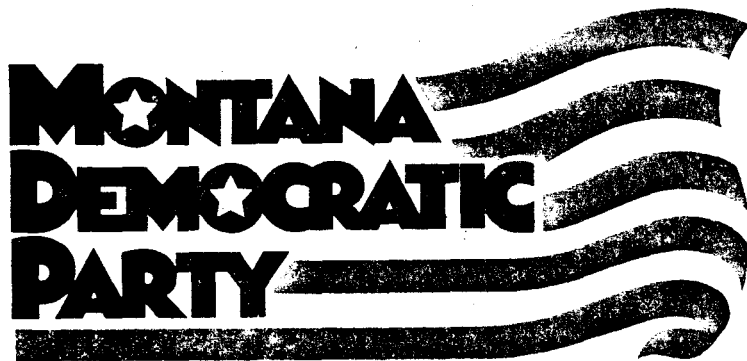
IN 1983, MONTPIRG ACTIVELY WORKED FOR PASSAGE OF LIMITATIONS ON AGGREGATE POLITICAL ACTION COMMITTEE(PAC) CONTRIBUTIONS TO LEGISLATIVE CAMPAIGNS. MONTANA WAS THE FIRST STATE TO ESTABLISH A LAW LIMITING THE AMOUNT OF PAC DOLLARS THAT COULD BE CONTRIBUTED TO STATE HOUSE AND SENATE CAMPAIGNS. SETTING PAC LIMITS WAS A SIGNIFICANT STEP TOWARD PRESERVING THE INDIVIDUALS VOICE IN GOVERNMENT. HB451 SEEKS TO ELIMINATE CURRENT PAC CEILINGS, THUS INCREASE THE INFLUENCE OF SPECIAL INTERESTS IN MONTANA.

PRIOR TO THE 1983 PAC REFORM, THERE WERE TRENDS OF INCREASED PAC SPENDING AND INFLUENCE IN POLITICAL CAMPAIGNS. IN 1976, 8.1 PERCENT OF LEGISLATIVE RACES WERE FUNDED BY PAC CONTRIBUTIONS. BY 1982, 19.3 PERCENT OF CAMPAIGNS OR 1 IN 5 DOLLARS WERE FUNDED BY PACS. AFTER THE 1983 REFORM, PAC FUNDING OF CAMPAIGNS DECREASED FOR THE FIRST TIME SINCE 1976. SPECIAL INTEREST MONEY FLOWING TO MONTANA LEGISLATIVE RACES WOULD NOT BE A REAL PROBLEM IF MONEY FLOWED EQUALLY TO DEMOCRATS, REPUBLICANS, INCUMBENTS AND CHALLENGERS. FOR EXAMPLE, IN 1982, CHALLENGED INCUMBENTS RECIEVED 56 PERCENT OF ALL SPECIAL INTEREST CONTRIBUTIONS, WHILE CHALLENGERS RECIEVED ONLY 26 PERCENT OF ALL SPECIAL INTEREST CONTRIBUTIONS. THE

PAC REFORM PASSED IN 1983 EFFECTIVELY SLOWED THE SPECIAL INTEREST SPENDING TREND, FUNDING OF CAMPAIGNS DROPPED TO 17.1 PERCENT.

THE ESTABLISHMENT OF PAC LIMITS WAS A HOTLY DEBATED ISSUE IN THE 1983 LEGISLATURE. THE REFORM HAS BEEN EFFECTIVE. IT HAS BEEN A FAIR AND JUST REFORM, ONE THAT IS SUPPORTED BY THE PEOPLE OF MONTANA. THERE IS NO REASON TO CHANGE A LAW THAT IS EFFECTIVE AND WORKABLE. MONTPIRG URGES THE COMMITTEE TO RECOMMEND A "DO NOT PASS" ON HB451.

THANK YOU FOR YOUR TIME AND CONSIDERATION.



February 6, 1985

TESTIMONY IN OPPOSITION TO HOUSE BILL 451 TO ELIMINATE THE
AGGREGATE LIMIT ON CONTRIBUTIONS FROM PACS

My name is Nancy Harte, lobbyist for the Montana Democratic Party. The Democratic Party opposes this bill.

The Democratic Party platform, adopted in convention last summer, refers to the enactment of the PAC contribution limitation law through House Bill 356 that was introduced in the 1983 session. The platform states:

Democrats take pride in the passage of House Bill 356 during the 1983 Legislative Session. This landmark legislation, introduced on the initiative of Democratic legislators and signed into law by Governor Ted Schwinden, makes Montana the first state in the nation to place an aggregate dollar limit on PAC contributions to legislative candidates. Montana's PAC limit law helps assure that private citizens rather than special interest groups finance the campaigns of legislative candidates. Democrats, therefore, will vigorously oppose any effort to weaken or repeal this important public interest legislation.

Keeping the limits on how much PACs may contribute to candidates will help keep campaigns accessible to the public, and that is why we urge you to vote against House Bill 451.

Montana Democratic Central Committee • Steamboat Block, Room 306 • P.O. Box 802 • Helena, MT 59624 • (406) 442-9520

Executive Board						
Bruce Nelson Chairman	Donna Small Vice Chairman	Mary Hempleman Secretary	Bobbie Wolfe Treasurer	Tony Jewett Executive Director	James Pasma Nat'l Committeeman	Dorothy Bradley Nat'l Committeewoman
Phil Campbell	Helen Christensen	Virginia Egli	Wendy Fitzgerald	Chas Jeniker	Les Morse	Les Pallett
Sharon Peterson	Gracia Schall	Barb Skelton	Clara Spotted Elk	Chuck Tooley	Mike Ward	Blake Wordal
Sen. Chet Blaylock	Rep. Dan Kemmis	Jim Foley	Rep. John Vincent	Phillis Moore		

Ex #3
HB-427
2/6/85

MONTANA STATE COUNCIL No. 9

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES
Affiliated With A.F.L.—C.I.O.



Gerald W. McEntee
International President

William E. Lucy
International Secretary-Treasurer

COUNCIL OFFICERS

John P. Walsh, President
1215 West Gold
Butte, MT 59701
Phone: 792-4816

Anita Davis, Secretary
1112 5th St.
Deer Lodge, MT 59722

George E. McCammon, Treasurer
Rte. 1, Box 144
Townsend, MT 59644
Phone: 286-3592

February 6, 1985

Testimony of Nadiean Jensen, Before the House State Administration Committee on HB 427

VICE-PRESIDENTS

Roy D. Mathews
207 Farview Drive
Kalispell, MT 59901
Phone: 257-1173

Steve Cox
911 - 8th Ave. W.
Kalispell, MT 59901
Phone: 257-1173

Mr. Chairman, members of the Committee, for the record my name is Nadiean Jensen, I am the Executive Director of Montana Council #9, American Federation of State, County and Municipal Employees.

I am here to day in support of HB 427.

Duane Hartman
Rt. 2, Box 2364
Lewistown, MT 59457
Phone: 538-5090

Carolyn Squires
2111 10th St. W.
Missoula, MT 59801
Phone: 846-3308

Full pay for accumulated sick leave has been discussed in many negotiation sessions over the years. Each time the employees are told there is nothing the employer can do about it as the request requires a change in the law and they ~~they~~ (the employees) must go to the legislature.

George Howard
Box 381
Boulder, MT 59632
Phone: 225-3800

It should be noted that employees who must use earned sick are fully paid for the time used. Employees who are fortunate enough to accumulate sick leave credits are denied full pay for these credits when they leave public service.

COUNCIL STAFF

Headquarters
789 Carter Drive
P.O. Box 5356
Helena, MT 59604
Phone: 442-1192

R. Nadiean Jensen
Executive Director

George F. Hagerman
Field Representative

Sharon Donaldson
Field Representative

Dennette Munro
Secy/Bookkeeper

Many public employees have made public service their career, they work hard and are dedicated to that work and should see rewards for that service.

If you feel you cannot support HB 427 in it's present form you might consider some alternatives such as:

25% pay for accumulated sick credits up to 5 years employment;
50% pay for accumulated sick credits up to 10 years employment;
75% pay for accumulated sick credits up to 15 years employment;
100% pay for accumulated sick credits for years of service beyond
15 years of employment.

OR 100% pay for sick leave credits upon retirement from public
service.

Thank you for your consideration of my testimony and I would urge
a do pass of HB 427.

R. Nadiean Jensen, Executive Director
Montana Council #9, AFSCME, AFL-CIO

Ex # 4
HB 427
2/6/85

February 6, 1985

House Bill 427 Support

My name is Larry Conner and I am a Lieutenant with the Bozeman Police Department. I also represent the Montana Police Protective Association as their legislative representative.

The Montana Police Protective Association has always been in favor of 100% reimbursement for un-used sick leave upon termination of employment. We truly appreciate the present 25% that we are presently compensated for, but have strong feelings in regards to full compensation.

The Montana Police Protective Association believes that by increasing this compensation amount, the abuse of sick leave would greatly decrease. Those employees who actually abuse sick leave would no doubt look at the amount of compensation they could receive upon termination, and would probably change. Sick leave abuse is very difficult to prove. We are not doctors and are not qualified to give an opinion that would have merit. Even a doctor may have difficulty in committing himself to state that an employee is not sick.

By increasing the compensation upon termination, several things could happen.

- 1) This should greatly reduce the abuse of sick leave among those few employees that do abuse sick leave. At the same time, this should increase employee productivity, as the employee is working on the job, instead of being home sick.
- 2) The employer would benefit from the increase in employee productivity, as well as those we serve would benefit.
- 3) Good employee work habit should develop and the possibility does exist that many employees would soon fall into the class of being an "above average" employee.
- 4) Employers and administrators would notice more employees on the job and this could result in department goals being accomplished. When an employee calls in sick, this reduces the capability of completing projected goals.

Members of this Legislative Committee, the Montana Police Protective Association is very concerned about HB 427. We are professionals, we enjoy our work, we constantly attempt to better ourselves through training, and we are a dedicated group of Montana Police Officers.

I appreciate the opportunity to testify concerning HB 427. We request that you support this piece of legislation and increase the sick leave compensation from the present 25%.

WITNESS STATEMENT

Ex #5
HB-427
2/6/85

NAME Sandra Whitney BILL No. NB 427
ADDRESS Helena DATE 2-6-85
WHOM DO YOU REPRESENT Montof
SUPPORT _____ OPPOSE ☒ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Philosophically, we feel that sick leave really parallels an insurance program, not a retirement program. It is an insurance program where benefits are there if needed, but the premiums, i.e. the days accumulated, are not refundable, any more than health insurance premiums are refundable if a person stays healthy. Sick leave is not a savings account or a retirement plan to be refunded to the employee upon termination.

Financially, this bill would affect not only the state general fund, but all local government units in Montana. Current liability for termination employees, plus accrued liability would certainly amount to tens of millions of dollars state-wide.

For these reasons - philosophical & financial, Montof opposes NB 427, in its present form.

Thank you

WITNESS STATEMENT

NAME Eileen Robbins BILL No. 427

ADDRESS P.O. Box 5718 DATE 2/6/85

WHOM DO YOU REPRESENT Montana Nurses Assoc.

SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The Montana Nurses Assoc. supports HB 427.

Sick Leave is a benefit earned as a state employee. However, some feel there is no reason not to use accumulated sick leave; the 25% ^{pay out} is not incentive enough. Therefore, rather than get 25% pay at termination, there is motivation to use sick leave as it is accumulated. This may lead to abuse by an employee - a practice we (the State of Montana) should not encourage.

MNA feels productivity would increase if this bill passed & state employees would receive what is due them, 100% of an accrued benefit.

MNA would support the amendment proposed by MPEA.

Ex #6
HB-394
2/6/85

January 29, 1985

MEMORANDUM

→ TO: Representative Dave Brown
FROM: Karen Renne, Researcher
Legislative Council
RE: HB 394, Revising Rules Governing Compensation for Service on
Quasi-Judicial Boards

Summary

The main purpose of this bill is to clarify the rules in Title 2 that govern compensation for service on quasi-judicial boards and to remove certain inequities.

There are 22 boards designated by statute as quasi-judicial, and 6 others with a quasi-judicial function that are not designated in the statute as quasi-judicial. This bill puts all of these boards on the same basis with regard to compensation. (See attached list.)

As the law stands now, public employees cannot receive per-diem compensation for service on quasi-judicial boards, though they are entitled to travel expenses. This is unfair to public employees who serve on these boards without compensation along with other appointees who receive \$50 a day. Furthermore, all members of licensing boards, except those serving in an ex-officio capacity, are entitled to per diem compensation (see 37-1-133).

HB 394 corrects these inequities by making all board members except those serving in an ex officio capacity eligible for per diem compensation unless they are public employees performing their duties as board members during their regular working hours. It defines public employees by referring to Title 2, chapter 18. This definition excludes elected officials, school teachers, independent contractors, people hired under personal service contracts, academic employees and professional administrators who have individual contracts with the board of regents, and officials and employees of the legislative and judicial branches (see 2-18-601 and 2-18-103). These people are excluded because for the most part they are not eligible for vacation and related benefits that executive-branch employees receive.

The rest of the bill is intended primarily for housekeeping purposes. It provides uniform rules for compensating service on quasi-judicial boards and boards with a quasi-judicial function.

Section 1: amends 2-15-124, the basic statute governing quasi-judicial boards.

Section 2 and Section 5: amend two sections that deal with the Public Employees Retirement System board. Compensation for this board now is "as established for a quasi-judicial board." The bill refers directly to 2-15-124, which does not raise the amount of compensation but might make some members eligible for it who are now excluded.

Section 3 and Section 7: amend two sections that deal with the board of trustees of the State Historical Society. This board is not designated as quasi-judicial but has quasi-judicial functions. The bill puts this board on the same basis as quasi-judicial boards, which means that the per diem compensation is raised from \$25 to \$50.

Section 4: amends the section that establishes the Commission for Human Rights, which is a designated quasi-judicial board but is compensated "as provided for in 37-1-133." The bill changes this to 2-15-124. This does not affect the amount of compensation.

Section 6: amends the section that specifies per diem compensation for the board of public education and the board of regents, two boards that are not designated as quasi-judicial but have quasi-judicial functions. The bill raises the per diem compensation for these boards from \$25 to \$50.

Designated Quasi-Judicial Boards

Department of Administration:
Board of Investments

Department of Labor
Board of Labor Appeals
Board of Personnel Appeals
Commission for Human Rights

Department of Commerce
Board of Milk Control
Economic Development Board
Board of Aeronautics
Board of Housing
Health Facility Authority
Coal Board
Hard Rock Mining Impact Board
Board of Social Work Examiners

Department of Health & Environmental Sciences
Board of Health and Environmental Sciences
Board of Social & Rehabilitation Appeals

Department of Institutions
Board of Pardons

Department of Agriculture
Agricultural Loan Authority
Board of Livestock
Pork Research & Marketing Board

Department of Natural Resources & Conservation
Board of Natural Resources and Conservation
Board of Oil and Gas Conservation

Department of Fish, Wildlife and Parks
Fish and Game Commission

Department of Highways
Highway Commission

Other Boards With
Quasi-Judicial Functions

Department of Administration:
Public Employees Retirement Board
Teachers Retirement Board*
State Tax Appeal Board**

Board of Public Education
Board of Regents of Higher Education
Board of Trustees of the State
Historical Society

*Already have \$50 per
diem for all members

**Full-time salaried



PERSONNEL OFFICE

201 W. SPRUCE • MISSOULA, MT 59802-4297 • (406) 721-4700

TO: STATE ADMINISTRATION COMMITTEE
HOUSE OF REPRESENTATIVES
REPRESENTATIVE WALTER SALES, CHAIRMAN

FROM: CITY OF MISSOULA

DATE: FEBRUARY 4, 1985

RE: OPPOSITION TO HOUSE BILL #427

Dear Committee Members:

This letter is written for the City of Missoula in opposition to the passage of House Bill Number 427, introduced by Representative Jerry Driscoll of Billings. This particular bill amends Section 1. of 2-18-618, M.C.A. by entitling a public employee who terminates employment with a governmental agency to a lump-sum payment equal to 100% of the pay attributed to the employee's accumulated unused sick leave. This bill would increase an employee's lump-sum payment for sick leave from 25 percent to 100 percent, an increase of 300 percent.

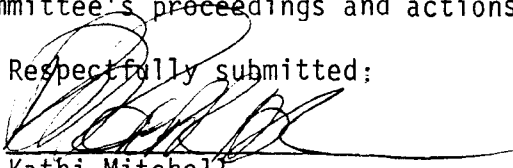
The City of Missoula currently makes cash payments of approximately \$20,000 per fiscal year in sick leave termination benefits. On a cash basis, the bill would increase the City's sick leave termination payments to approximately \$80,000 per fiscal year, an overall increase of \$60,000. In order to fund this increase, the Missoula City Council would have to levy 1.3 additional mills on Missoula taxpayers.

This bill also increases the City's future liability for payment of unused sick leave from \$53,000 to \$212,000, which is an increase of \$159,000. This covers the increase in unused sick leave for current employees who will someday terminate employment with the City of Missoula. To fully fund these actual costs would cost the taxpayers another 3.44 mills each year.

Although it may have been Representative Driscoll's intent to award public employees for not using sick leave during their years of service to government, we do not feel that it is a very cost-effective method. Perhaps a more appropriate method would be to reward employees that do not use sick leave with one or two personal leave days per year that would not be applied toward their accrued sick or vacation leave. This type of reward system would have a much smaller fiscal impact on the taxpayers of the State of Montana. It would also reward employees within the same time period that they did not use their sick leave instead of waiting until they terminate employment with the agency. However, it should be left up to each agency to decide how they want to reward employees for their careful use of sick leave.

Your consideration of our position on this particular bill is greatly appreciated. We will be watching closely the committee's proceedings and actions on House Bill Number 427.

Respectfully submitted;


Kathi Mitchell
Personnel Officer
for the City of Missoula

WITNESS STATEMENT

NAME Fred Napier BILL No. 359
ADDRESS Helena, Mt. DATE 2/6/85
WHOM DO YOU REPRESENT Dept. of Commerce
SUPPORT ✓ OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Support Bill to allow exemption of state agencies from
and commitments from bank's lending limitations.

Representative from Mt Ass of
Clerks of Ist Court very anxious
to let mine but they asked me
to speak in their behalf in support
of ~~the bill~~ HB 427.

LEANNE SCHRAUDNER

VISITORS' REGISTER

COMMITTEE

BILL NO. 359, 394, 427, 451 & 461 DATE 2/6/85

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<i>Dave Brown</i>	<i>Butte-Silver Bow #72</i>	<i>394 X</i>	
<i>Carol L. Ferguson</i>	<i>Clancy, MT.</i>	<i>394</i>	
<i>Richard Weddle</i>	<i>Helena - Dept. of Commerce</i>	<i>394</i>	
<i>Nathan Jensen</i>	<i>Helena</i>	<i>427</i>	
<i>DON REED</i>	<i>Helena, MEIC</i>		<i>451</i>
<i>EARL J. REILLY</i>	<i>HELENA M.S.C.A.</i>		<i>X</i>
<i>Teri England</i>	<i>Missoula MONTPIRG</i>	<i>451</i>	<i>451</i>
<i>Lytle Witz</i>	<i>Con - measure</i>		<i>X</i> <i>451</i>
<i>Leanne Johnson</i>	<i>MT Ass Clerk of Dist Ct</i>	<i>427</i>	
<i>Tom Janich</i>	<i>MEDB</i>	<i>359</i>	
<i>Fred Napier</i>	<i>Dept of Comm.</i>	<i>359</i>	
<i>Eileen Linn</i>	<i>Montana Nurses HB427</i>	<i>✓</i>	
<i>Tom Ryan</i>	<i>MT Sr. City App</i>		<i>X</i>
<i>G. MORRIS</i>	<i>MA Co.</i>		<i>HB427</i>
<i>A. Whiffey</i>	<i>Man Tail</i>		<i>427</i>
<i>Larry Humphrey</i>	<i>REALTORS</i>	<i>451</i>	
<i>Tom Schneider</i>	<i>M PER</i>	<i>427</i>	
<i>Nancy J. Harte</i>	<i>Helena, Mt. Demo. Party</i>		<i>451</i>
<i>LARRY CONNER</i>	<i>Bozeman MT MT Police Assn</i>	<i>427</i>	
<i>MICHAEL HUNT</i>	<i>MT. ST. FIREMANS Assoc.</i>	<i>427 ✓</i>	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

COMMITTEE

BILL NO. _____

DATE _____

SPONSOR _____

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.