

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

February 18, 1985

The meeting of the State Administration Committee was called to order by Chairman Sales on the above date at 8:00 a.m. in the State Capitol.

ROLL CALL: All members present.

CONSIDERATION OF HOUSE BILL NO. 632: Rep. Ralph Eudaily, District #60, sponsor, said he was a retired educator after 40 years of service and had great empathy for the retired teachers. They have had one increase since 1977 and are behind the PERS. The retired teachers think it is about their turn. There have been cost of living adjustments for other retirement boards such as the highway patrolmen, game wardens, policemen and firemen, etc. A bill was introduced in 1981 for an automatic increase which did not pass; again in 1983 it was introduced but it never got out of the committee. He said there are 5,000 retired teachers having a hard time. This is a bill that is a modest request and is designed to help those who need it the most. Those who get the most in benefits will get the least of the increase. Those between \$500/\$1000 per month will get \$1 for each year of creditable service and those receiving under \$500 per month will receive \$1.50 per year of creditable service. Of those retiring before July 1, 1971 he is entitled to a minimum monthly benefit if he was 60 years of age and had completed 30 years of service. The increase will be .179% on the employers and the areas with the greatest concentration of teachers will pay the most.

PROPONENTS: Gladys Johnson, retired teacher from Great Falls, read her prepared testimony, Exhibit #1, and said that the cost of HB 632 may be a question. She urged passage of HB 632.

Bob Johnson, Administrator of the Teachers' Retirement System, said that the teachers' board voted unanimously to support this bill.

Tom Ryan, member and Chairman of the Teachers' Retirement Board, said he supported the bill and hoped the Committee would pass it out with a favorable vote.

Ed Sheehy, national officer of the National Association of Retired Federal Employees, said they would not be affected by this bill but recommended and supported the need for retirement adjustments.

Charles B. Johnson, member of the Legislative Committee of the Montana State Retired Teachers' Association, said it was a fair bill and recommended its passage.

Henry Jorgenson, past president of the Montana Retired Teachers' Association, said most cost-of-living adjustments that have been passed have been based on the percentage of what the individual has been receiving. This bill takes into consideration those people who retired when the retirement pay was the least and who worked at the low salaries so they have been contributing the least and this bill will benefit those people the most. Those who would receive the \$1.50 are those who retired years ago and receive a small monthly benefit. Salaries and inflation elements have been taken into consideration and we are trying to help those who help it the most.

Phil Campbell, Montana Education Association, supported the bill saying that it would help those who need it the most.

Mark Jennings, Missoula, Montana Retired Teachers' Association, said he had 44 years of teaching and his retirement pay buys less and less each year. He asked for favorable consideration of the bill.

OPPONENTS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 632: Rep. Eudaily explained figures on the fiscal note to Rep. Peterson in answer to her questions. He said that the counties would have .179% added on for the school districts. The University System is funded from the general fund. Chairman Sales said it is a county-wide levy that runs from 3 mills upwards.

Chairman Sales asked how many teachers would be in the category to receive \$1.50. Rep. Eudaily said there are 371 receiving over \$1,000 per month; 1,168 receiving \$500/\$1000 and 3,126 who receive less than \$500 per month.

Rep. Harbin asked Rep. Eudaily how we are going to come up with \$978,000 in the school districts to fund this. Rep. Eudaily said by the process that Chairman Sales mentioned - by the added cost to the county levy.

Rep. Phillips brought out that there is a big difference in the contributions and the expenditures on the fiscal note on page 1. Mr. Johnson, Administrator of the Teachers' Retirement System, said that the expenditures will be much greater for the first few years however they are looking over a period of 40 years. The program is actuarially sound and it will be amortized over a 40 year period. In answer to Chairman Sales' question concerning the fiscal note regarding the increase in annual benefits exclusive of any proposed increases, he said that is because there is approximately 300 people that retire each year so that increases the benefits paid out. This is a one time increase.

There were no further questions from the Committee.

Rep. Eudaily closed, saying they are trying to help the people a little bit and it would be an increase of approximately \$45 per month.

The hearing was closed on HB 632.

CONSIDERATION OF HOUSE BILL NO. 709: Rep. Dan Harrington, District #68, said that the change in the bill is on page 3, lines 11-16 stating that a firefighter completing his years of service after July, 1985 shall, at some time during his years of service, have passed a test by the fire service training school.

PROPOSERS: Rep. Clyde Smith went on record as supporting HB 709.

OPPOSERS: Bruce Sieberman, Missoula Rural Fire Districts, said that the training they receive is more than enough to qualify for retirement and he didn't think anyone should have to pass a test to be eligible for retirement.

Lyle Nagel, Montana State Volunteer Firemen's Association, Simms, Montana, opposed the bill as written because of the new wording. If some type of qualification is made it should be certification and they should not have to take some type of test. This puts the burden on the director of the fire training school and asked if there is a change in director would there be a change in the test. There are no standards set out for the test.

DISCUSSION OF HOUSE BILL NO. 709: Rep. Holliday asked Rep. Harrington for the reason for introducing the bill. He replied that the volunteer firemen had requested it and they were supposed to be here in support of it. His understanding of the bill was that sometime during their years of service they had to pass this test to be eligible for retirement. Rep. Holliday asked if they are certified and qualified what is the reason for this bill and Rep. Harrington said that evidently the test does not certify them. Rep. Campbell asked if a fireman served for 10 years, didn't take the test and died, what happened then. Mr. Seiberman said that if this bill is passed the beneficiary would not get his pension. He also told Rep. O'Connell that there is no test now for eligibility. Rep. Harbin felt that the 30 hours of training per year that they are required to take would be adequate over a 20 year period.

Rep. Fritz stated that there are no parameters set out in the bill for the test - were they talking about a physical fitness test, written test or what? Rep. Cody asked if there is a probationary period for volunteer firemen. Mr. Seiberman said that Missoula has a one year probationary period but this is something that is established by each individual fire department.

There being no further questions, Rep. Harrington closed without further comment.

CONSIDERATION OF HOUSE BILL NO. 713: Rep. Norm Wallin, District #78, said this bill was brought about because of an incident in Gallatin County in 1971 concerning a house that was left to burn because it was not in a fire district. Lawsuits were brought against the fire department of which one is still pending. This bill would make them the same as a physician or surgeon under the good samaritan law.

PROPOSERS: There were no proponents.

OPPOSERS: There were no opponents.

DISCUSSION OF HOUSE BILL NO. 713: Rep. Harbin said that the language on page 1, lines 14 and 15 extends the good samaritan law to volunteer firefighters in answer to a question Rep. Cody asked concerning (3) on page 2.

There being no further questions, Rep. Wallin closed without further comment.

CONSIDERATION OF HOUSE BILL NO. 705: Rep. Dennis Rehberg, District #88, sponsor, said this bill addresses some problems in the laws relating to exchange of state lands. He personally had had some problems with exchange of state lands but he also said the department of state lands is doing a good job. He said that the appraisal of lands should be made available to the public. He was the lessee in a land exchange and was told he had to go to Helena to view the appraisal or contact the other persons involved in the exchange. This problem has to do with the copyright of the appraiser. Another problem is notification of a proposed exchange. In his case it was one and one-half years before they received notice. They had had the lease since 1930 and thought they should have been notified. He also said the department of state lands is satisfied with the language in the bill. Sections 3 and 4 are taken out of the sale provisions of state lands.

PROPOSERS: John North, appeared on behalf of Dennis Hemmer, Commissioner of State Lands, said they support passage of the bill. He also submitted prepared testimony of Mr. Hemmer, Exhibit #3 attached. They do notify lessees of proposed exchanges but not by certified mail.

There being no further proponents and no opponents, the hearing was open to questions from the Committee.

DISCUSSION OF HOUSE BILL NO. 705: In answer to a question from Rep. Jenkins, Rep. Rehberg said the State does not want the improvements. The arbitration would be between the lessee and the third person trying to trade into the land. The lessee has to go to the State to put the improvements on the

land in the first place. The improvements belong to the lessee and he is entitled to fair payment for those improvements, however, the State does not want to own improvements so it is up to the other two parties to reach an agreement on those improvements.

There being no further questions, Rep. Rehberg closed.

CONSIDERATION OF HOUSE BILL NO. 702: Rep. Ray Harbin, District #53, sponsor, said this bill was at the request of the Department of State Lands. Prior to 1981 the forest lands were managed through the Department of Natural Resources and the Legislature moved that responsibility to the Department of State Lands. The next year they discovered some changes that they did not make in the codes. This only makes it uniform throughout the codes.

PROPOSERS: John North, appearing for Dennis Hemmer, Commissioner of State Lands, also submitted testimony for Mr. Hemmer, Exhibit #4 attached, supporting the proposed legislation.

OPPOSERS: There were no opposers.

There being no questions from the Committee, Rep. Harbin closed.

FURTHER CONSIDERATION OF HOUSE BILL NO. 423: HB 423 had been held in Committee pending the hearing and executive action on HB 354 in the Committee on Business and Labor. HB 354 concerned the abolishment of licensing of airports and other air navigation facilities. Rep. Harbin contacted the Business Committee and said that that Committee had recommended a Do Pass on HB 354.

Rep. Harbin referred to testimony that had been submitted to the Committee from the FAA and said that this question has been adequately addressed by them. Any infraction of these laws would result in the pilot losing his license. He also had proposed amendments from Rep. Gilbert.

Rep. Phillips could see no reason for the amendment as this is covered under FAA rules. Rep. Fritz asked if the waterways was amended out if it could be assumed that this would be taken care of in HB 354. Rep. Pistoria also wondered if waterways could be amended out and leave it as a road bill.

Rep. Harbin said that part of the reason for the bill is to decide whether they can or cannot land on waterways and roads. Chairman Sales said they can land on roads now if permission is given by the county commissioners. Rep. Phillips said that the FAA is not going to pay any attention to Montana. They have bigger and better waterways to police.

DISPOSITION OF HOUSE BILL NO. 423: Rep. Harbin moved ADOPTION OF THE AMENDMENTS, seconded by Rep. Jenkins. The motion CARRIED WITH Reps. Fritz, Pistoria and O'Connell voting "no".

Rep. Cody then moved that HB 423 DO PASS AS AMENDED, seconded by Rep. Garcia. Motion CARRIED with Reps. Fritz, Phillips, Pistoria, O'Connell and Sales voting "no".

DISPOSITION OF HOUSE BILL NO. 702: Rep. O'Connell moved that HB 702 DO PASS, seconded by Rep. Peterson. Motion CARRIED UNANIMOUSLY.

DISPOSITION OF HOUSE BILL NO. 705: Rep. Peterson moved that HB 705 DO PASS, seconded by Rep. Campbell. Motion CARRIED UNANIMOUSLY.

DISPOSITION OF HOUSE BILL NO. 713: Rep. Harbin moved that HB 713 DO PASS, seconded by Rep. Smith. Motion CARRIED with Rep. Jenkins voting "no".

DISPOSITION OF HOUSE BILL NO. 709: Rep. Harbin moved that HB 709 DO NOT PASS, seconded by Rep. Smith. Motion CARRIED UNANIMOUSLY.

DISPOSITION OF HOUSE BILL NO. 632: Rep. O'Connell moved that HB 632 DO PASS, seconded by Rep. Moore. Rep. Phillips asked the Committee members to remember that this would be an automatic mill levy increase on the people back home. He said that the ones receiving \$1,000 per month don't need this. There was some discussion about amending Sections 1 and 2 out of the bill. Rep. Harbin, however, said that those two sections would not cost as much as Section 3. Lois Menzies also stated that the active teachers cannot pay for benefits that they will never receive. Motion CARRIED with Reps. Phillips, Compton, Sales, Smith, Jenkins, Garcia, Holliday and Cody voting "no". The vote was 10-8.

There being no further business, the Committee adjourned at 9:40 a.m.



WALTER R. SALES, Chairman

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

DAILY ROLL CALL

State Administration COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date ~~2/18/85~~ 2/18/85

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	✓		
HolliDay, Gay	✓		
Jenkins, Loren	✓		
Kennerly, Roland	✓		
Moore, Janet	✓		
Nelson, Richard	✓		
Peterson, Mary Lou	✓		
Phillips, John	✓		
Pistoria, Paul	✓		
Smith, Clyde	✓		

TO: CHAIRMAN SALES
FROM: H. FRITZ
RE: VOTES

HB 632 YES

HB 709 NO

HB 713 NO, unless

p. 1, l. 14-15, amended.

HB 705 YES

HB 702 YES

HB 423. I think water should be amended out of this bill. Testimony favored road landings only, + I support that. Water is a bigger issue which demands separate attention. NO on Gilbert's amendment.



AMERICAN
ASSOCIATION
OF RETIRED
PERSONS

26 YEARS OF SERVICE

STATE COORDINATOR, MONTANA
Gladys V. Johnson
3229 Fourth Avenue South
Great Falls, MT 59405
(406) 453-1513

February 1985

During the 1970's inflation and salaries rose for all working people but for retired teachers there was a static income with rising food prices, rent, and taxes.

An interim study committee's legislative proposal of the late 1970's to adjust all state retirement allowances was not favorably received. It resulted in a teacher retirement grant that provided 50% per month for each year of creditable service up to 30 years. This was a concession for the legislature. For retired teachers with general inflation running at 15% it was a one time increase of 3% on a \$500 retirement check.

We grant that some teachers also receive a social security benefit. The experience of many teachers has been that when a social security cost of living adjustment was received it was followed by a notice of rent and tax increases.

Moreover, today there are still retired teachers who receive no social security. They are victims of a vote taken in school districts that turned down social security before contributing to the national retirement program was compulsory for teachers.

EX #1
HB-632
2/18/85

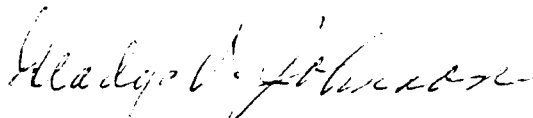
The cost of HB632 may be a question. The .179% which is less than 2% and is to be paid by the school district is meager compared to the inflation of the 1970's.

It is miniature to the salary increases and the fringe benefits granted public employees today.

It is a justifiable request when considered in relation to the costs older Americans face today for health insurance and medical care.

It is a modest, unselfish, business-like request when pension checks circulate back into the very economy that pays for them.

As a retired teacher of June 1971 with 42 years of teaching I ask for your fair consideration of HB632.


Gladys V. Johnson

WITNESS STATEMENT

EX. #2
HB 709
2/18/85

NAME Wyle P. Nagel BILL No. HB 709
ADDRESS Simms Mt. DATE 2-18-85
WHOM DO YOU REPRESENT Mt. State Vol. Firemen's Assn
SUPPORT _____ OPPOSE ✓ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I oppose this bill as written because of the wording of the new section 4 added on page 3 lines 11 thru 16.

I feel that if some type of qualification is needed in this statute it should be based on certification such as being a Certified Basic Firefighter as the minimum requirement for qualification in pension.

Under this bill the burden for qualifying all Vol. firefighters is placed on Director of the Montana Fire Training School. He must develop a test and certify someone to administer it. Would a change in Directors possibly result in a change in the test?

I urge you to look hard at this bill as it is written and I hope you will see why I oppose it as it is written.

Wyle P. Nagel

Ex. #3
HB-705
2/18/85

TESTIMONY ON HOUSE BILL 705
FROM DENNIS HEMMER, COMMISSIONER OF STATE LANDS

The Department of State Lands supports the passage of House Bill 705 providing for public hearings on exchanges of state lands and the settlement of improvements on state lands involved in exchanges.

H.B. 705 provides clarification of the administrative requirements of the Board when considering the exchange of State Trust Lands. The majority of conditions are complied with at the present time except for the requirement of certified notice. The Board does notify all lessees of a proposed exchange, but not by certified mail.

Section 3 is consistent with the Board's policy requiring preliminary approval or disapproval to proceed with a land exchange as well as final approval or disapproval of an exchange should the exchange not be in the best interests of the Trust.

The portion dealing with improvements is fair and should be required as the improvements are usually the property of the lessee.

This bill clarifies the Board of Land Commissioners' duties and responsibilities consistent with their constitutional mandates. I urge a due pass recommendation.

EX. # 7
2/18/85

TESTIMONY ON HOUSE BILL 702
FROM DENNIS HEMMER, COMMISSIONER OF STATE LANDS

Since 1981, the Department of State Lands has managed state timbered tracts and administered the state's wildfire laws. However, because of oversights during bill drafting for the 1981 session, a few forestry and wildfire prevention duties, namely selecting and appraising timber lands and serving as firewardens, remain with the Board and Department of Natural Resources and Conservation, where all such duties resided before 1981.

House Bill 702 would transfer those duties to the Department of State Lands. The Department recommends approval.

STANDING COMMITTEE REPORT

February 13

35
19.....

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE**

Bill No. **632**

First reading copy (**White**)
color

**COST-OF-LIVING INCREASE & MINIMUM MONTHLY RETIREMENT BENEFIT
FOR TEACHERS**

Respectfully report as follows: That **HOUSE**

Bill No. **632**

~~DO PASS~~

STANDING COMMITTEE REPORT

February 18

1935

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE** Bill No. **709**

First reading copy (**White**)
color

**VOLUNTEER FIREFIGHTERS MUST PASS TEST TO BE ELIGIBLE FOR
PENSION BENEFITS**

Respectfully report as follows: That **HOUSE** Bill No. **709**

DO NOT PASS

~~XXXXXX~~
~~DO PASS~~

STANDING COMMITTEE REPORT

February 19

35

19.....

SPEAKER

MR.

STATE ADMINISTRATION

We, your committee on

HOUSE

having had under consideration Bill No. **423**

First

reading copy (**White**)
color

**LEGALIZE LANDING AND TAKEOFF OF AIRCRAFT ON PUBLIC WATERS AND
ROADS**

HOUSE

Respectfully report as follows: That Bill No. **423**

BE AMENDED AS FOLLOWS:

1) Page 1, line 23.

Following: "lawful"

Insert: "if proper safety precautions regarding public waters,
as prescribed in Title 14, part 31, Code of Federal
Regulations, are taken prior to such landing or takeoff."

2) Page 1, line 24.

Strike: "and" through "governmen."

AND AS AMENDED

DO PASS.

STANDING COMMITTEE REPORT

February 13 19 85

MR. **SPEAKER**

STATE ADMINISTRATION

We, your committee on

having had under consideration **HOUSE** Bill No. **702**

First **White**
reading copy (.....)
color

**TRANSFER FORESTRY FUNCTIONS FROM DEPT. OF NAT. RES. TO
DEPT. OF STATE LANDS**

Respectfully report as follows: That **HOUSE** Bill No. **702**

~~DO PASS~~

STANDING COMMITTEE REPORT

February 18

35

19.....

MR. **SPEAKER**.....

We, your committee on **STATE ADMINISTRATION**.....

having had under consideration **HOUSE**..... Bill No. **705**

First reading copy (**White**)
color

EXCHANGE OF STATE TRUST LANDS; REQUIRING NOTICE OF PROPOSED EXCHANGES

Respectfully report as follows: That **HOUSE**..... Bill No. **705**

~~DO PASS~~

STANDING COMMITTEE REPORT

February 18

83

19.....

SPEAKER

MR.

STATE ADMINISTRATION

We, your committee on.....

HOUSE

having had under consideration Bill No. **713**

First

White

..... reading copy (.....)
color

**INCLUDE VOLUNTEER FIREFIGHTERS IN GOOD SAMARITAN LAW LIMITING
LIABILITY**

HOUSE

Respectfully report as follows: That..... Bill No. **713**

DO PASS

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL H. B. 632

DATE _____

SPONSOR

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE _____

COMMITTEE

BILL HB 709

DATE _____

SPONSOR _____

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name John North Committee On _____
Address Dept. of State Lands, Capital Station Date 2/18/85
Representing _____ Support ✓
Bill No. HB 702 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

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

WITNESS STATEMENT

Name John North Committee On State Admin.
Address Dept. of State Lands, Capitol Station Date 2/18/85
Representing _____ Support ✓
Bill No. H.B. 705 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

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

WITNESS STATEMENT

NAME _____ BILL No. _____
ADDRESS _____ DATE _____
WHOM DO YOU REPRESENT _____
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

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