

MINUTES OF THE MEETING
HOUSE APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the House Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on March 30, 1987 in Room 104 of the State Capitol.

ROLL CALL:

All members were present at the meeting except Rep. Thoft who was excused and Rep. Iverson who arrived late.

HB 903: (115:A:4.53)

Rep. Grinde presented HB 903 to the committee saying that the bill was to place the Law Enforcement Academy in Lewistown, Montana. He referred directly to the people who have been working with the proposal (Exhibits 1 & 2).

Mr. Herb Jones, Chairman of the Lewistown Committee for Law Enforcement Academy introduced Mrs. Ellen Seawert; his assistant. He said that of the three finalists, Lewistown was the only one to meet the criteria. The buildings are sound. The location is dead center of the state and it is the most logical place to have the academy. It could accommodate a fire training school and law enforcement personnel. The building was originally a school with a dormitory and it is feasible to use the current buildings now there.

Mr. Jones stated that the cadets would be bused to the state center home for the aged for eating facilities as those facilities were not available in the current buildings. He described the state driving course (Exhibit 3). HB 2 was referred to regarding the current rent.

Sen. Bob Williams spoke in support of the bill.

Mr. Jones made note of the comparative fiscal note (Exhibit 4).

QUESTIONS:

Rep. Spaeth and Rep. Bardanouve expressed concern about the eating facilities being seven blocks away and the place they would eat is a rest home.

Rep. Grinde closed on the bill saying he feels purchasing of the trailers in Bozeman, they are not going to be worth

anything when they do decide to move them. The point is why buy those facilities when you can walk into and add to an existing consolidated unit for training in the state. Look at the future of the proposal.

HB 895:

Rep. John Phillips, HD #33, Great Falls explained the bill to the committee saying in the drafting it appropriated from the general fund and it should be from the Motor Vehicle Fund. On the five year lease agreement, subject to 10 percent, makes it sound like it would escalate it 10 percent and that is not the intent; that is the cap.

PROPOSERS:

(115:B:0.01) Sen. Neuman stated he supported the bill, the people of Great Falls have worked very hard on this proposal. They have a very viable proposal and in the long run a benefit of the state. He talked about the fiscal note, regarding the relocation cost (Exhibit 5) and the remodeling costs appear to be overstated.

Sen. Mike Walker of SD #25 supported the bill also saying that it was a unified effort by all people in Great Falls.

Mr. Ken Hoovestol, Chairman of the Community effort from Great Falls to locate the academy there. He presented written testimony (Exhibit 6). They presented a video to the committee. He stated that they can provide twice as much room for less money right now, compared to the square foot costs as Bozeman right now.

Dr. William Shields, President of the College of Great Falls stated that this indeed is a community proposal and this has the support of the college. He referred to Exhibit 7, the brochure stating that the lease terms etc. were enclosed in that material. He reviewed the brochure with the committee.

Sgt. Dan Guettee, Great Falls Police Department said the physical facilities cause a lot of dissatisfaction for the people. He feels the Great Falls proposal considered more than just the facility. It addresses the training needs of the officers.

Gary Felstad, Sheriff of Treasure County said if the academy is located in Great Falls, there are many problems that will be solved.

Roger Anderson, Great Falls Mayor said they want the academy in Great Falls.

Dick Gasbaoda, county commissioner also supported the bill.

Vern Schlicher, Cascade County, supported the bill.

Mr. Roger Young, President of the Great Falls Chamber of Commerce supported the legislation.

Vince Werner, Architect, said he knows the buildings and this would be a very good place to locate the academy.

QUESTIONS:

Rep. Bardanouve was concerned about the driving course in Great Falls not being as good as the one in Lewistown.

He also expressed concern regarding the waiting of these requests for processing.

The hearing was closed.

HB 894:

Rep. Pavlovich and Darko made the presentation on the Law Enforcement Academy being located at Dillon. The present facilities in Bozeman are inadequate and the lease is not cost beneficial Exhibits 8 and 9). He stated he and Rep. Darko were members of the Joint Interim Subcommittee on the Law Enforcement Academy. They studied the proposals and made the decision that Dillon would be the best location for the academy.

PROPOSONENTS:

Mr. Doug Tredway from Western Montana College presented a fact sheet for the academy being located at Dillon (Exhibit 10).

Mr. Carroll Krause stated the Board of Regents is in full support of the proposal.

Mr. Rich Berchum, Beaverhead Chamber of Commerce in Dillon supported the bill as well as Mr. Steve Howery, student body president at Western Montana College who thanked the committee for the time allotted rather than complain about the lack of a decent hearing saying the committee has had 18 months to study and decide the best location of the academy.

(116:A:22.24) Rep. Charles Swysgood, HD#73, Beaverhead County said that this is the site which was decided on with the criteria at hand by the interim committee.

Mr. Rick Later, Sheriff, Beaverhead County urged support of the bill.

OPPONENTS:

Frank Defanso, Chief of Police in Sidney stated concern regarding the distance they would have to travel to Dillon. This would be 515 miles from Sidney. The academy should not be relocated at all.

QUESTIONS:

Rep. Miller said the indoor firing range is dangerous and there are some set backs regarding indoor ranges versus outdoor ranges.

Bill Westfall, Administrator for the Law Enforcement Academy said temporary situations were not the way to go.

HB 905:

(116:B:25.18) Rep. Winslow presented HB 905 to the committee saying it was the bill which was put together for the research and development grant program handled by the Science and Technology Board. It would call for funds that would go to the universities for research and development. It is called the fund for the future. The aspect is an emphasis on basic industries. This is part of HB 862 and if HB 862 fails this bill would as well.

EXECUTIVE ACTION HB 905:

(116:B:29.14) Rep. Quilici moved to DO PASS HB 905. Rep. Peck called the question. Rep. Devlin voted NO. The motion CARRIED.

HB 904: (116:B:34.30)

Rep. Harp, HD #7 presented the bill to the committee which is a bill to fund the foundation program. He presented amendments (Exhibit 11) which would put the foundation program at zero and zero.

PROPONENTS:

(116:B:37.05) Mr. Ed. Argenbright, State Superintendent of Public Instruction spoke in favor of the zero and zero for the foundation program. This bill will go a long way in meeting that goal which he believes is critical to maintaining the kind of school system that we are going to have to have if we are going to pull out of this difficult time.

Claudette Morton, Executive Secretary of the Board of Public Education also spoke in support of the bill.

Mr. Bruce Moerer representing the Montana School Boards Association, supported the bill saying the zero and zero is necessary as the minimum the schools can live with for the next biennium.

Phil Campbell, Montana Education Association supported the amended portion of the bill.

Terry Minnow, Montana Federation of Teachers supported the bill with the amendments.

Jess Long also supported the bill.

OPPONENTS:

Speaker Bob Marks HD#75 stated that he opposed the bill for two reasons. First he stated he was opposed to the amendment which was offered to raise the foundation schedule above what the introduced bill is. He supported the amended version for the amendment only to make it a -1 and -2. He stated that there is no fiscal note on the bill. This is a major tax issue and should have a joint hearing with the Taxation Committee.

(117:A:1.53) Alve Thomas, Montana Retired Teachers Association spoke in opposition to the bill and presented written testimony for the record (Exhibit 12).

Mr. Tom Ryan, Retired Teacher, said that the taxation portion of this bill should be heard in the taxation committee.

Rep. Jack Ramirez opposed the bill saying it was one of the most unfair procedures that they have ever gone through because this was not heard in the taxation. He complained about what the Rules Committee had done in saying this was an entirely different bill which it is not. He stated if this should pass, he intended to file a lawsuit to try to stop it. He stated it had major changes to the tax structure and many people would be harmed by it.

(117:A:8.40) Rep. Dean Switzer spoke as an opponent to the bill as well as Rep. Dennis Rehberg, Rep. Bernie Swift, and Rep. Larry Menke.

Mr. Joe Upshaw of the AARP, stated they opposed the bill and would have liked more time to be able to speak on it.

Gary Carlson representing the CPA's stated they opposed the bill because there was no public hearing on the bill in its present form. He presented written testimony (Exhibit 13).

He strongly urged to have a joint hearing in taxation to get this done.

QUESTIONS:

Chairman Donaldson asked Speaker Marks how they were going to resolve the issue. Are we going to be able to handle this type of legislation so that we indeed send to the Senate at least the tools to try to put together a balanced budget for this state, or are we destining ourselves to a special session by not passing it because virtually every issue that we have talked about, we have not gotten any where near two-thirds, we are lucky to 52-53 votes? He asked the Speaker to overview where he thought they were going to go as far as getting this resolved.

Speaker Marks stated he was most concerned about the response that they will get from the public. The sales tax bill went through in the House with no referendum in it. He said the Senate has interest in putting one in, if the bill passes at all. His concern is that if they ask for legislation such as is in HB 904, there will be such a public outcry. The people who are here are people from all levels of interest who are concerned about this bill. More time should be taken to listen to these concerns. The most important thing is to try to do something correct here as correct as possible. Pushing this bill through is not the correct thing.

Reps. Quilici supported the bill just as a tool which is needed to try to balance the budget. Rep. Bardanouve also agreed something had to be done.

(117:B:1.01) Rep. Harp talked of the amended bill regarding the federal deductible and stated that all of the tools are in the bill to balance the budget. Not all of them need to be used but at least they are there if they are needed.

EXECUTIVE ACTION: (117:B:16.39)

HB 903,894,895: Rep. Switzer moved to DO PASS HB 903. Rep. Bardanouve moved to TABLE all of the proposals for this session; HB 894, 895, and 903. There was a roll call vote. Reps. Donaldson, Winslow, Bardanouve, Bradley, Connelly, Devlin, Manuel, Menke, Nathe and Switzer voted YES. Reps. Iverson, Menahan, Miller, Poulsen, Quilici, REhberg, Spaeth and Swift voted NO. The motion CARRIED 10 to 8.

Rep. Menahan moved to draft a resolution that a study by out of state people be conducted regarding the Law Enforcement Academy, selected by the governor to look at this situation and the governor will make the choice where it will be

located because the legislature wouldn't do it. Rep. Quilici called the question. Reps. Menahan, Quilici Connelly voted YES. The motion FAILED.

HB 904:

Rep. Peck moved to approve the amendments. Rep. Quilici called the question. Reps. Iverson, Nathe, Switzer, and Iverson voted NO. The motion CARRIED.

Rep. Winslow passed out some amendments (Exhibit 14) which he asked Mr. Jim Lear from the Legislative Council to explain to the committee. Rep. Devlin called the question. Rep. Menahan voted NO. The motion CARRIED.

Rep. Peck moved to Do PASS HB 904 AS AMENDED. There was a roll call vote. Reps. Donaldson, Winslow, Bardanouve, Bradley, Connelly, Manuel, Menahan, Miller, Peck, Poulsen, Quilici and Spaeth voted YES. Reps. Devlin, Iverson, Menke, Nathe, Rehberg, Swift and Switzer voted NO. The motion CARRIED 12 to 7.

HB 901 HEARING AND EXEC ACTION:

Rep. Rehberg moved to DO PASS HB 901 to take general fund out of the ARMS. Rep. Bardanouve called the question. The motion CARRIED unanimously.

HB 884:

Rep. Clyde Smith presented the bill to the committee which puts one-half of one percent payroll tax on all employers in the state of Montana. He listed the alternatives (Exhibit 15).

Rep. Glaser spoke to the bill handing out a legal opinion from the Legislative Council and also amendments (Exhibits 16, 17). He stated there are there decisions that could be made: (1) let is crash by doing nothing; (2) positive cashflow until the next legislative session and make a decision then; and (3) you can fix the plan. He explained the plans to the committee and he stated that the amendments are for if the committee decides to assess a payroll tax to help the cashflow for two years, and then pick percentages if you wish.

(118:A:0.56) Rep. Jerry Driscoll supported the bill saying that the state savings in SB 315 to be between 18 and 22 percent. The Legislative Auditor did a schedule on the state loss of premium, how much would they have to lose before they run out of cashflow before the next session. If

they lose 2.5 percent of premium, they would be broke in December of 1988.

Gene Fenderson, representing the Montana State Building Construction Trades Unions stated they are in support of the bill because the situation out there on insurance pooling. They have the same situation in Workers' Comp. This bill will help address that.

(118:A:5.59) Mr. Gene Huntington of the Governor's Office stated that they support the bill. We have a \$140 million of unfunded liability that has to be addressed and paid. There are three points which need to be considered in any solution that is come up with: (1) the unfunded liability which has to be dealt with; (2) have to be paid out relatively quickly; and (3) if nothing is done to spread that obligation among all people covered by Workers' Compensation, will precipitate a crisis in terms of the state fund because as SB 315 give the self-insurers a greater advantage, the number of people who can retire bad debt will be decreased and the state agencies burden will grow rapidly to the point where it would become unmanageable. He presented an amendment to the committee (Exhibit 18).

Bob Robinson, Division of Workers' Compensation spoke regarding the bill and present the Legislative Auditors report (Exhibit 19) which he reviewed with the committee.

OPPONENTS:

Speaker Marks stated that he was real concerned about the way the financing is being approached. He stated if a payroll tax is passed there would probably be litigation, there is a question of fairness. He felt it was not fair to tax the other employers to support the state plan. He stated that the department should be asked to clean up their act. They have the authority to adjust the rates and they can do that. He felt it was foolish to pursue this.

Mr. Ted Rollins representing ASARCO Incorporated stated he opposed the bill for the following reasons: (1) they have just cut the pay out at the smelter which affects 645 people and they have a \$17.5 million payroll each year. This would be an increase of over \$100,000 additional taxation. The Troy mine has compiled a safety record never before accomplished in the history of mining or tunnel. The problem addressed in the bill is not of their making and they should not have to pay for it.

(118:A:22.23) Mr. George Wood, Executive Secretary of the Montana Self Insurers Association with an estimated payroll of \$522 million. The came to the session looking for reform

but with SB 315 they get reform but no monetary relief when you add HB 884 to it.

Dan Glenn representing himself presented extensive written testimony (Exhibit 20) regarding the legislation saying the unfunded liability existing at the State Fund is a direct result of the insurance program offered by the Division of Workers' Compensation. The insureds at the State Fund who received lower than adequate rates in the past should hold the responsibility of balancing the existing liabilities of the present since they are a direct result of the past operations.

Sonny Lockrem representing the Montana Contractors' Association spoke in opposition to the bill. He said he thinks the bill is premature and two years from now there will be more concrete facts and address it at that time.

Carla Gray representing the utility and non-utility companies that make up the Montana Power Company, opposed the bill saying it was unfair.

(118:A:29.29) Roger McQuinn, Executive Director of the Independent Insurance Agents Association of Montana said the effect to the lower rate or safer risk qualifications under the state.

Bill Larey, Montana Hospital Association also opposed the bill saying they feel the hospital have given enough this session in medicaid payment losses.

QUESTIONS:

Chairman Donaldson asked Mr. Scott Seacat, Legislative Auditor to review the report from his office with the committee.

(118:B:5.47) Rep. Quilici expressed concern of the effect this would have on the small employers.

Rep. Smith closed on the bill saying some comments were very good but he didn't think they would work.

EXECUTIVE ACTION HB 884: (118:B:27.31)

Rep. Swift moved the amendments made by Rep. Glaser DO PASS. Rep. Peck called the question. The motion CARRIED unanimously.

Rep. Winslow moved the Governor's Amendments be accepted. The motion CARRIED unanimously.

(119:A:0.05) Rep. Bardanouve moved to DO PASS HB 884 AS AMENDED for the bonding proposal.

Rep. Bradley made a substitute motion to put the severability clause in the bill. Rep. Winslow called the question. The motion CARRIED unanimously.

There was a roll call vote on Rep. Bardanouve's motion. Rep. Quilici called the question. There was a roll call vote. Reps. Donaldson, Bardanouve, Bradley, Connelly, Manuel, Menahan, Miller, Peck, Poulsen, Quilici, and Spaeth voted YES. Reps. Winslow, Devlin, Iverson, Menke, Nathe, Rehberg, Swift and Switzer voted NO. The motion CARRIED 11 to 8.

HB 838: Rep. Iverson moved to reconsider action on HB 838 for the Hard Rock mining bill. The purpose of the bill is to eliminate the statutory appropriation not adding one. Rep. Brown who sponsored the bill made a statement to the committee. He said there were two other items in there to bring the way the hard rock money is appropriated back into line with the way all the rest of state government is dealt with. It takes pass through monies out of a special revenue fund and puts them into an agency fund.

Rep. Swift disagreed saying that it does set up a statutory appropriation.

Rep. Brown explained there is a blanket appropriation of one-third of the middleman's license tax to the hard rock board, but within that appropriation is a statutory appropriation for the hard rock board that this bill would remove and put it back in the control of the Appropriation's Committee.

Rep. Swift recommended that the LFA look at it again and make a recommendation.

(119:A:10.00) Sib Clack of the budget office said the executive budget did include a recommendation for appropriation authority for the administrative costs of the hard rock mining board. They did not include appropriation authority for the subaccounts that are set up for each of the counties. There is no authority to access these subaccounts. They recommended that there be statutory appropriation language for those subaccounts, so that when there was an impact, the money could be accessed.

Rep. Swift was asked by the chairman to look into this and report back to the committee the next day.

There was no action.

HB 870 and 871:

Mr. Ron Sunstad from the Department of Administration was asked by the chairman if he had information regarding the possibility of negotiating with the teachers with an appropriation put out and negotiating the salaries. The other concern was the cost of the two bills.

Mr. Sunstad stated that the cost in the bill would be the cost to move these institution teachers 53 positions on to the statewide composite type matrix. The monies in the bill would be what is in the bills, for \$197,000 a year without the School for the Deaf and Blind.

He expressed concern that if they do move these people to the pay plan, there may be other groups that will also want to move.

(119:A:22.07) Rep. Miller moved to DO PASS on HB 870 and HB 871.

Rep. Winslow made a substitute motion to TABLE HB 870 and HB 871. There was a roll call vote. Reps. Donaldson, Winslow, Bardanouve, Devlin, Menke, Nathe, Rehberg, Swift and Switzer voted YES. Reps. Bradley, Connelly, Manuel, Menahan, Miller, Peck, Poulsen, Quilici and Rehberg voted NO. The motion FAILED 9 to 9.

There was a roll call vote on Rep. Miller's motion to DO PASS. Reps. Bradley, Connelly, Manuel, Menahan, Miller, Poulsen, Quilici, and Spaeth voted YES. Reps. Donaldson, Winslow, Bardanouve, Devlin, Menke, Nathe, Peck, Rehberg, Swift and Switzer voted NO. The motion FAILED 8 to 10.

HB 889 HEARING:

Rep. Winslow presented HB 889 to the committee. The bill attempts to address some of the problems in rural Montana for industries under 15,000. It is an attempt to make these counties better. He explained the fiscal note to the committee (Exhibit 21).

(119:A:35.18) Joe Brunner of the Montana Cattlefeeders and Cattlemen presented written testimony supporting the bill (Exhibit 22).

EXECUTIVE ACTION:

HB 889: (119:B:2.18)

Rep. Winslow moved to DO PASS HB 889. Rep. Bardanouve called the question. There was a roll call vote. Reps.

Donaldson, Winslow, Bradley, Devlin, Manuel, Nathe, Peck, Quilici, Rehberg, Spaeth and Switzer voted YES. Reps. Bardanouve, Connelly, Menahan, Menke, Miller, Poulsen and Swift voted NO. The motion CARRIED 11 to 7.

HB 894,895,903: Rep. Quilici moved to reconsider action on HB 894, 895, and 903. Rep. Devlin called the question. There was a roll call vote. Reps. Connelly, Manuel, Menahan, Miller, Nathe, Peck, Poulsen, Quilici and Rehberg voted YES. Reps. Donaldson, Winslow, Bradley, Devlin, Menke, Rehberg, Swift and Switzer voted No. The motion FAILED 8 to 8.

HB 627: Rep. Miller moved to reconsider action on HB 627. Rep. Quilici called the question. Reps. Nathe, Devlin, Donaldson and Bradley voted No. The motion CARRIED.

(119:B:14.14) Rep. Miller moved to DO PASS HB 627. Rep. Quilici called the question. There was a roll call vote. Reps. Winslow, Manuel, Menahan, Miller, Peck, Poulsen, Quilici, Rehberg, and Spaeth voted YES. Reps. Donaldson, Bardanouve, Bradley, Connelly, Devlin, Menke, Nathe, Swift and Switzer voted NO. The motion FAILED 9 to 9.

ADJOURNMENT:

There being no further business the meeting was adjourned at 6:30 p.m.


Rep. Gene Donaldson, Chairman

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/30/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair			✓
WINSLOW, REP. CAL	✓		
BARDANOUE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓	60	
MANUEL, REX	✓		
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bills NUMBER 894, 895, and 903

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman		
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		✓
Rep. Rex Manuel	✓	
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici		✓
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth		
Rep. Bernie Swift		✓
Rep. Dean Switzer	✓	

TALLY CARRIED

10 8

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Bardanouve made a substitute motion to TABLE all three bills
the Law Enforcement Academy for this session ; HB 894, 895, and 903.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bill NUMBER 904

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman		
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		✓
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe		✓
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY

CARRIED

12 7

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Peck moved to DO PASS HB 904 AS AMENDED.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bill NUMBER 884

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		✓
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe		✓
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY CARRIED

11 8

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Bardanouve moved to DO PASS HB 884 AS AMENDED.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87

BILL NO. House Bills

NUMBER 870-871

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanoue	✓	
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth		✓
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY

FAILED

9

9

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Winslow made a substitute motion to TABLE HB 870 and HB 871.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bill NUMBER 870-871

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman		
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		✓
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe		✓
Rep. Ray Peck		✓
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY

FAILED

8 10

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Miller moved to DO PASS HB 870 and HB 871.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bill NUMBER 889

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardonoue		✓
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		
Rep. Rex Manuel	✓	
Rep. Red Menahan		✓
Rep. Larry Menke		✓
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen		✓
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer	✓	

TALLY

CARRIED

11 7

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Winslow moved to DO PASS 889.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bills NUMBER 894,895, 903

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman		
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve		
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth		
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY

FAILED

8 8

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Quilici moved to reconsider action on HB 894,895, 903.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/30/87 BILL NO. House Bill NUMBER 627

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin		✓
Rep. Dennis Iverson		
Rep. Rex Manuel	✓	
Rep. Red Menahan	✓	
Rep. Larry Menke		✓
Rep. Ron Miller	✓	
Rep. Dennis Nathe		✓
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift		✓
Rep. Dean Switzer		✓

TALLY

FAILED

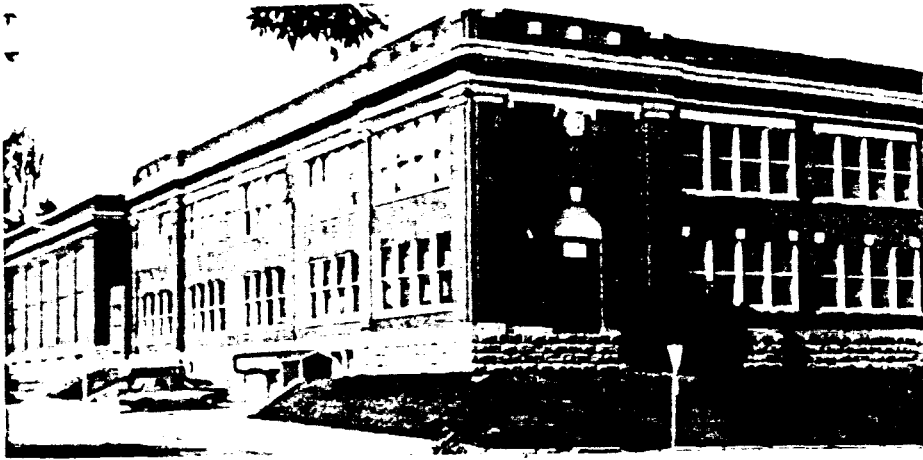
9 9

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Miller moved to DO PASS HB 627.

property no. 25/042/0234



FORMER HIGH SCHOOL COMPLEX

No. 234 — 2 6/10 acres, \$400,000. Appears well suited for small college, museum, corporate retreat or training center. Main portion has 78,000 sq. ft. on 2 floors that encompass the classrooms, auditorium, gym and central heating system, another 10,000 sq. ft. building. 2 6/10 acres. In town. \$400,000, one-fourth down, low interest financing. Substantial discount for cash.

For additional details or to arrange an inspection trip, please contact: United Farm Agency, Inc., Representative: George "Sonny" Smith, Barry W. Smith, P.O. Box 1085, LEWISTOWN, MONT. 59457. Ph: Bus., 406 — 538-2220; Res., 406 — 428-2351 and 538-9898.

DATE 3/30/87

HB 903

New officers training in Lewistown

ROBERTA DONOVAN
Bismarck Correspondent

LEWISTOWN — While legislators, city and state officials in Helena are fighting over which city will get the Montana Law Enforcement Academy, a class from the Academy training in Lewistown this week caused the community to have the only training course in the state.

Lewistown was one of three finalists for the permanent location of the academy. A legislative committee is on its final choice. But the final decision is still up to the Legislature and several bills promoting other locations are yet to be acted on.

Local officials say the training indicates that Lewistown is the best place for the academy.

The new officers training in Lewistown are here because the training course is a big plus, according to Bill Westfall, LEA ad-

ministrators, who is in Lewistown for the week. The course is at the city airport.

"Some of our neighboring states can't find any place where somebody will allow them to have a driving facility," Westfall said. "That is a most critical liability law enforcement issue. It was fortunate to find this was established."

Until recently there was no way to train new law enforcement officers in hazardous driving. "This is the second class in the history of the academy to have driving," Westfall said.

The Montana Highway Patrol established the course at the Lewistown airport about 10 years ago and has used it for training since then. The patrol is providing cars and instructors.

Recently the 2 1/4-mile oval driving course was leased by the Montana Department of Public Instruction,

the Highway Patrol and the Law Enforcement Academy for \$1,000 a year.

"They expect to use that facility for a long time in the future," Lewistown Mayor Jack Humphrey said.

Westfall said academy students are also using a firing range at the Lewistown airport. This eliminates the problem caused when the driver training is done at one location and the firearms at another.

"We used to have a firing range in Bozeman, but that was closed down two years ago, so we moved to Fort Harrison," Westfall said. "The last class we had (which was the first to include driver training), we had half of the class come up here for driver training and half of them go to Helena for firing. Then, in the middle of the week, they switched.

"The logistics alone was a problem, as well as having our people on the road for one whole day ... This way we are able to do our firearms and driving here and keep the class together and we can take that travel day for instruction."

The present seven-day stint in Lewistown has half of the men training on the driving course and half on the firing range until mid-week, when they switch. "It's a pretty intense seven days," Westfall said. "We have day and night firing and day and night driving. For four of those seven nights, we are doing one or the other until 11 o'clock."

Westfall said statistics show about 75 percent of crimes involving shootings occur in darkness, so officers have to be trained to cope with that. Likewise, high-speed chases and other hazardous driving often occur at night.

The 28 students in the class are just entering law enforcement work.

GREAT FALLS TRIBUNE

WEDNESDAY, MARCH 11, 1987

During this training period, the students and instructors are staying in the Calvert Hotel, which is the building proposed for the dormitory in the Lewistown proposal for a permanent home for the Academy. The only facility missing from the Academy's needs are classrooms, and Lewistown is offering to give the now unoccupied High School building to the State for use as an Academy for \$1.00.

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AGENCY: DEPARTMENT OF JUSTICE

LEGISLATIVE ACTION

PROGRAM: LAW ENFORCEMENT ACADEMY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988				Fiscal 1989				FY 86-88 % Change
		Executive	Current Level	Legislature		Executive	Current Level	Legislature		
FTE	11.00	10.58	10.00	10.00		10.58	10.00	10.00		-1.00
Personal Services	\$277,033	\$295,350	\$274,782	\$274,782		\$294,893	\$274,365	\$274,365		-0.81
Operating Expenses	304,729	311,995	303,516	344,509		319,852	310,619	366,891		13.05
Equipment	6,587	8,796	3,000	6,500		8,470	3,000	3,000		-1.32
TOTAL EXPENSES	\$588,349	\$616,141	\$581,298	\$625,791		\$623,215	\$587,984	\$644,256		6.36
FUNDING										
State Special Revenue	\$583,590	\$616,141	\$581,298	\$625,791		\$623,215	\$587,984	\$644,256		7.23
Federal Revenue	4,759	0	0	0		0	0	0		-100.00
TOTAL FUNDING	\$588,349	\$616,141	\$581,298	\$625,791		\$623,215	\$587,984	\$644,256		6.36

Program Description: The Law Enforcement Academy Division provides a professional education and training program in criminal justice for Montana law enforcement officers and other criminal justice personnel.

Legislative Intent: Language was included in the general appropriation act which states:

"The department shall negotiate to purchase the modular buildings occupied by the Law Enforcement Academy and use funds appropriated to the Law Enforcement Academy."

Budget: The budget provides for a 1.1 percent decrease from fiscal 1986 to fiscal 1988 without the approved modifications. Personal services increase for pay plan increases, but that increase is more than offset by the application of a 4 percent vacancy savings rate to the budget. The division actually experienced a higher vacancy savings rate in fiscal 1986, but the savings was utilized by the agency to raise the director's salary nearly 17 percent to go from a bureau chief position to division head. The approved budget eliminates a 1.0 FTE grade 15 training officer which had been upgraded by the agency to a grade 18 lawyer, but was never filled in fiscal 1986. The elimination of the position saved approximately \$36,200 in fiscal 1988. The position was to be used for training, and with the position vacant in fiscal 1986, the Academy contracted for legal services. Operating expenses decrease as the rent allowance was decreased by \$2,900 in fiscal 1988. These reductions place the rent budget at the levels of the City of Great Falls proposal for rent in the 1989 biennium on a lease basis. (In fiscal 1989, the Bozeman lease contract has a \$9,800

cost increase. Since the Great Falls proposal has no increase, \$9,800 would be saved.) Other adjustments result in a net decrease below fiscal 1986 levels of \$1,200. The equipment budget provides for \$3,000 each year for miscellaneous training equipment and a \$3,500 line-itemed, **biennial appropriation** in fiscal 1988, to be expended only for training handguns.

Funding: There are two sources of funding for the Academy -- tuition/fees and the motor vehicle account. Tuition is charged for certain classes taught by the Academy, particularly specialized classes. The motor vehicle account funds the balance of the budget.

Modifieds Approved:

1. First Responder/Emergency Vehicle Operation Training - The approved modified allows the Academy authority to provide certified medical training in lifesavings skills and emergency vehicle driving skills to entry level officers at the Academy. Funds will be provided by state special revenue tuition funds from tuition increases to pay for the additional training component. The modified request provides \$18,583 in fiscal 1988 and \$24,778 in fiscal 1989. There is no added FTE requirement.

2. Executive Institute - The approved modified allows the academy funds to provide a series of six executive level seminars each year which address contemporary issues of concern to criminal justice administrators. The seminars will be funded by the state special revenue tuition account using tuition fees charged to participants. There is no added FTE requirement. The modified request provides for \$25,310 in each year of the biennium.

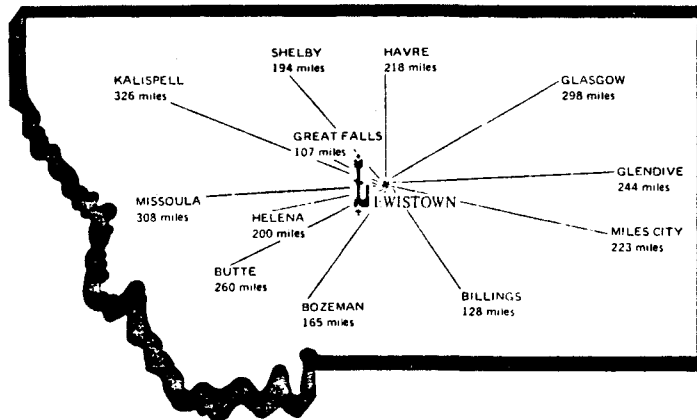
3. Additional Basic Course - The approved modified, contingent upon the passage of House Bill 492, to allow the Academy to conduct one additional basic course annually beginning in fiscal 1989 to provide a total of four basic courses per year. The additional course would allow the Law Enforcement Academy to limit class size to 30 students. The amount approved was \$15,984 in fiscal 1989 only, to be funded by the motor vehicle state special revenue account. Approval was made contingent upon passage of House Bill 492 because there are not enough projected funds in the motor vehicle account to fund the modified under present law. House Bill 492 would increase motor vehicle fees. There is no added FTE requirement in this modified.

LEWISTOWN IS THE RIGHT SITE

For the MONTANA STATE LAW ENFORCEMENT ACADEMY !

THE LEWISTOWN SITE HAS THE:

- * CENTRAL GEOGRAPHIC LOCATION;
- * BUILDINGS ADAPTABLE TO L.E.A. CRITERIA;
- * TRAINING AND COMMUNITY SUPPORT FACILITIES;
- * AND THE EXPANDABILITY.



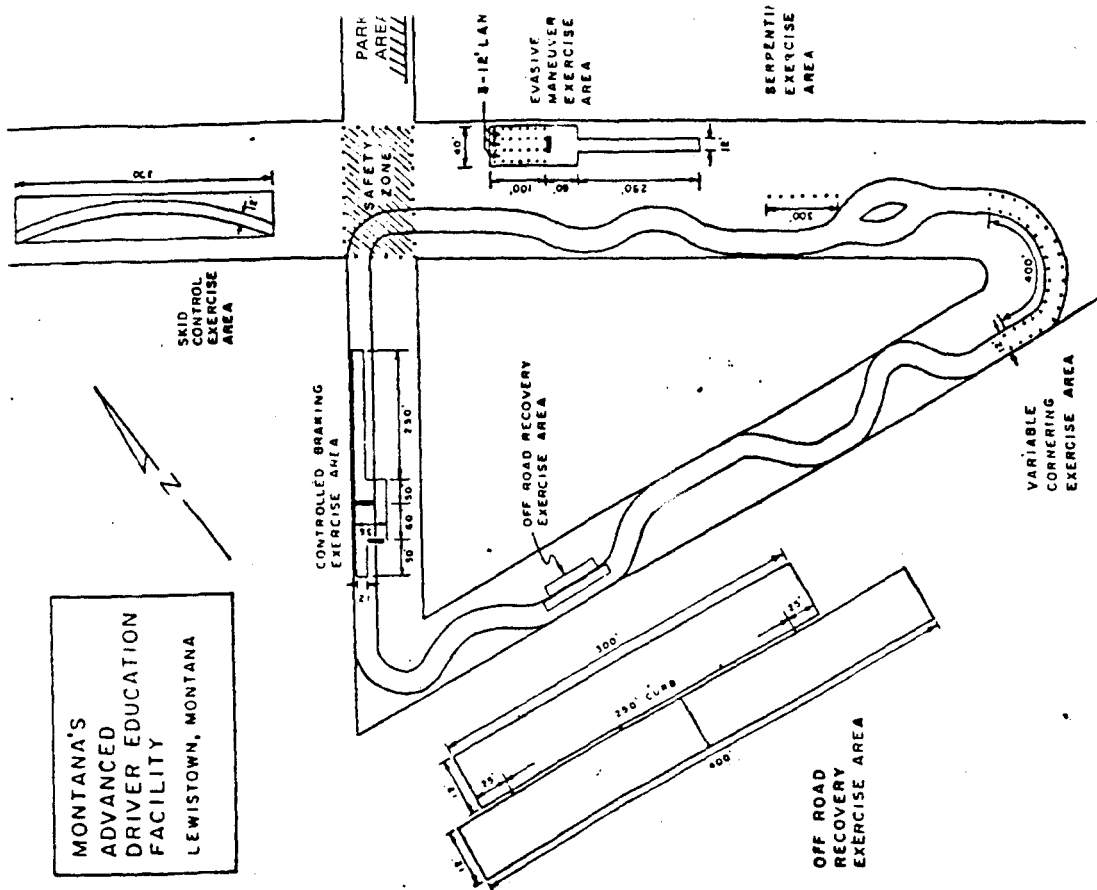
Its location, in the center of the state, was one reason for locating the State Safety Driving Course in Lewistown. The course is being used by the State Hiway Patrol, school bus drivers, ambulance drivers, EMT personnel, and trainees from the Law Enforcement Academy. Since all trainees must come here to receive this training, the additional travel costs and travel time would be eliminated by locating the L.E.A. in Lewistown.

The proposed Lewistown site can easily accommodate changing situations, such as more trainees or expanding the scope of the academy. The State of Montana office of the Legislative Auditor has recommended that the 1987 Legislature find a training facility for the Fire Services Training School. The Lewistown site would easily accommodate such additions at no additional cost to the state.

The proposed use of the Fergus High School buildings and the Calvert Hotel gives the L.E.A. a physical plant that meets or exceeds all of the requirements mandated for the Academy. The buildings were designed for uses similar to the needs of the Academy and the design presented carefully modifies them to meet the established criteria. The proposal includes an excellent, on site, gymnasium and an indoor firing range for exclusive use by the Academy trainees.

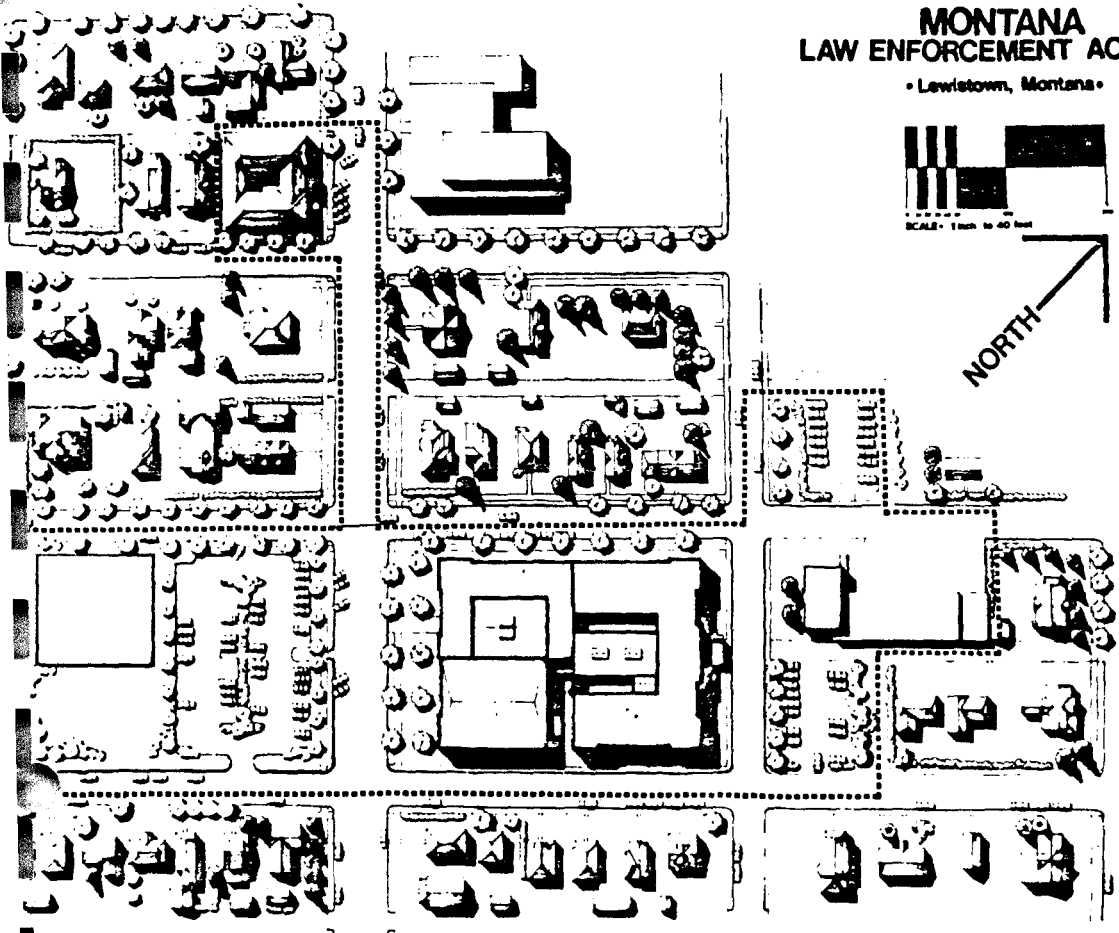
All of the components of the proposed Lewistown site are listed in the National Register of Historic Places. State law (SB 157) encourages state agencies to give systematic consideration to historic properties, when they need additional space.

Lewistown is known for its quality of life and warm, friendly, hospitable people. The L.E.A. would be a suitable and welcome addition to the community.



MONTANA'S
 ADVANCED
 DRIVER EDUCATION
 FACILITY
 LEWISTOWN, MONTANA

MONTANA
LAW ENFORCEMENT ACADEMY
 • Lewistown, Montana •



SITE SCHEMATIC

In compliance with a written request, there is hereby submitted a Fiscal Note for HB903, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to relocate the Montana Law Enforcement Academy to Lewistown, Montana.

ASSUMPTIONS:

1. Food service will be supplied by the Center for the Aged for \$5 per day per student.
2. Remodeling costs of \$16,500 will be sufficient to bring the Lewistown site to a state of readiness.
3. HB291 and HB492 will pass to generate sufficient revenue in the Motor Vehicle Account to cover the \$200,000 appropriation for purchase of the Lewistown facilities.

FISCAL IMPACT:

Expenditures:

	Current Law Bozeman	Proposed Law Lewistown
Basic Rent	\$151,000	\$ 37,112
Rent Auxiliary Facilities	500	0
Maintenance, Utilities,		
Custodial, Laundry	0	204,000
Food Service	43,000	20,500
Relocation (10 households		
plus academy furnishings)		37,000
Remodeling		16,500
Firing Range Improvements	0	10,000
TOTAL	\$194,500	\$325,112
Capital Outlay		
TOTAL		\$200,000
		\$525,112

NOT FOR
DISTRIBUTION

Funding:

Motor Vehicle Account	\$194,500	\$525,112
-----------------------	-----------	-----------

HB2 authorizes the Department of Justice to purchase the buildings at the Bozeman facility. If this occurs the operating costs at Bozeman will be reduced by \$96,000. \$55,000 is required for maintenance and utility costs. The rent cost for the Lewistown facility will be decreased by \$37,112.

EXHIBIT 4
DATE 3/30/87
HB 903

David L. Hunter DATE 3/28/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE
LARRY HAL GRINDE, PRIMARY SPONSOR
Fiscal Note for HB903, as introduced.

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB895, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing location of the Montana Law Enforcement Academy at the College of Great Falls; authorizing the Department of Justice to lease facilities and services for the academy; appropriating money; amending Sections 44-10-103 and 44-10-202; MCA; and providing a delayed effective date.

ASSUMPTIONS:

1. Use of the firing range at Malmstrom will be provided at no cost to the Academy.
2. Lessor will be responsible for repair and maintenance to interior and exterior of building.
3. Lessor will provide up to \$5,000 for remodeling costs.

FISCAL IMPACT:

	FY89	Current Law Bozeman	Proposed Law Great Falls	Difference
Expenditures:				
Basic Rent		\$151,000	\$100,000	(\$ 51,000)
Rent-Auxiliary Facilities		500	10,000	9,500
Utilities; Custodial & Laundry		0	41,200	41,200
Food Service		43,000	1,000	1,000
Relocation		0	37,000	37,000
Remodeling-less \$5,000		0	11,500	11,500
TOTAL		\$194,500	\$243,700	\$ 49,200
Funding:				
Motor Vehicle Funds		\$194,500	0	
General Fund		0	\$243,700	

DISBURSEMENT
NOT FOR
2012-2013

HB2 gives the Department of Justice authority to purchase the existing buildings at Bozeman. If this occurs the operating cost at the Bozeman facility will be reduced by \$96,000. \$55,000 is still required for maintenance and utilities.

Utilities; custodial should be on separate line
LSF with remodel included for 2000/2001

David L. Hunter
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE 3/26/87
JOHN PHILLIPS, PRIMARY SPONSOR

Fiscal Note for HB895, as introduced.

estimating 17200 on

3/30/87
895

March 30, 1987

EXHIBIT 6
DATE 3/30/87
HB 895

STATEMENT
OF
KEN HOOVESTOL
CHAIRMAN
COMMUNITY OF GREAT FALLS
LAW ENFORCEMENT ACADEMY COMMITTEE
TO
HOUSE APPROPRIATIONS COMMITTEE

The committee I chair is a broad-based group from throughout Cascade County and is funded by contributions only.

We are committed to providing the highest quality training possible to the law enforcement community, and we believe our proposal can provide that quality in the most cost effective way.

The College of Great Falls site was chosen after we researched many other buildings and locations in and around Great Falls.

I believe the Interim Sub-Committee did a good job of research and gathering information regarding the Academy's needs and the condition of its present facility and location.

But, the criteria set forth and the subsequent proposals all required capitial expenditures and the influx of new money. This has since become unrealistic. It also became obvious that the present facilities are woefully inadequate, both in size and quality. Therefore, our new proposal is based on the financial reality of the present, with the potential for new construction in the future. It represents "DOLLARS & SENSE".

In other words, the best of both worlds: Better for Less now and potential for new later.

Contact: Ken Hoovestol
(Session Address)
545 South Harris
Helena, MT 59601
Tele: 443-6234 or
444-4800

TO: Tom Gomez, Researcher, Legislative Council

FROM: Brad Rafish, OLA *BR*

DATE: 16 January 87

RE: Requested costs for the relocation of the Montana Law
Enforcement Academy

Approximate Relocation Costs:

Note: The data below was provided by the Department of Justice's
Centralized Services Division. It assumes only relocation of
currently owned state equipment as well as personnel.

	<u>APPROXIMATE COST</u>
--OFFICE EQUIPMENT	\$ 4,000
--FIRING RANGE EQUIPMENT	2,000
--12 HOUSEHOLDS (\$2000 each)	24,000
--"EXPLORATORY" TRIPS (Car mileage, meals, lodging 3 trips of 12 staff @ \$88.75 each)	<u>3,195</u> \$33,195

**OUTLINE OF
COMMENTS BEFORE
HOUSE APPROPRIATIONS COMMITTEE
GREAT FALLS PROPOSAL
LAW ENFORCEMENT ACADEMY
DR. WILLIAM SHIELDS
PRESIDENT COLLEGE OF GREAT FALLS
1301 20TH. ST. SO.
GREAT FALLS, MT
761-8210 EX 500**

1. THIS HAS BEEN A COOPERATIVE EFFORT BETWEEN THE COLLEGE OF GREAT FALLS AND THE GREAT FALLS COMMUNITY.

- A. COMMUNITY REPRESENTATIVES CAME TO THE C.G.F. ADMINISTRATION AND ASKED IF THE COLLEGE COULD PROVIDE SPACE AND FACILITIES FOR THE ACADEMY.
- B. THE PROPOSAL HAS THE STRONG SUPPORT OF THE COLLEGE'S BOARD OF TRUSTEES.
- C. THE PROPOSAL IS CERTAINLY COMPATIBLE WITH THE MISSION AND EXISTING PROGRAMS OF THE COLLEGE.

2. CURRICULAR COMPATIBILITY

- A. THERE IS AN EXCELLENT INTRERFACE BETWEEN DEGREE PROGRAM S OF THE COLLEGE AND THE TRAINING PROGRAMS OFFERED AT THE LAW ENFORCEMENT ACADEMY.
- B. CRIMINAL JUSTICE: ASSOCIATE, BACHELOR AND MASTERS
PARALEGAL TRAINING: ASSOCIATE AND BACHELORS

3. EXPLANATION OF THE \$10,000 OPTIONAL COST ITEM IN THE PROPOSAL

- A. THIS IS A MAXIMUM FIGURE BASED UPON FULL ENROLLMENTS OF STUDENTS ATTENDING THE LEA DURING A FULL YEAR.
- B. THIS FIGURE COULD BE LESS, IF TOTAL ENROLLMENTS ARE LOWER THAN MAXIMUMS.
- C. THIS FIGURE IS FOR THE EXCLUSIVE USE OF THE GYMNASIUM, SWIMMING POOL, AND WEIGHTROOM FACILITIES.
- D. THERE WILL NO CONFLICT WITH USE BY COLLEGE STUDENTS AND LEA STUDENTS BECAUSE OF THE "COMMUTER" NATURE OF THE CGF STUDENT BODY AND BECAUSE THE FACILITIES WILL BE SCHEDULED AND DEDICATED EXCLUSIVELY FOR USE BY LEA STUDENTS.

4. EXPLANATION OF THE TERMS OF THE LEASE

- A. THE COLLEEGE HAS NO PROBLEM WITH A LONGER LEASE, 20 YEARS, FOR EXAMPLE.
- B. HOWEVER , THE FIVE YEAR PROVISION WAS PUT INTO THE LEASE TO ACCOMMODATE THE FLEXIBILITY OF THE DEPARTMENT OF JUSTICE, THAT IS, TO ALLOW FOR THE POSSIBLE EXPANSION AND NEW CONSTRUCTION OF LEA FACILITIES SHOULD THE APPROPRIATE FUNDING BECOME AVAILABLE IN THE FUTURE.
- C. THE EXPANDED AND EVEN NEW FACILITIES COULD BE BUILT ON LAND AVAILABLE RIGHT ON THE CAMPUS WHICH WOULD BE DEEDED TO THE STATE FOR \$1.00.

FIRING RANGE
MALMSTROM AIR FORCE BASE

Presently the Academy students drive to Lewistown for the driving range and to Helena for the outdoor firing range. This extra time and mileage is at the expense of local governments, since it is not paid by the Academy.

In Great Falls, both of these facilities are available at the Air Base, plus an obstacle course for physical training.

Malmstrom Air Force Base is not just allowing the use of their facilities. They are keenly aware of the advantage to them in developing a good rapport and a working relationship with the law enforcement officers throughout Montana. They WANT the MLEA.

Access will be no problem, even during alerts. There is a convenient back gate off Highway 89 for direct access to the ranges, and passes will be issued to all students.

The base firing ranges are not your typical military set-up, but rather are designed for the training of their own security policemen and women.

The cost savings to the state would be two-fold:

- 1) A new range at the cost of \$500,000 to \$1 million would be saved.
- 2) A tremendous cost savings will be realized for years to come because of the continued technological up-dating by the Air Force. Already on order is a \$53,000 Duel-a-Tron Decision-making Laser Moveable Target System. Also, additional indoor facilities are being planned.

March 30, 1987

STATEMENT
OF
ROGER W. YOUNG, PRESIDENT
GREAT FALLS AREA CHAMBER OF COMMERCE

When the Joint Interim Committee for the Law Enforcement Academy evaluated the various options before it, a number of site location criteria were considered. These were factors that the MLEA itself, law enforcement officers, and the Attorney General's office, considered to be of importance in the ultimate selection of a location. Some of the factors considered included location; transportation facilities; available housing; commercial services such as hotels/motels, restaurants, shopping, libraries, etc.; medical services; higher education facilities; and several more. In all, there were 30 such criteria.

I think that it is important to note that of the three finalist communities considered by the Joint Interim Committee --- Dillon, Great Falls, and Lewistown --- Great Falls scored first in 18 of the 30 criteria and tied for first in 5 others. Clearly, if it wasn't regarded as the best proposal for various other reasons, Great Falls WAS BEST FROM A SITE LOCATION STANDPOINT.

The Great Falls Area Chamber of Commerce is an integral part of the Community of Great Falls Law Enforcement Academy Committee. We sincerely believe that our community is the best suited to serve the short range, and long range needs of the law enforcement community of this state. Everyone involved, from the College to the Air Force to the community welcomes this institution. You'd never have to worry about being a stepchild in Great Falls.

House Appropriations Committee
March 30, 1987

For more information contact P.O. Box 2127, Great Falls, MT 59403
Telephone: 761-4434



DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE

GREAT FALLS, MONTANA

February 21, 1986



REFER TO

ENF-1-0 JS

Dr. Paul Renz
Chairman, LEPSA Committee
1301 - 20th Street South
Great Falls, Montana 59405

Dear Dr. Renz:

This office, which is the District Headquarters for all U.S. Customs ports, stations and airports in the states of Montana, Northern Idaho, Wyoming, Utah and Colorado, would like to express our views concerning the location of the Montana Law Enforcement Academy.

As you know, the U.S. Customs Service is deeply involved in the interdiction of narcotics and of the illicit transportation of monetary instruments used to finance narcotic transactions. We are also the first line in the apprehension of NCIC fugitives who attempt to cross our borders. In carrying out these functions, we rely heavily on the support provided by local Montana law enforcement agencies. In turn, we also provide valuable support to the local law enforcement community.

The location of the Academy in the City of Great Falls where our district headquarters is situated would prove especially beneficial in view of the close working relationship between the Customs Service and local law enforcement agencies. Our Headquarters staff could keep the staff of the Academy informed of up-to-the minute developments in the Customs enforcement area, and the location of the Academy here would permit the rapid exchange of intelligence. This type of exchange will be of value to law enforcement officers located in a border state such as Montana and will be of value to the U.S. Customs Service in our contacts with the local enforcement agencies.

We appreciate the opportunity to make our views known.

Sincerely,

D. W. (Don) Myhra
FOR: D. W. (Don) Myhra
District Director



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS 341ST STRATEGIC MISSILE WING (SAC)
MALMSTROM AIR FORCE BASE, MT 59402

Doctor Paul Renz
Chairman, LEPSA Committee
College of Great Falls
1301 20th Street South
Great Falls, MT 59405-4996

Dear Dr. Renz:

Malmstrom AFB is pleased to hear of your committee's efforts to relocate the Montana Law Enforcement Academy to Great Falls. Toward that end, the base will endeavor to allow the academy use of our base firing range. While military contingencies must take precedence, I presently foresee nothing that would interfere with the academy's use of this facility.


Our marksmanship complex features three all-weather ranges: a 62 meter range used to fire machine guns on a 1,000 inch scale; a 25 meter pistol range with 14 enclosed and heated firing points; and a 100 meter rifle range with 18 heated firing points. The complex also has a range support building that contains an ammunition and weapon storage area measuring 182 square feet, a weapons cleaning and maintenance area that can be used by 30 personnel simultaneously and a classroom that can seat up to 30 students. All the ranges have appropriate control stations and public address capabilities. Students can observe the shooters from an area behind the firing line. Special requirements such as quick-kill shooting from vehicles can be satisfied on either of the longer ranges. In addition, there is a fully equipped 450 meter grenade range available. I have attached pictures and diagrams of this complex. (Atch 1 and 2)

Malmstrom AFB is the home of the Air Force's largest Security Police Group and is uniquely suited to provide other types of support to the academy. We have a full obstacle course for physical training, maintain the only bomb detection dogs in the state and have a fully trained Special Weapons and Tactics (SWAT) team on standby 24 hours per day. These assets provide a tremendous opportunity for joint training or special demonstrations.

Assuming fair wear and tear, the Air Force will not charge for use of the range or any demonstration the academy staff might request.

All personnel using the range complex would be required to sign certain release documents. I suggest the academy's legal representative contact Lieutenant Colonel David Taggart at 731-2878 for details.

Sincerely,


TEDDY E. RINEBARGER, Colonel, USAF
Commander

- 2 Atch
1. Photos of firing range
2. Diagram of firing range



City of **GREAT FALLS** *Montana*

59403-5021

P. O. BOX 5021

TELEPHONE 406 / 727-5881

February 14, 1986

Legislative Council
State Capitol
Room 138
Helena, Montana 59601

Dear Council Members:

On behalf of the City Commission of the City of Great Falls, I would like to encourage the selection of Great Falls as the location for the Law Enforcement Academy. The L.E.P.S.A. Committee will be submitting a proposal that would locate the Academy at the College of Great Falls. Emily Hall would be used or a new dormitory would be constructed to house the students. The existing College of Great Falls classroom, cafeteria, library and athletic facilities will be made available for Academy use. The proposal will contain an adequate provision for a firing range that will certainly meet the needs of the Academy.

The City is prepared to make the necessary commitments to successfully locate the Law Enforcement Academy in Great Falls. The City whole heartedly supports the College of Great Falls site and pledges our sincere cooperation toward making the Academy, its instructors and students a home in Great Falls.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roger Anderson", is written over a horizontal line.

Roger Anderson
Mayor

RA:MR:kj

5817 35th St SW
Great Falls, MT 59404

March 10, 1987

Dear Montana Legislator:

Have you seriously considered the role of peace officers in Montana? Have you stopped to think how important peace officers are in you life? Are you counting on them to protect you and your family? Most people take peace officers for granted, do you? Peace officers are important in our daily lives and just as important is the training they receive. Think about it, would you want untrained peace officers protecting you and your family? Peace officers need specialized training, such training is not provided in colleges and universities, but is made available through specialized Law Enforcement Academy programs. Training is critical to effective, responsible law enforcement. If a peace officer makes a mistake, due to insufficient training, not only does he suffer the consequences but so do the citizens he serves. Montana citizens deserve the best service for their tax dollars.

I have been a police officer in Montana for 13 and 1/2 years. During that time I have attended many specialized training programs at the Montana Law Enforcement Academy. I have also earned college degrees in Criminal Justice studies including a Masters Degree in Criminal Justice Administration. In comparing my college education to the training I have received at the Academy, undoubtedly the training at the Academy has been more practical in performing my daily duties. The training peace officers receive at the Academy is the most important they receive and therefore, Montana has a serious problem.

Training at the Montana Law Enforcement Academy has suffered serious setbacks due to the limitations of the training facilities. The existing Academy consists of eight 24 by 60 feet modular units. These were intended for "residential" use and do not adequately serve the growing needs of Montana Law Enforcement. The modular units were set up in 1978 as a short-term solution for the Academy. These modular units are deteriorating, the walls are poorly insulated, bathrooms are small, heating and air conditioning is poor, classroom space is limited and support systems are inadequate. The quality and quantity of training at the Academy is being affected by the poor environment. Training programs are limited to small classes, which are full to capacity. Critical training programs have been eliminated because of the limitations of the existing facilities.

One of my up most concerns as a police officer and sergeant, supervisor, is the training of my fellow officers. I am confident when I work with well-trained officers, they perform well under pressure. I am concerned with the present limitations on training at the Montana Law Enforcement Academy. Programs have been eliminated or limited due to the limitations of the

existing facilities as well as due to budget limitations. Firearms training, a critical feature in law enforcement training, has been eliminated in the Bozeman area. This situation resulted from Bozeman area residents threatening civil litigation over complaints about the noise and the danger of living near a firearms range. At present Academy students have to travel to Fort Harrison, near Helena, to participate in firearms training. Because of the cost of travelling to Fort Harrison, all firearms training programs, except the basic program, have been discontinued. This creates a serious problem for small law enforcement agencies who do not have firearms training programs. In the past, they depended on the Academy to keep their officers firearms certified this is no longer possible. Consequently, a liability exists for the peace officer who has to use his firearm in the performance of his duties and is not current in his firearms certification.

The law enforcement community has been patiently waiting for a solution to the Academy problem. We realize Montana taxpayers cannot afford an all new facility. We know there is no reason to believe funding will be available for a new Academy in two or ten years, but we need a better facility. The need is now. Training is critical to effective, responsible law enforcement. Without proper training peace officers will not be prepared to deal with the very serious situations which arise day-to-day. Montana law enforcement relies on the Montana Law Enforcement Academy to provide much needed training.

Attorney General Greely has formed a group he calls "The Joint Committee on Academy Programs and Facilities". Mr. Greely believes his group represents the Montana Law Enforcement community. The majority of this group are not peace officers but are members of Greely's staff. I do not represent the Law Enforcement community either, I am only one concerned peace officer. However, during the summer of 1986, I conducted a survey of all of the Law Enforcement Administrators of Montana regarding Academy issues. I received a response representing over 84% of the law enforcement community. The survey results are attached to this letter. I ask that you consider the input of Law Enforcement Administrators before you decide Academy issues.

There is an immediate solution to the Academy problems. Great Falls has all of the needed facilities and support systems for an improved Montana Law Enforcement Academy. The College of Great Falls has a building which is well suited for an entire Academy facility, excluding a firearms range. The College of Great Falls has offered to lease their building to the State of Montana for considerably less money than is presently being spent on an inadequate facility in Bozeman. The College of Great Falls has also offered to deed a piece of land to the State for future construction of a new Academy on the college campus. In addition, the College of Great Falls has offered to lend academic support to the Academy through their excellent Criminal Justice studies and other educational programs.

Malmstrom Air Force Base has one of the finest firearms training facilities in the Northwest. Malmstrom has offered their firearms facility to the State of Montana, particularly the Law Enforcement Academy, at no cost.

The community of Great Falls Law Enforcement Academy proposal offers an opportunity to solve the Academy problems in an economical manner. More importantly our proposal has considered the training needs of the Montana peace officer and offers future support of the Academy as their needs change. The College of Great Falls building provides twice the training space for less money. The use of the Malmstrom firing range will enable the Academy to reinstate very important firearms training programs.

I ask for your support of the Community of Great Falls Law Enforcement Academy proposal. I sincerely believe our proposal offers the best facility and support systems to the State of Montana. The Montana Law Enforcement Academy will once again be one of the finest, and Montana Peace Officers will be proud to attend the Academy.

Sincerely,

A handwritten signature in cursive script that reads "Danny Goyette". The signature is fluid and stylized, with the first and last names being clearly legible.

Danny Goyette
Police Sergeant
Great Falls, MT
Telephone: 452-5229

Survey Results: The Montana Law Enforcement Academy

Population Surveyed: 121 Law Enforcement Administrators: 56 Sheriffs, 63 Chiefs of Police, Chief of Montana Highway Patrol, Administrator of Department of Fish, Wildlife and Parks, Enforcement Division. Respondents 83 or 68%.

Questions Asked:

1. Do you favor relocating the Montana Law Enforcement Academy?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
46 (56%)	29 (35%)	7 (9%)	82 (100%)	Actually 98% of 83 respondents

2. Do you feel the present location of MLEA provides the best accessibility for the majority of law enforcement?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
31 (38%)	45 (56%)	5 (6%)	81 (100%)	Actually 98% of 83 respondents

3. Do you favor relocation of MLEA closer to the demographic center of the state?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
41 (51%)	34 (42%)	6 (7%)	81 (100%)	Actually 98% of 83 respondents

4. Are you concerned with the "size" of the city in which MLEA would be moved?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
31 (38%)	48 (58%)	3 (4%)	82 (100%)	Actually 98% of 83 respondents

If you have a preference, circle appropriate response.

<u>Large</u>	<u>Medium</u>	<u>Small</u>
<u>Greater Than 25,000</u>	<u>10,000 to 25,000</u>	<u>Less than 10,000</u>
18 (42%)	20 (46%)	5 (12%)

5. Do you feel MLEA needs a better physical plant?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
72 (87%)	4 (5%)	7 (8%)	83 (100%)	100% of respondents

6. Would you personally utilize MLEA more often if the physical plant were improved?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
44 (53%)	20 (24%)	19 (23%)	83 (100%)	100% of respondents

7. Would you like to see MLEA involved academically with a college Criminal Justice Program?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
52 (63%)	18 (21%)	13 (16%)	83 (100%)	100% of respondents

8. Do you want the Legislature to make the decisions regarding MLEA?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	
22 (27%)	44 (53%)	17 (20%)	83 (100%)	100% of respondents

Survey Results: Montana Law Enforcement Academy
Page 2

9. Would you be willing to support a consensual lobbying effort of the Montana Legislature in 1987, regarding MLEA issues based on the results of this survey?

<u>Yes</u>	<u>No</u>	<u>Undecided</u>	<u>Total</u>	Actually 98% of 83 respondents
46 (57%)	8 (10%)	27 (33%)	81 (100%)	

10. Would you like a copy of the results of this survey?

<u>Yes</u>	<u>No</u>	<u>Total</u>	Actually 98% of 83 respondents
74 (90%)	8 (10%)	82 (100%)	

11. How many officers or deputies are in your department?

83 Departments responded
1,247 Full-time personnel represented (84% of total LE Population)
35 Sheriff's Departments or 63%
46 Police Departments or 64%
Montana Highway Patrol
Enforcement Division, Dept. of Fish, Wildlife & Parks

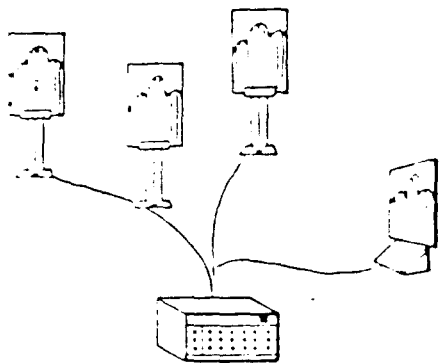
DOMESTIC
PRICE LIST (U.S. Dollars)
 USA & CANADA)

DUELATRON[®]
 Decision Making Target Systems

Effective
January 16, 1984

Packaged Systems

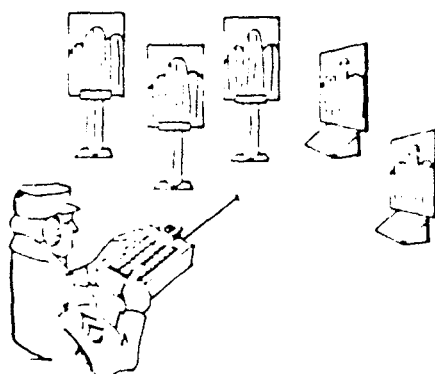
400 Series



Featuring **MANUAL CONTROL** of 1-15 electronic targets, 1,200 combat targets, and 1,200 target overlays.

NUMBER OF TARGETS THAT CAN BE CONTROLLED ON A SINGLE GROUP OF BI-DIRECTIONAL ELECTRONIC TARGETS	PRICE
3	\$ 6.669
5	\$ 9.565
10	\$18.293
15	\$27.021

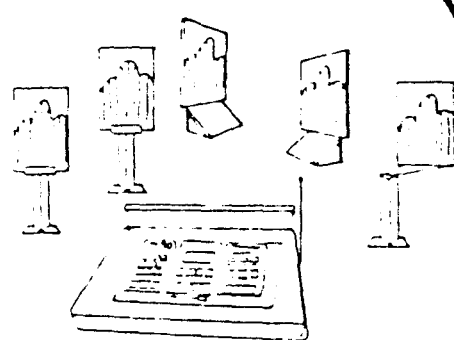
1600 Series



Featuring **WIRELESS TRANSMITTER CONTROL** of 1-15 electronic targets, 1,200 combat targets, and 1,200 target overlays.

NUMBER OF TARGETS THAT CAN BE CONTROLLED ON A SINGLE GROUP OF BI-DIRECTIONAL ELECTRONIC TARGETS	PRICE
3	\$ 9.135
5	\$13.591
10	\$25.531
15	\$36.671

1700 Series



Featuring the **WIRELESS RangeCOM**puter which includes **MANUAL CONTROL**, precision **TIMING**, and automatic **PROGRAMMING** of 1-15 electronic targets, 1,200 combat targets and 1,200 target overlays.

NUMBER OF TARGETS THAT CAN BE CONTROLLED ON A SINGLE GROUP OF BI-DIRECTIONAL ELECTRONIC TARGETS	PRICE
3	\$15.837
5	\$20.293
10	\$31.433
15	\$42.573

NOTE: For 1600 Series Systems prices (hardwired Range COMputer targeting systems), add \$6,700.00 to 1400 Series Systems prices.
 For conversion of 1400 and 1500 Series Systems to 60 YARDS, add \$995.00 for a Model 60 Cabling System.

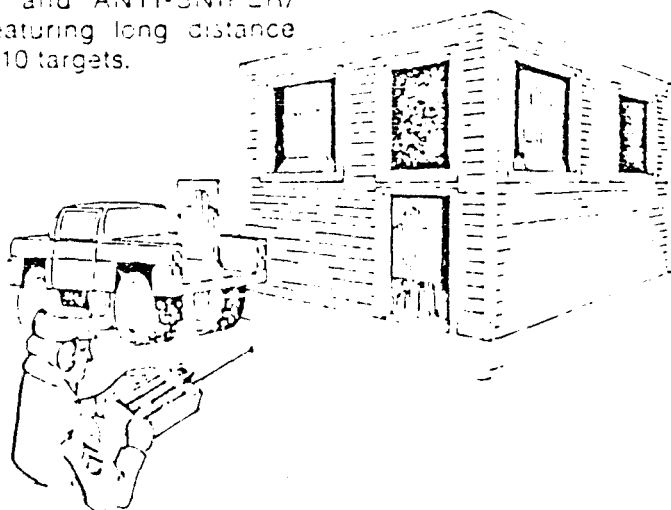
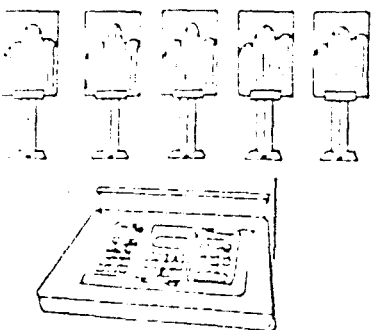
TACC-5

TACTical Combat Target System Model 5 \$36,102

Our deluxe and most versatile target system in a single package, designed especially for **EXECUTIVE PROTECTION**, **OFFICER SURVIVAL**, **COUNTER AMBUSH**, and **ANTI-SNIPE/TERRORISM** training situations. Featuring long distance **WIRELESS PROGRAM CONTROL** of 10 targets.

System includes:

- WIRELESS RangeCOMputer BASE STATION,
- 15 position remote TRANSMITTER,
- 5 BI-DIRECTIONAL TARGETS,
- 4 POPUP TARGETS,
- 1 SWINGOUT TARGET,
- 10 WIRELESS RECEIVERS,
- 2,400 COMBAT TARGETS,
- 1,200 TARGET OVERLAYS.



SUPPORT SERVICES ACADEMIC (Student)

A. Programs

The College of Great Falls offers an impressive array of programs both complementary and supplemental to the training provided students attending the Montana Law Enforcement Academy. These programs cover a multiplicity of course and program options to the student interested in augmenting his/her training while at MLEA or while on-the-job (See Delivery Systems, below).

The seven degree programs most pertinent to the LEA student are:

1. Criminal Justice - Associate Degree
2. Criminal Justice - Baccalaureate Degree
3. Criminal Justice - Master of Human Services Degree
4. Paralegal - Associate Degree
5. Paralegal - Baccalaureate Degree
6. Chemical Dependency - Associate Degree
7. Chemical Dependency - Master of Human Services Degree

This unique combination gives the student both broad and specific educational foundation in the three primary categories of the Criminal Justice System -- Law Enforcement, Judicial, and Corrections. They are useful, and often mandatory, for the individual pursuing personal and professional growth in parole, probation, corrections, law, rehabilitation, etc. The dual emphases that CGF places upon internships and experience/training equivalencies serve both to motivate students to enhance their skills and to provide the community with more competent professionals in the field of Criminal Justice.

B. Delivery Systems

CGF's long and productive history of adaptive, innovative, and individualized service delivery to a ~~sparsely distributed and disparate~~ ^{widely varied} student population has resulted in an ~~assortment~~ ^{assortment} of delivery modes that can meet

Distinctive
any student's need, no matter how idiosyncratic. These include SPEED courses, short courses, Independent Study, Workshops, Telecom courses (on and off campus), Non-credit Instruction Transfer, and CLEP. *College Level Exam. Program*

This delivery expertise makes it possible for a number of Academy students to express a desire for a particular course to be offered during their scheduled time at the Academy. With reasonable lead time (approximately six weeks) a notification of this nature to the Academic Vice-President's office will result in the provision of that course within the mode that meshes most effectively and efficiently with the students' anticipated academy schedule.

**SUPPORT SERVICES
ACADEMIC (Academy)**

A. COLLEGE OF GREAT FALLS

In common with all training institutions, the twin problems of upgrading current staff effectiveness and on-streaming new staff will assail the administrators of the Montana Law Enforcement Academy. In order to ameliorate these difficulties the College of Great Falls can, on request from the MLEA:

1. Provide formal course, workshop, and on-the-job experience designed and conducted by CGF faculty with the express purpose of increasing the teaching efficacy of the MLEA staff, and/or
2. Conduct individual or collective MLEA staff teaching evaluations in order to identify the strengths, weaknesses, and relative effectiveness of the academy instruction.

B. AREA

The Cascade County Sheriff's Department has identified two groups of area residents and their areas of expertise that would be available to the Academy as part time instructors.

Presently certified instructors for the Montana Law Enforcement Academy:

James Burnes	Civil Process, Procedure, Legal
Debby Baumgart	Civil Process, Procedure, Legal
Arne Sand	Interrogation, Interview, Handwriting
Dick Donovan	Coroner, Death Investigation, Child Abuse
Ken Anderson	Photography, Evidence, Crime Scenes
Les Bobier	Canine Training
Jerry Obresley	Drug and Narcotics Investigations

Others with instructional experience:

John Strandell	Crime Prevention, Crimestoppers
Larry Hader	Drug Abuse, Undercover Operations

Bob Blades

Barry Michelotti

Mike Jaraczski

Tom O'Hara

Bill Farago

Drug Abuse, Undercover Operations

Drug Abuse, Undercover Operations

Canine Training

**Fire and Response, Prevention,
Investigation**

Weapons, Armament, Range Shooting

SUPPORT SERVICES
ANCILLARY (On Campus)

A. RECREATIONAL

1. Theater-Music Building

Throughout the year: Plays, Concerts, Presentations.

2. McLaughlin Center

large indoor
~~Enclosed~~ swimming pool, bowling alleys, pool tables,
gymnasium, *weight room, etc.*

3. Outside areas for group games, jogging, etc.

4. Student Union Building

Book store

B. ACADEMIC

1. Library

~~Modest~~ holdings in C.J. and C.J. related areas; excellent
computer tie-ins with major national library storage
facilities.

2. Student Union Building

Student Services Department provides testing, tutoring,
counseling.

C. FOOD

Student Union Building has ample cafeteria services.

NOTEABLE QUOTES FROM VARIOUS SOURCES

**OCTOBER 16, 1986 "REPORT FROM TOM GOMEZ, LEGISLATIVE COUNCIL
RE: MLEA SITE/FACILITIES CRITERIA"**

THE PRESENT FACILITIES HOUSING THE ACADEMY ARE NOT PERMANENT IN NATURE, NOR DO THEY PROVIDE FOR A PERMANENT LOCATION FOR THE ACADEMY. BY DESIGN AND CONSTRUCTION, THE MODULAR UNITS ARE NOT PERMANENT, FIXED STRUCTURES AND ARE NOT PROJECTED TO HAVE A LONG, USEFUL LIFE.

WHILE IN THE PAST, IT WAS RECOMMENDED THAT THE STATE PURCHASE THE EXISTING FACILITIES FOR THE ACADEMY, SUCH PURCHASE IS NO LONGER ADVISABLE BECAUSE THE FACILITIES ARE SIMPLY INADEQUATE.

THE BUILDINGS WOULD REQUIRE EXPENSIVE MAINTENANCE AND REPAIR.

THERE ARE OTHER INADEQUACIES IN THE EXISTING FACILITIES. THE PEACE OFFICERS STANDARDS AND TRAINING ADVISORY COUNCIL CITES THESE PROBLEMS;

(1) THE PRESENT FACILITIES HAVE NO ADEQUATE FIRING RANGE;

(2) THE CONDITIONS IN THE DORMITORIES ARE UNSATISFACTORY BECAUSE OF PROBLEMS THAT INCLUDE INADEQUATE BATHROOM AND SHOWER FACILITIES; INSUFFICIENT HOT WATER OR, AT TIMES, NO HOT WATER AT ALL; LOW LIGHT LEVELS IN DORMITORY ROOMS FOR STUDY PURPOSES; AND HIGH NOISE LEVELS BECAUSE OF THE THIN CONSTRUCTION OF BUILDING WALLS;

(3) THE CLASSROOMS HAVE INADEQUATE AIR CONDITIONING IN THE SUMMER MONTHS;

(4) TOTAL CLASSROOM FACILITIES ARE TOO SMALL TO ACCOMMODATE THE DEMAND FOR BASIC TRAINING THAT IS REQUIRED UNDER SECTION 7-32-303, MCA, WHICH REQUIRES THAT A NEWLY APPOINTED PEACE OFFICER MUST ATTEND AND SUCCESSFULLY COMPLETE BASIC TRAINING AT THE ACADEMY WITHIN ONE YEAR OF THE INITIAL APPOINTMENT; AND

(5) THUS, THE INADEQUACY OF THE PRESENT FACILITIES IN PREVENTING THE ACADEMY FROM PROVIDING TRAINING TO OFFICERS WITHIN THE STATUTORILY MANDATED PERIOD OF TIME, THEREBY SUBJECTING LOCAL GOVERNMENTS TO VICARIOUS LIABILITY FOR IMPROPERLY TRAINED POLICE OFFICERS.

**JUNE 11, 1985 "P.O.S.T. ACADEMY COMMITTEE RECOMMENDATIONS FOR
IMPROVING THE QUALITY OF THE MONTANA LAW ENFORCEMENT
ACADEMY"**

THE TWO MOST PRESSING NEEDS FOR FACILITY IMPROVEMENT ARE THE FIRING RANGE AND THE DORMITORIES.

THESE ARE THE RECOMMENDATIONS IF THE LEGISLATURE DECIDES TO SELECT A CITY OTHER THAN BOZEMAN FOR THE ACADEMY SITE. THEY ARE:

1. THE AVAILABILITY OF AN OUTDOOR RANGE OR SUITABLE LOCATION THAT IS CLEAR OF ANY NEARBY HOMES.

2. THE AVAILABILITY OF A GYM TO PROVIDE AN AREA FOR PHYSICAL FITNESS PROGRAMS, SELF-DEFENSE TRAINING, AND FOR PRACTICAL EXERCISES.

3. THE AVAILABILITY OF FOOD SERVICE.

4. THE LOCATION HAS SUITABLE GROUND AND AIR TRANSPORTATION.

5. THE COMMUNITY HAS EDUCATIONAL, CULTURAL, RECREATIONAL AND LEISURE ACTIVITIES THAT ARE BENEFICIAL TO THE LAW ENFORCEMENT TRAINEES.

6. THERE IS A SUITABLE SITE FOR A VEHICLE DRIVING COURSE.

DECEMBER 11, 1985 "ATTORNEY GENERAL'S MEMORANDUM ON FACILITY
NEEDS TO THE INTERIM LEGISLATIVE SUBCOMMITTEE"

BECAUSE OF THE "FIRING RANGE CRISIS," THE ACADEMY HAS BEEN UNABLE TO OFFER ANY FIRE ARMS TRAINING THIS YEAR, EXCEPT THE LEGALLY MANDATED TRAINING THAT IS PART OF THE BASIC COURSE.

THE DORMITORIES ARE UNCOMFORTABLE AND PROVIDE LITTLE PRIVACY. THE ACADEMY HAS NO CRIME SCENE LABORATORY, WHICH SEVERLY LIMITS MOST COURSE WORK IN CRIMINAL INVESTIGATIONS. IT HAS NO PHOTOLAB. IT HAS NO MULTIPURPOSE ROOM/GYMNASIUM FOR PHYSICAL TRAINING AND ARREST PROCEDURES. ITS CLASSROOMS ARE SMALL, POORLY DESIGNED AND UNCOMFORTABLE. SMALL WONDER THAT LAW ENFORCEMENT PROFESSIONALS ARE RELUCTANT TO COME TO THE ACADEMY.

DECEMBER 3, 1985 "LETTER FROM SHERIFF MAGONE OF MISSOULA COUNTY TO
MIKE GREELY"

I HAVE ALWAYS FELT THAT THE MONTANA STATE UNIVERSITY IN BOZEMAN, MONTANA HAS NOT FULLY SUPPORTED THE ACADEMY AS WELL AS OTHER INSTITUTIONS MIGHT HAVE.

AS I HAVE STATED BEFORE, NOW IS THE TIME TO CORRECT THE DEFICIENCIES OF OUR CURRENT LAW ENFORCEMENT ACADEMY.

I WOULD DEEM THE MOST IMPORTANT ISSUE IS THE ESTABLISHMENT OF AN ACADEMY THAT WILL BE HERE FOR YEARS TO COME, AT A LOCATION THAT IS EASILY ACCESSIBLE BY NORMAL MEANS OF TRAVEL, INCLUDING AIR, AND WITH CONSIDERATIONS FOR MAKING SPECIAL IMPROVEMENTS FOR ANY SPECIALIZED TRAINING SUCH AS DEFENSIVE DRIVING COURSES, PHYSICAL TRAINING, ADVANCED FIREARMS TRAINING COURSES, ETC.



A PROPOSAL OFFERING MUCH MORE VALUE
FOR THE LAW ENFORCEMENT TRAINING DOLLAR
AND AT LESS COST THAN THE EXISTING FACILITIES



Submitted by:
Community of Great Falls
Law Enforcement Academy Committee
Great Falls, Montana
January 1987

UPDATE NO. 1

Great Falls continues to present a low cost alternative for Montana's Law Enforcement Academy.

	Proposed MLEA in Great Falls		Existing MLEA in Bozeman
Annual Costs			
Lease	\$100,000/yr	Fixed rate for 5 years	\$147,678 (1986-87) <u>\$154,088 (1987-88)</u> <u>\$161,021 (1988-89)</u>
Utilities	\$ 17,200/yr	Estimate	Included in Lease
Custodial & Laundry	\$ 24,000/yr	Fixed rate for 2 years	Included in Lease
<u>Total</u>	<u>\$141,200</u>		
Unit Costs			
1986-87			\$12.62/S.F.
1987/88	\$6.19/S.F.		\$13.38/S.F.
1988/89	\$6.19/S.F.		\$13.98/S.F.
Fire Arms Training			
Location	Malmstrom AFB		Ft. Harrison in Helena
Transportation Cost	Nominal		\$6,600 in 1986 budget for MLEA employees only. City or County pays for Law Academy students' travel.
Update Cost	No cost to Montanans		Cost to be borne by Montana's taxpayers.
Facility	3 all weather ranges Indoor classroom Indoor cleaning & repair area Duelatron (Laser movable target system)		One outdoor range Not available Not available Not available without substantial cost to Montanans

Great Falls will continue to present additional data as it becomes available to help in the review process concerning Montana's Law Enforcement Academy.

[illegible]

SITE PLAN



The Big Sky Country

8
DATE 3/30/87
HB 894

MONTANA STATE HOUSE OF REPRESENTATIVES

March 30, 1987

TO: Members of the House Appropriations Committee

RE: Findings and Recommendations of the Joint
Interim Subcommittee on the Law Enforcement
Academy (HB 894)

Dear Colleagues:

On behalf of the Joint Interim Subcommittee on the Law Enforcement Academy and its chairman, Representative Bob Thoft, I am presenting to you today HB 894, a bill to locate the Montana Law Enforcement Academy at Western Montana College in Dillon, and to authorize a capital building project for the construction, renovation, equipping, and furnishing of facilities to serve the Academy. With presentation of this bill, I am also presenting to you the findings and final recommendations of the Subcommittee regarding the facility needs of the Montana Law Enforcement Academy.

Mr. Chairman and members of the House Appropriations Committee, the Joint Interim Subcommittee on the Law Enforcement Academy was formed by the 49th Legislature to make findings and recommendations concerning the location of the Academy.

After 18 months of study and after holding 10 public meetings at various locations around the state, we now make the recommendation that the 50th Legislature enact into law HB 894. We make this recommendation together with these findings:

(1) The present facilities in Bozeman are grossly inadequate and do not meet the needs of the Montana Law Enforcement Academy;

(2) The current lease arrangement for use of the Academy facilities is not cost-beneficial to the State of Montana;

(3) It is more economical to purchase the facilities in Bozeman than to continue the present lease arrangement;

(4) No matter what decision is made for a permanent facility to house the Academy, purchase of the facilities in Bozeman is advisable;

(5) There is a need for adequate, permanent, state-owned facilities to house the Montana Law Enforcement Academy;

(6) Facilities for the Montana Law Enforcement Academy should meet specific building requirements to provide improved training for law enforcement officers in this state;

(7) Renovation of the existing facilities in Bozeman is not an acceptable alternative for providing adequate facilities for the Academy;

(8) The construction of a new law enforcement academy facility is unjustified;

(9) The state should utilize existing adequate facilities to house the Montana Law Enforcement Academy;

(10) The proposal to renovate and construct facilities at Western Montana College offers the best alternative for housing the Academy;

(11) The facility needs of the Academy -- not location -- should be the main consideration in evaluating alternative proposals for the Academy;

(12) The Legislature should not postpone or delay a decision regarding permanent facilities to house the Montana Law Enforcement Academy.

During the past 18 months, the Subcommittee has examined a number of proposals for location of the law enforcement academy. Initially, a total of 23 parties from 18 different communities had expressed an interest in submitting proposals to relocate the Academy to their area. Eventually, 16 written proposals were received by the Subcommittee. From this list of proposals, the Subcommittee rejected 6 as being nonresponsive, meaning that the proposals failed to meet general requirements established by the Subcommittee. From the remaining 10 proposals, the Subcommittee selected 3 for final study and for site inspection.

After careful assessment of the costs of alternate sites, and following a detailed evaluation of the facility and service needs of the Academy, we, the Subcommittee on the Law Enforcement Academy, find that the proposal of Western Montana College is, indeed, the best alternative for housing the Montana Law Enforcement Academy. Thus, we recommend passage of HB 894. Our finding and recommendation is based upon a number of factors, including:

- (1) The Western Montana College proposal is based upon utilization of existing, state-owned facilities. As such, it will not result in the construction of new facilities, other than an indoor firing range. Thus, the Western Montana

College proposal does not add to the list of state institutions comprising the state bureaucracy. Instead, the Western Montana College proposal offers use of state buildings that are presently underutilized and improves the current state investment in facilities located at the college.

(2) The cost of the Western Montana College proposal is less than the cost of any other proposal, based upon a 20 year life cycle cost analysis. In particular, the Western Montana College proposal had more favorable costs compared to the Great Falls and Lewistown proposals, as well as when compared to the costs of a newly constructed facility. According to the analysis prepared by the legislative staff, these are the costs for comparable state facilities:

Western Montana College	\$11.6 million
College of Great Falls	\$16.7 million
Lewistown	\$16.9 million
Attorney General's proposed lease/purchase of a new facility	\$18.7 million
New construction under the long-range building program	\$20.1 million

(3) The Western Montana College proposal maximizes training opportunities for law enforcement officers by encouraging the development of programs in cooperation with the Montana University System. Because the Academy would be on the campus of a state college, the Academy would receive support and assistance from the Montana University System in numerous areas including instruction in sociology, psychology, writing skills, computer science, emergency medical training, and law -- all using existing state resources for the improvement of law enforcement training in Montana.

(4) The proposal of Western Montana College would provide facilities to meet the expressed needs of the Montana Law Enforcement Academy. The Western Montana College proposal meets all facility requirements established by the Subcommittee and recommended by the Justice Department including: an indoor firing range, a crime scene lab, a physical training area for nightstick practice, a film and print room, student classrooms, a dormitory to accommodate 100 resident trainees, and other facilities to meet the needs of the Academy.

(5) The Western Montana College proposal will result in permanent, state-owned facilities with only a modest impact upon the state budget. There is no doubt about it: the Western Montana College proposal will provide a permanent home for the Academy at facilities owned and controlled by the State of Montana. Furthermore, the proposal will require no more than a minimal increase in funding above the Academy's current budget level. The proposal would be only \$115,000 more than current budgeted expenses for rent, and would require approximately the same costs for annual operations, which is about \$124,999. Thus, the total annual costs for rent and operations would be \$390,999 compared to \$275,999 for the current leased facilities in Bozeman.

(6) The Western Montana College proposal will result in lower costs per law enforcement academy trainee. Based on the estimated costs for operation and annual rent, the Western Montana College proposal will cost the state less per student than at the present facility in Bozeman. Currently, it costs approximately \$4,312 per student for operation of the Bozeman facility. At Western Montana College, it would cost \$3,910 on the average, for savings of \$402 per trainee.

The Joint Interim Subcommittee has examined the alternatives carefully. And, we conclude that the 50th Legislature should enact HB 894 to locate the Montana Law Enforcement Academy at Western Montana College in Dillon. HB 894 offers a lasting, cost-effective solution to the the facility needs of the Montana Law Enforcement Academy, and will generally upgrade law enforcement training in Montana and promote and develop improved law enforcement personnel in this state. We urge you to give HB 894 careful consideration and request that you report the bill DO PASS and send it onto the floor of the House for approval.

Sincerely,

Representative Bob Pavlovich

3/30/87
894

GENERAL COST ANALYSIS FOR
MONTANA LAW ENFORCEMENT ACADEMY PROPOSALS
=====

	SITE:	DILLON (WMC)	GREAT FALLS (CGF)	LEWISTOWN
	TYPE:	LEASE/CONSTRUCTION	LEASE/CONSTRUCTION	PURCHASE
COSTS:				
New Construction -		\$537,600	\$ 566,687	\$ -0-
Renovation -		292,142	-0-	1,720,174
		-----	-----	-----
SUBTOTAL:		\$829,742	\$ 566,687	\$1,720,174
Rel Estimated Changes		**	**	\$ 142,292
Contingencies (10%) -		\$ 82,974	\$ 56,669	\$ 186,247
Prof Fees (8.5%) -		80,043	\$ 48,168	\$ 158,310
		-----	-----	-----
SUBTOTAL:		\$163,017	\$ 104,837	\$ 344,557
Purchase Existing Facilities -		-0-	-0-	\$ 175,001***
Purchase Furnishings -		-0-	\$ 31,830	-0-
		-----	-----	-----
TOTAL:		\$322,759	\$ 703,354	\$2,382,024
Annual Const/Remo Costs		\$121,078(Included within lease) (10 years @ 10%)	\$ 68,394 (20 years @ 7.5%)	\$ 229,233 (20 years @ 7.25%)
Annual Operating Costs (Site dependent)*	Included within lease		\$ 102,558	\$ 268,369
Annual Operating Costs (Non-Site dependent)		\$124,999	\$ 124,999	\$ 124,999
Annual Rent		\$286,000	\$ 287,000	-0-
		-----	-----	-----
FIRST YEAR COSTS :		\$390,999	NPV: \$5,825,375	\$ 583,551
TEN YEAR COSTS :		\$ 4,634,376		\$ 6,867,766
TWENTY YEAR COSTS:		\$11,642,199		\$16,702,399
THIRTY YEAR COSTS :		\$37,154,882		\$50,275,924
APPROXIMATE SALVAGE				
VALUE AFTER 40 YEARS:		-----	\$ 113,337	\$ 229,517

*Does not include road or transportation costs
**Costs unable to be determined from proposals
***Cost of Ferrous High has been reduced to \$1 based on 24 Sept 86 meeting

SUMMARY OF RECOMMENDATIONS

The Joint Interim Subcommittee on the Law Enforcement Academy recommends that the 50th Legislature enact into law these bills:

LC 279 An act to locate the Montana Law Enforcement Academy at Western Montana College in Dillon; to authorize and consent to a capital building project at Western Montana College for the construction, renovation, equipping, and furnishing of facilities to serve the Academy; and to require lease of college facilities for use by the Montana Law Enforcement Academy.

LC 280 An act to appropriate money to exercise the purchase option for facilities in Bozeman currently housing the Montana Law Enforcement Academy, and to provide for disposition of the facilities should legislation be enacted to relocate the Academy.

SUMMARY OF FINDINGS

The Joint Interim Subcommittee on the Law Enforcement Academy finds that:

- (1) The present facilities in Bozeman are grossly inadequate and do not meet the needs of the Montana Law Enforcement Academy;
- (2) The current lease agreement for use of the Academy facilities in Bozeman is not cost-beneficial to the State of Montana;
- (3) It is more economical to purchase the facilities in Bozeman than to continue the present lease arrangement;
- (4) No matter what decision is made for a permanent facility to house the Academy, purchase of the facilities in Bozeman is advisable;
- (5) There is a need for adequate, permanent, state-owned facilities to house the Montana Law Enforcement Academy;
- (6) Facilities for the Montana Law Enforcement Academy should meet specific building requirements to provide improved training for law enforcement officers in this state;
- (7) Renovation of the existing facilities in Bozeman is not an acceptable alternative for providing adequate facilities for the Academy;

- (8) The construction of a new law enforcement academy facility is unjustified;
- (9) The state should utilize existing adequate facilities to house the Montana Law Enforcement Academy;
- (10) The proposal to renovate and construct facilities at Western Montana College offers the best alternative for housing the Academy;
- (11) The facility needs of the Academy -- not location -- should be the main consideration in evaluating alternative proposals for the Academy;
- (12) The Legislature should not postpone or delay a decision regarding permanent facilities to house the Montana Law Enforcement Academy.

LAW ENFORCEMENT ACADEMY at DILLON

EXHIBIT 10

DATE 3/30/87

HB 894

F A C T S H E E T

- 1) Since 1979, the State of Montana has sought a permanent home for the Montana Law Enforcement Academy. Western Montana College and the Dillon community stand ready to provide a modern, fully develop training facility.
- 2) The Board of Regents of the Montana University System has endorsed the new Academy on the campus of Western Montana College
- 3) Use of part of the WMC campus for the new Academy is a sound move since it involves conversion of already State owned facilities at a reasonable cost
- 4) The Dillon plan has been endorsed by the Select Subcommittee on the Law Enforcement Academy of the Montana Legislature. The plan meets all requirements set forth in the request for proposals including:
 - a new, fully equipped indoor firing range
 - a rennovated residence hall to house 100 trainees
 - newly rennovated offices for administration and classrooms
 - a newly floored (Tartan surface) exercise and training area
 - weight training and physical conditioning facilities
 - modern telecommunications facilities connected to the Academy
- 5) There are a number of other advantages at Dillon and WMC:
 - faculty available to offer instruction in basic skills, management, psychology and sociology
 - faculty available to assist MLEA Staff in instructional technology
 - faculty availalbe to provide training for office staff and up-to-date office/data processing facilities
 - Satellite T.V. and computer facilities to assist on campus as well as sending training programs and communications across the State
 - Newly expanded airport 4 miles from Dillon with space donated for driving range for MLEA
 - Outdoor firing range 4 miles from Dillon and Outdoor Education/ Training Center 20 miles at Birch Creek (operated by WMC)
- 6) Dillon is a friendly community which has shown strong support for the MLEA and would provide a highly supportive home for the new Academy.
- 7) Financing rates are very favorable at this time for the construction program at WMC to provide rennovated and new facilities for MLEA

BOARD OF REGENTS OF HIGHER EDUCATION
STATE OF MONTANA
SEPTEMBER 15, 1986

Western Montana College Resolution

WHEREAS, the Montana Legislature is seeking a permanent location for the Law Enforcement Academy, and a Joint Interim Subcommittee is considering a proposal to utilize facilities located on the campus of Western Montana College,

BE IT THEREFORE RESOLVED, that the Montana Board of Regents of Higher Education does hereby endorse said proposal, and grants approval for the President of Western Montana College to enter into negotiations with the Subcommittee.

EXHIBIT

DATE

3/30/89

STANDING COMMITTEE REPORT.

HB

H.B. 904

19

Mr. Speaker: We, the committee on

report

☐ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

Chairman

1. Title, line 16.
Strike: "20-9-316 THROUGH"
Insert: "20-9-318,"
2. Page 68 line 7 through page 71, line 6.
Strike: sections 38 and 39 in their entirety
Re-number subsequent sections
3. Page 71, line 9.
Strike: "1988-89"
Insert: "1987-88"
4. Page 71, line 10.
Strike: "1988-89"
Insert: "1987-88"
5. Page 71, line 13.
Strike: "\$19,558"
Insert: "\$20,158"
6. Page 71, line 16.
Strike: "\$19,558"
Insert: "\$20,158"

7. Page 71, line 17.
Strike: "\$817.30"
Insert: "\$842.50"
8. Page 71, line 21.
Strike: "\$32,057"
Insert: "\$33,042"
9. Page 71, line 22.
Strike: "\$817.30"
Insert: "\$842.50"
10. Page 71, line 25
Strike: "\$26,914"
Insert: "\$27,741"
11. Page 72, line 1.
Strike: "\$817.30"
Insert: "\$842.50"
12. Page 72, line 4.
Strike: "\$42,970"
Insert: "\$44,290"
13. Page 72, line 5.
Strike: "\$511.90"
Insert: "527.60"
14. Page 72, line 12
Strike: "\$1,899"
Insert: "\$1,957"
Strike: "\$1.84"
Insert: "\$1.90"
15. Page 72, line 16.
Strike: "\$1,788"
Insert: "\$1,843"
16. Page 72, line 17.
Strike: "\$1.69"
Insert: "\$1.74"
17. Page 72, line 20.
Strike: "\$1,451"
Insert: "\$1,496"

18. Page 73, line 5.
Strike: "1988-89"
Insert: "1987-88"
19. Page 73, line 6.
Strike: "1988=89"
Insert: "1987-88"
20. Page 73, line 9.
Strike: "\$111,422"
Insert: "\$114,845"
21. Page 73, line 11.
Strike: "\$4,643"
Insert: "\$4,785"
22. Page 73, line 12.
Strike: "\$25.32"
Insert: "\$26.10"
23. Page 73, line 15.
Strike: "\$4,237"
Insert: "\$4,368"
24. Page 73, line 16.
Strike: "\$25.32"
Insert: "\$26.10"
25. Page 73, line 19.
Strike: "\$2,718"
Insert: "\$2,802"
26. Page 73, line 20.
Strike: "\$4.24"
Insert: "\$4.37"
27. Page 73, line 23.
Strike: "\$2,295"
Insert: "\$2,365"
28. Page 73, line 24.
Strike: "\$2.33"
Insert: "\$2.40"

29. Page 74, line 2.
Strike: "\$2,062"
Insert: "\$2,125"
30. Page 74, line 3.
Strike: "43"
Insert: "44"
31. Page 74, line 6.
Strike: "\$1,933"
Insert: "\$1,993"
32. Page 76, lines 22 and 25.
Strike: "43"
Insert: "41"

12
DATE 3/30/87
HB 904

Testimony given 3/30/87 to the House Appropriation Committee

Alve Thomas, Chairman Legislative Committee,
Montana Retired Teachers Association

We oppose the provision in H.B. 904 that would impose an income tax on state retirement benefits.

Montana's Teachers Retirement system was created in 1937 and amended in 1947 to make membership mandatory for all certified teachers and administrators in Montana public schools.

Both laws excluded all payments made to retired teachers from any state income tax. Many of our members contributed from 30 to 40 years since the bill was enacted under the assumption that pensions accrued would not be subject to a state income tax. We believe this is a contract that should not be abrogated.

In 1958 the question of the legality of taxing teacher retirement was addressed to the Montana Attorney General and I would like to read part of his official opinion.

I quote:

The pensions, annuities, or any other benefits accrued or accruing to any person under the provisions of this act and the accumulated contributions and cash and securities in the various funds created under this act are hereby exempted from any state, county or municipal tax of the state of Montana, and shall not be subject to execution, garnishment, attachment by trustee process or otherwise, in law or equity, or any other process whatsoever and shall be unassignable except as in this act specifically provided."

He further states:

In a word, it was the clear intent of the legislature

to maintain the benefits available under the act inviolate and undiminished and to insure them against the incursion of all extraneous claims. It is the clear intent we must adhere to and implement wherever and whenever possible.

I conclude, therefore, that payments made to retired teachers under the teachers retirement system are exempt from the state income tax and need not be reported as income for state income tax purposes.

Very truly yours,
FORREST H. ANDERSON
Attorney General

We believe that it is not ethical, moral or legal to tax those who are presently receiving state pensions.

The average payments to retired teachers this year is \$542 dollars a month and the average length of time a retiree spent in Montana schools was 26 years. The retirement system does not have a cost of living adjustment, so many who retired 10 or 15 years ago have seen their purchasing power erode because of inflation. To tax away another 5% to their income would be totally unfair and unjust.

The Retired Teachers Association of Montana have not taken a position on all of H.B. 904 but recommends that the provisions in the bill to tax retirement benefits be deleted.

Thank you for your consideration.

EXHIBIT 13
DATE 3/30/87
HB 904

WITNESS STATEMENT

NAME Gary B Carlson BILL NO. 904
ADDRESS P.O. Box 1147 Helena DATE 3/30/87
WHOM DO YOU REPRESENT? Mt Society CPA's
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

This bill has not had adequate
public hearing in its present form.

It is a significant shift of income tax burden within the individual tax payer (income) of Montana

14
DATE 3/30/87
HB 904

Amend House Bill No. 904, Introduced Copy

1. Page 19, line 2.
Strike: "and [section 10]"
2. Page 19, line 6 through line 3, page 22.
Strike: section 10 in its entirety
3. Page 76, lines 22 and 25.
Strike: "10, 13, and 43"
Insert: "9, 12, and 42"
4. Page 77, lines 9 and 11.
Strike: "45"
Insert: "44"
5. Page 77, line 13.
Strike: "22, 27"
Insert: "21, 26"
6. Page 77, line 14.
Strike: "37"
Insert: "36"
Strike: "44"
Insert: "43"
7. Page 77, line 16.
Strike: "23"
Insert: "22"
Strike: "26"
Insert: "25"
8. Page 77, lines 21 and 23.
Strike: "43"
Insert: "42"

House Bill 884 Information

BACKGROUND

Late in 1986, actuarial estimates of the unfunded liability in the State Fund jumped from \$29 million to over \$81 million. Shortly after, the Supreme Court ruling in the Buckman case found that the legislature could not retroactively reduce benefits. The Buckman decision not only removed legislative options to deal with the unfunded liability, but increased that liability by \$20-30 million.

THE PROBLEM

The state fund must pay a potential \$140 million in benefits for which the fund holds less than \$40 million in reserves. Any resolution of this problem is complicated by the following:

- Most of the unfunded liability (75%) will need to be paid out in the next three years. Without a significant rate increase or other revenue, the State Fund will run out of cash in fiscal year 1989 or 1990.
- Efforts to pay the unfunded liability by increasing rates for state fund insurers could be counterproductive. An estimated 30% rate increase would be needed to retire the unfunded liability over 6-7 years. Any rate increase would chase customers from the state fund to private insurers. The reforms within SB 315 will allow private insurers to be very competitive with the State Fund. These insurers will be able to reduce costs while the State Fund can, at best, hope to avoid a rate increase. Even without a rate increase, the State Fund could lose customers and a large part of the revenue base from which the unfunded liability must be paid.

ALTERNATIVES

If the state of Montana is to continue to require employers to have workers' compensation insurance and the State Fund is required to pay its liabilities, one of the following alternatives must be pursued:

- Pay the unfunded liability with general tax dollars.
- Create a State Fund monopoly so the unfunded liability can be paid from a broader premium base and rates can be increased without losing customers to private and self insurance plans.
- Maintain the three plan system by imposing a tax on all three plans to pay the unfunded liability.

RECOMMENDATION

HB 884 would maintain the three plan system by imposing a .05% tax on payroll subject to workers' compensation coverage. By pledging the payroll tax to retire bonds and pay unfunded benefits, the time the state has to pay the unfunded liability would be extended. The reasons for recommending this alternative and HB 884 are as follows:

- The use of tax-exempt bonds will allow the unfunded liability to be amortized over a longer period at the lowest interest rates. In order to obtain bond financing at a reasonable interest rate a specific tax needs to be pledged to pay the bonds. It is unlikely that bonds could be sold if they were backed only by anticipated premium payments.
- The tax would apply to all three plans. Therefore, private and self insurance plans would receive no additional advantage in the market from efforts to pay the unfunded liability. Under Senate Bill 315, these insurers may receive cost reductions of 22%.
- The State Fund serves as the insurer of last resort. In recent years, as the costs of benefits increased rapidly, private carriers withdrew from the market leaving the State Fund to insure small and high-risk employers. If coverage is mandatory for all employers, it is reasonable that all insurers who benefit from having an insurer of last resort should share in the costs.
- All employers benefit from preserving the basic industries that have high-risk employment. These industries usually must insure with the State Fund because private insurance is either unobtainable or unaffordable. Many employers in basic industry cannot survive another major rate increase.

EXHIBIT 16
DATE 30/30/81
#3 884

ISSUES RELATING TO HOUSE BILL ⁸⁸⁴~~844~~

- STATE RESPONSIBILITY FOR PLAN 3 FUND
- STATE DEBT
- EQUAL PROTECTION

Legal Memorandum
Staff Attorneys
Montana Legislative Council
March 24, 1987

I. STATE RESPONSIBILITY FOR PLAN 3 FUND

1. Question: Whether the state of Montana has a continuing responsibility to pay workers' compensation benefits to workers injured while insured under compensation plan No. 3, if the state industrial insurance trust fund becomes insolvent.

2. Conclusion: Because of statutory responsibilities assigned to the Division of Workers' Compensation, establishing it as a trustee of the fund, the state may not avoid liability for unfunded obligations if the insolvency is the result of a failure of the division to meet the statutory requirements imposed on it. The provision of 39-71-2326, MCA, for an employer to pay unfunded obligations of the fund do not shift responsibility for ultimate payment of such obligations from the division to the insured employer.

3. Discussion: Montana law requires employers to insure their liability for job-related accidents or illnesses of their employees under one of three compensation plans. Plan No. 1 allows employers furnishing proof of solvency and financial ability to pay workers' compensation claims to self-insure. Plan No. 2 allows employers to obtain insurance from private carriers. Plan No. 3 establishes a state-operated insurance program, that must provide insurance to any employer seeking it, under conditions prescribed by the Division of Workers' Compensation.

Under plan No. 3, an industrial insurance expendable trust fund is created, into which is deposited all premiums collected from insured employers (39-71-2303, MCA) and from which is paid all benefits under the program (39-71-2301, MCA). The fund is administered by the Division of Workers' Compensation (39-71-2301, MCA) and is specifically declared to be held in trust for

payment of worker compensation benefits (39-71-2322, MCA). The insurance program is required to be "neither more nor less than self-supporting" (39-71-2304(2), MCA), and the division is required to fix premiums for different classes of occupations or industries at the lowest rate consistent with maintaining an actuarially sound insurance fund and creating actuarially sound surplus and reserves (39-71-2304(3), MCA). The division is also given other specific responsibilities and authority in administering the program.

The net effect of the statutory scheme is to establish the division as trustee of the insurance fund to ensure its adequacy to meet all claims made against it. Williams v. Industrial Accident Board, 109 M 235, 97 P.2d 1115 (1939); Yurkovich v. Industrial Accident Board, 132 M 77, 319 P.2d 503 (1957).

Hence, as a result of the statutory responsibilities, the division owes a fiduciary duty to employers insured by the fund to administer it in a financially sound and prudent manner and to employees insured under the fund to pay all valid claims for workers' compensation benefits. Generally speaking, as a trustee the division has a fiduciary responsibility to the beneficiaries of the trust to follow the terms of the trust and the requirements of applicable state law and has a legal and moral obligation to exercise the highest good faith in all matters pertaining to the trust (72-20-201, MCA). A breach of the fiduciary responsibility would make the trustee liable to the beneficiaries for any damage caused by such breach. If as a result of failure of the division to perform its fiduciary and statutory responsibilities the fund becomes insolvent, the division (i.e., the state of Montana) would be liable for unfunded obligations incurred in operating the insurance program.

It is not the purpose of this memorandum to analyze whether in incurring the currently projected unfunded liability of the insurance fund there has been any breach by the division of its

fiduciary or statutory responsibilities. That is a factual matter that may be determined only in a proper judicial proceeding. It is conceivable, although unlikely because of the statutory requirements and safeguards, that the unfunded liability could have occurred despite complete and proper performance by the division of its responsibilities. A court would certainly consider all facets of how the fund has been administered, including the manner of making benefit payments, whether a shortfall was reasonably foreseeable, and, if so, whether the division took timely and reasonably adequate action to address the foreseen shortage as required by 39-71-2304(3), MCA.

The continuing obligation of the state to pay workers' compensation benefits is also premised upon principles of contract law. Inasmuch as obligations for payment of workers' compensation benefits are incurred pursuant to contracts of insurance entered into by the division and the employer under authority of law, they represent vested contractual rights and are binding as such upon the state under principles of contract law. The legislature may not impair or abrogate such contractual obligations (Article II, section 31, Mont. Const.) nor may the contractual obligation be shifted to the employer under 39-71-2326, MCA, for reasons discussed in the following paragraphs, even though the insurance policy is conditioned upon payment as provided in that statute.

The application and effect of 39-71-2326, MCA, is not entirely clear. If the fund becomes unable to pay an obligation as it becomes due, this statute requires the employer on account of whose employee the obligation was incurred to satisfy the obligation, receiving a credit against subsequent premium assessments. However, the statutes have already imposed on the division the obligation to maintain the adequacy of the fund. The division, pursuant to the previous analysis, cannot avoid

liability for a breach of its statutory responsibilities, and the legislature may not avoid the previously contracted obligation. Therefore, it seems the employer may be properly made to pay the obligation only if the shortage in the fund is perceived to be merely temporary and the payment by the employer is simply a stop-gap means of continuing the program until it generates sufficient income to again become self-supporting.

The language of 39-71-2326, MCA, suggests the legislature in adopting that statute did not contemplate a permanent collapse of the fund and in fact merely contemplated a temporary shortage in the fund, in that all payments by employers plus interest thereon are to be credited against future contributions (i.e., premium payments) to the fund by the employer. Essentially the statute establishes an obligation for reimbursement of the amount of payment plus interest thereon to the employer, indicating there was no intent to permanently shift the obligation for payment of benefits to the employer. The section would create an impossible situation if the fund in fact became permanently insolvent and incapacitated, because the obligation to credit payments and interest against subsequent assessments nevertheless continues. Also, the statute does not address what happens if the fund is insolvent and there is no employer, whether because of death, insolvency, or other reason, to make the required payment.

Therefore, 39-71-2326, MCA, appears to provide for temporary prepayment of contributions in a certain limited circumstance, and nothing more.

II. STATE DEBT

An analysis of House Bill (HB) 884 in light of Article VIII, section 8, of the Montana constitution revolves around three issues. First, is a state debt created by the legislative act of

providing a supplemental funding source for the workers' compensation state fund? Second, is a state debt created by the legislative act of providing for the sale of bonds to finance the unfunded liability of the state fund? Third, is the sale of bonds to finance the state fund unfunded liability the creation of a state debt to cover deficits because appropriations exceeded anticipated revenues?

Article VIII, section 8, of the Montana constitution provides:

State debt. No state debt shall be created unless authorized by a two-thirds vote of the members of each house of the legislature or a majority of the electors voting thereon. No state debt shall be created to cover deficits incurred because appropriations exceeded anticipated revenues.

A. SUPPLEMENTAL FUNDING BY STATE OF STATE FUND

1. Question: By providing a supplemental funding source for the state fund is the legislature creating a state debt?

2. Conclusion: The unfunded liability of the state fund represents a projected future responsibility; it is not a present debt. Therefore, the legislature is not creating a state debt by devising a scheme to use tax revenue to presently augment the state fund.

3. Discussion: Title 39, chapter 71, part 23, MCA, provides that the workers' compensation state fund is funded by payment, by employers subject to the plan, of premiums based on a percentage of their payroll. Pursuant to 39-71-2322, MCA, the funds are held in trust by the state and administered by the division for the purposes for which they were collected. According to HB 884, "based on current liabilities and actuarial analysis, an unfunded liability presently exists in the state fund and is projected to increase". This unfunded liability represents medical and other benefits that the state fund likely will have to pay in the future for injuries that have occurred to

date. This projected liability is not a current debt of the state fund.

While auditors are able prepare an analysis of the future financial status of the state fund that shows it faces cash flow problems in the months or years to come, the fund presently has not expended all of its cash and is able to pay claims as they are submitted. As the unfunded liability in the state fund represents the projected payment of future benefits and not a debt that has already accrued, the legislature is not creating a state debt by assuming the responsibility to provide a supplemental funding source for the state fund unfunded liability. Thus, these provisions of the bill do not require a two-thirds vote of each house of the legislature.

B. SALE OF BONDS CREATES STATE DEBT

1. Question: Do the provisions of HB 884 that authorize the sale of bonds or notes to fund the state fund unfunded liability create a state debt?

2. Conclusion: The bonding scheme in HB 884 providing for the sale of general obligation bonds backed by the state's general taxing power constitutes the use of borrowed money to fund a state purpose. Therefore, a state debt is created that would necessitate a two-thirds vote of each house.

3. Discussion: HB 884 allows the state to borrow money through the issuance of bonds or notes. The Montana supreme court as recently as 1984 pointed out in Grossman v. State: "[I]f a new project or program will require the incurrence of debt, two-thirds of the members of each house can authorize it. Since the constitution provides for the use of borrowed funds, it undoubtedly follows that the state could in fact borrow money or create indebtedness. Incurrence of long-term debt through the issuance of bonds or similar instruments is a time-honored method

of governmental financing at all levels. We hold it eminently clear that the legislature can authorize borrowing long-term by issuing and selling bonds, and can provide for the servicing for such indebtedness by repayment or refunding." Grossman, 41 St. Rep. 804, 682 P2d 1319.

However, there are instances in which the issuance of bonds does not create a state debt. In State ex rel. Normile v. Cooney, the supreme court found that a state debt was not created in view of the provision in the authorizing law that all bonds contain a statement that they do not constitute a state debt or liability and are payable only from revenues derived from the works constructed. Normile, 100 M 391, 47 P2d 637 (1935).

In Normile the court stated: "The bonds of each project are payable only from the revenue derived therefrom. Such a plan does not violate [Article XIII, section 2 (provision revised by Article VIII, section 8 of the 1972 constitution)]." The bonds authorized in Normile were revenue bonds and were required to contain a statement on their face that the state was not obligated to pay them or the interest on them except from the revenues generated by the project built with the loan. The bonds were also required to provide that the bonds were not a debt of the state and were secured only by the funds received from the project built with the bond proceeds.

This is not the situation in HB 884, as the legislature is required to provide for the continued assessment, levy, collection, and deposit of the payroll tax into a fund to secure payment of the general obligation bonds or notes. Thus, the state's general taxing power is pledged to repay the bonds and a state debt is thereby created. This indebtedness becomes a state obligation that extends over the life of the indebtedness, and each succeeding legislative assembly has an unavoidable duty to provide for it, in the manner required by HB 884, which is

through the continued assessment of the payroll tax. This is the obvious intent of the legislature in HB 884.

C. BORROWING THROUGH USE OF BONDS NOT DEBT TO PAY DEFICIT

1. Question: By borrowing money through the sale of bonds is the legislature creating a debt "to cover deficits incurred because appropriations exceeded anticipated revenues"?

2. Conclusion: Although the sale of bonds to finance the state fund creates a state debt, it is not a debt incurred to pay for a deficit incurred because appropriations exceeded anticipated revenues because the unfunded liability represents a projected future responsibility. Money has not been appropriated to fund the state fund.

3. Discussion: As concluded in the discussion of the first issue, the state fund's unfunded liability constitutes a projected future responsibility; it does not represent amounts currently owed to injured workers. Although borrowing money through the sale of bonds would create a state debt, it is in effect incurring a debt to fund a new public purpose or project that the legislature has determined calls for state funding. Taking a loan for this purpose does not constitute incurring a debt to pay for a deficit already incurred; nor has money been appropriated previously to the state fund. The state fund has been funded by employer contributions, not by legislative appropriations. Thus, the final part of the constitutional prohibition is not applicable in this instance.

III. EQUAL PROTECTION

1. Question: Does the imposition of a payroll tax of 0.57% on all employers, even those participating in Plans 1 (self-

insurance) and 2 (commercial coverage), to fund the unfunded liability of Plan 3 (state fund) constitute taxation that is unconstitutional as being contrary to the equal protection clauses of the U.S. or Montana constitutions?

2. Conclusion: The tax is imposed on a logical class for a public purpose, and although it may not be considered fair by the taxpayer and other methods may be preferable, the tax is not unconstitutionally imposed.

3. Discussion:

a. The tax imposed in H.B. 884 is a real tax and not an assessment or a premium. The tax is a general percentage against an amount without a specific property interest benefited. An assessment would constitute a specified amount per employee or countable item, and a premium would be like an assessment but tied to other factors such as risk and liability. For the purposes of this bill, the difference is important in measuring the benefit derived from the payor. With assessments and premiums there is a benefit directly derived; with a tax there is no benefit except that of civilized government imposing a tax for a public purpose. In summarizing the relationship between cost and benefit in the relationship of property taxes paid by one person, the U.S. supreme court said:

"It may be true that he does not receive the same amount of benefit from some or any of these taxes as do citizens living in the heart of the city. It probably is true ... that his tax bears a very unjust relation to the benefits received as compared with its amount. But who can adjust with precise accuracy the amount which each individual in an organized civil community shall contribute to sustain it, or can insure in this respect absolute equality of burdens, and fairness in their distribution among those who must bear them? Kelly v. City of Pittsburgh, 104 US 78, 26 L.Ed. 658.

Just as there is no relationship between the number of school children a person has and the amount of tax he pays for school, a tax is paid to support some public purpose regardless of whether the individual paying the tax receives a direct benefit.

b. The purpose for the tax is a public purpose suitable for support by a tax. There are three "insurance" Plans within workers' compensation: Plan 1, self-insurance; Plan 2, commercial insurance; and Plan 3, state fund. The tax in H.B. 884 will pay for a bond issue to fund the unfunded liability of Plan 3. The participants of Plans 1 and 2 are to pay this amount even though they do not at this time use the state fund. Workers' compensation constitutes a public purpose recognizable by the courts.

"Our Workmen's Compensation Law was enacted for the protection of the workman as well as the employer.... It is the theory of our Workmen's Compensation Law that loss occasioned by injury to a workman shall not be borne by him alone, but by the industry and indirectly through the cost of the product by the public." State v. Industrial Accident Board, 130 M 272, 301 P2d 954 (1956).

The existence of Plan 3 constitutes an important part of workers' compensation because no employer may be denied coverage except by nonpayment of premiums. It is the coverage of last resort. There need be no direct benefit to taxpayers for a tax, but in this instance there is at least an indirect benefit in that those employers participating in each plan are not frozen in place. During the period the tax is imposed, employers will transfer from plan to plan, and some employers will go out of business and some new employers will be formed. The same is equally true of the exact business that may have directly benefited during the time the unfunded liability was incurred. The primary beneficiaries are employees, and they would be covered by different plans over a period of time more than employers.

c. The tax does not infringe or affect a fundamental or constitutional right. The tax does not infringe upon any right that is constitutionally recognized for the purposes of invoking the strict scrutiny or middle tier test of equal protection. Such rights are generally recognized individual rights not easily disrupted by a general tax on employers. See Butte Community

Union v. Lewis, __M__, __P2d__, 43 St.Rep. 65 (1986), for a complete discussion of the current status of equal protection, including the rational basis, middle tier, and strict scrutiny tests.

d. The classifications involved in imposing the tax must have only a rational basis, meaning it must not be arbitrary or capricious. Section 2 of the bill, "Findings and purpose" is included in the bill so that the legislature expressly states that there is a rational basis for enacting the bill. The tax is imposed upon employers, as defined by the workers' compensation laws, for the purpose of paying the unfunded liability of Plan 3. There is clearly a rational basis for taxing employers for the imposition of workers' compensation, and the fact that the continued provision of Plan 3 is a public purpose means that it is the proper subject of a tax. Because of the indeterminate membership of each of the plans and the fact that it is the employer, not the state, that chooses the plan to which the employer will belong, the taxation of workers' compensation employers to pay Plan 3 liabilities has a rational basis.

e. The fairness or unfairness of the tax does not appear to invoke constitutional principles. Whether it is fair to tax one group of persons or another group for the payment of the unfunded liability is not a constitutional question. If there is a rational basis for the taxation, a group may be taxed. It may be possible that many groups could also be taxed in a constitutionally correct manner. The fact that choices can be made and "inequalities" balanced does not mean a tax is unconstitutional.

7083f/c:jeanne\wp:jj

EXHIBIT 17
DATE 3/30/87
884

Amendments to House Bill 884
Introduced bill (white copy)

1. Title, line 11.
Following: "BONDS"
Insert: "AND THE UNFUNDED LIABILITY OF THE STATE FUND"
Following: "BONDS;"
Insert: "AMENDING SECTION 17-7-502, MCA"
2. Page 3, line 21.
Following: "the"
Insert: "employer's"
Following: "payroll"
Strike: "tax is intended to"
Insert: "shall"
3. Page 3, line 23.
Following: "[section 5]"
Insert: "and benefits for injuries that occurred prior to
June 30, 1987"
4. Page 3, line 24.
Following: "the"
Insert: "employer's"
Following: "payroll"
Strike: "tax is intended to"
Insert: "must"
5. Page 5, line 3.
Following: "account"
Strike "and are"
Insert: ". An amount of the tax proceeds equal to .5% of
each employer's payroll is"
6. Page 5, line 5.
Following: "[section 5]"
Insert: "and benefits for injuries that occurred prior to
June 30, 1987"
Following: "."
Insert: "An amount equal to .07% of each employer's payroll
is statutorily appropriated, as provided in 17-7-502, to the
state fund."
7. Page 5, line 9.
Following: "(1)"
Insert: "and statutorily appropriated for payment on bonds"
8. Page 5.
Following: line 21
Strike: subsection (4) in its entirety
9. Page 9.
Following: line 18.

Insert: "Section 17-7-502, MCA, is amended to read:

17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations:

- (a) 2-9-202;
- (b) 2-17-105;
- (c) 2-18-812;
- (d) 10-3-203;
- (e) 10-3-312;
- (f) 10-3-314;
- (g) 10-4-301;
- (h) 13-37-304;
- (i) 15-31-702;
- (j) 15-36-112;
- (k) 15-70-101;
- (l) 16-1-404;
- (m) 16-1-410;
- (n) 16-1-411;
- (o) 17-3-212;
- (p) 17-5-404;
- (q) 17-5-424;
- (r) 17-5-804;
- (s) 19-8-504;
- (t) 19-9-702;
- (u) 19-9-1007;
- (v) 19-10-205;
- (w) 19-10-305;
- (x) 19-10-506;
- (y) 19-11-512;
- (z) 19-11-513;
- (aa) 19-11-606;
- (bb) 19-12-301;
- (cc) 19-13-604;
- (dd) 20-6-406;
- (ee) 20-8-111;
- (ff) 23-5-612;
- (gg) 37-51-501;
- (hh) 53-24-206;
- (ii) 75-1-1101;
- (jj) 75-7-305;

(kk) 80-2-103;
(ll) 80-2-228;
(mm) 90-3-301;
(nn) 90-3-302;
(oo) 90-15-103; **and**
(pp) Sec. 13, HB 861, L. 1985 and
(qq) [section 4].

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments.

Renumber: subsequent subsections.

BG/BG2/hb884 *and fix*

EXHIBIT 18
DATE 3/30/81
HB 884

AMENDMENTS TO HOUSE BILL 884

1. Page 3, line 14.
Following: line 13
Strike: line 14 and line 15 through "fund"
2. Page 3, line 19.
Following: line 18
Strike: 0.57%
Insert: .5%
3. Page 3, line 20 and 21.
Following: "39-71-401." on line 21
Strike: "An amount equal to 0.5% of the"
Insert: "This"
4. Page 3, line 23.
Following: "[section 5]."
Strike: the remainder of line 23 and lines 24 and 25 in their entirety

3/30/81
884

TOTAL INCOME	\$59,139,177	\$69,115,607	\$66,900,537	\$66,945,742	\$67,082,500	\$67,505,875	\$68,180,933	\$68,882,743	\$69,551,370	\$70,246,894	\$70,949,353	\$71,658,896
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TOTAL EXPENSES	\$71,260,204	\$89,479,444	\$79,103,122	\$76,098,285	\$73,924,946	\$76,742,057	\$75,745,953	\$75,019,453	\$76,384,818	\$76,276,351	\$76,913,237	\$77,037,712
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[illegible]

OFFICE OF THE LEGISLATIVE AUDITOR
STATE INSURANCE FUND FINANCIAL ACTIVITY PROJECTION
FUNDING EMPLOYEES ASSUMING THE PASSAGE OF SB 315 AND HB 934

Assumptions: PASSAGE OF SB 315 (3RD READING COPY)
after FY 87 TAX OF .5 % ON PLAN I, II, III EMPLOYEES

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
3 (Cash)												
lected	\$49,232,000	\$50,861,305	\$64,800,000	\$65,520,537	\$66,175,742	\$66,837,500	\$67,505,875	\$68,180,333	\$68,862,743	\$69,551,370	\$70,246,934	\$70,943,353
Earnings	\$7,401,282	\$7,964,872	\$4,315,607	\$2,530,808	\$3,174,396	\$4,134,658	\$5,374,272	\$6,564,713	\$7,970,073	\$9,587,144	\$11,284,539	\$13,172,508
3	\$465,000	\$313,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	\$57,119,282	\$59,139,177	\$69,115,607	\$63,185,439	\$63,680,871	\$61,505,532	\$63,619,917	\$65,631,803	\$67,988,433	\$70,505,687	\$73,112,668	\$75,918,315
3)												
profits												
ts	\$38,034,472	\$43,866,927	\$53,091,639	\$61,944,000	\$42,456,000	\$25,404,000	\$14,964,000	\$8,874,000	\$4,872,000	\$4,176,000	\$2,610,000	\$2,088,000
s	\$14,085,173	\$20,472,171	\$28,587,805	\$3,482,633	\$17,057,486	\$26,533,615	\$34,890,737	\$38,071,770	\$40,070,845	\$41,090,732	\$42,098,128	\$42,721,404
ses	\$5,021,398	\$6,672,158	\$6,800,000	\$7,000,000	\$7,200,000	\$7,500,000	\$7,900,000	\$8,100,000	\$8,300,000	\$8,500,000	\$8,700,000	\$8,900,000
penses	\$100,144	\$248,348	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
SES	\$57,241,787	\$71,260,204	\$88,479,444	\$79,103,122	\$76,098,285	\$73,324,946	\$76,742,057	\$75,745,353	\$75,019,453	\$76,384,818	\$76,276,351	\$76,913,237
E Repts)			INCURRED:	\$62,244,510	\$62,865,955	\$63,495,625	\$64,130,581	\$64,771,837	\$65,419,606	\$66,073,802	\$66,734,540	\$67,401,885
			Loss Ratio:	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
statements	\$57,737,038	\$47,951,131	\$29,587,354	\$26,663,671	\$16,252,257	\$63,832,903	\$80,709,763	\$100,655,612	\$123,624,592	\$147,745,462	\$174,591,779	\$203,587,456
ity			\$174,000,000	\$164,341,388	\$158,510,058	\$155,780,737	\$151,269,281	\$148,595,194	\$147,495,347	\$145,884,330	\$145,242,519	\$144,831,167
ability			(\$145,412,646)	(\$131,671,717)	(\$112,257,801)	(\$91,947,834)	(\$70,559,498)	(\$47,339,582)	(\$23,870,754)	\$1,861,131	\$23,339,260	\$58,756,290

Assumptions: after FY 87

[illegible]

OFFICE OF THE LEGISLATIVE AUDITOR
STATE COMPENSATION INSURANCE FUND
FINANCIAL ACTIVITY PROJECTION
MARCH 28, 1987

*Assumes
H8884 fails
✓ 100% Loss of
Market Share*

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Income Collected	\$50,861,305	\$64,800,000	\$51,798,938	\$52,316,946	\$52,840,118	\$53,368,519	\$53,902,204	\$54,441,226	\$54,985,638	\$55,535,455	\$56,090,850
Investment Earnings	7,964,872	4,315,607	1,400,000	770,000	245,000	0	0	0	0	0	0
Income	313,000	0	0	0	0	0	0	0	0	0	0

INCOME	\$53,139,177	\$63,115,607	\$53,198,938	\$53,086,946	\$53,085,118	\$53,368,519	\$53,902,204	\$54,441,226	\$54,985,638	\$55,535,455	\$56,090,850
Less (paid)											
7788 Benefits	\$43,866,927	\$53,091,639	\$61,944,000	\$42,456,000	\$25,404,000	\$14,964,000	\$8,874,000	\$4,872,000	\$4,176,000	\$2,610,000	\$1,044,000
Benefits	20,472,171	28,587,805	2,755,705	7,261,282	11,235,220	14,852,803	16,206,951	17,057,947	17,572,990	17,920,951	18,186,276
Expenses	6,672,158	6,800,000	7,000,000	7,200,000	7,500,000	7,900,000	8,100,000	8,300,000	8,500,000	8,700,000	8,900,000
Debt Expenses	248,948	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

EXPENSES	\$71,260,204	\$69,479,444	\$77,017,442	\$70,602,519	\$58,376,056	\$55,500,579	\$63,479,576	\$62,108,992	\$63,094,542	\$62,712,717	\$63,148,790
INCURRED:	\$67,373,084	\$76,662,000	\$49,209,011	\$49,701,101	\$50,198,112	\$50,700,093	\$51,207,094	\$51,719,165	\$52,236,356	\$52,758,720	\$53,266,307
Less Ratio:			0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95

Investments	\$47,951,191	\$28,587,354	\$4,760,871	(112,746,700)	(25,037,639)	(37,163,699)	(46,747,071)	(54,414,837)	(62,513,741)	(69,690,964)	(76,748,904)
Liability	\$174,000,000	\$153,391,569	\$139,890,151	\$132,412,206	\$125,711,719	\$121,739,238	\$119,849,410	\$117,701,225	\$116,647,227	\$115,894,744	\$115,933,772
Added Liability	(\$81,021,967)	(\$145,412,646)	(\$148,662,698)	(\$152,636,800)	(\$157,443,845)	(\$162,881,419)	(\$168,486,308)	(\$174,264,247)	(\$180,214,965)	(\$186,338,191)	(\$192,633,648)

(Montana)											
1/1/1/11 Payroll	\$3,956,237	\$3,995,800	\$4,035,758	\$4,076,115	\$4,116,877	\$4,158,045	\$4,199,626	\$4,241,242	\$4,284,038	\$4,326,879	\$4,370,147
111 Payroll:	\$1,888,933	\$1,907,994	\$1,923,478	\$1,938,766	\$1,954,121	\$1,969,662	\$1,985,358	\$1,001,212	\$1,017,224	\$1,033,396	\$1,049,730
111 % of Mkt:	47.75%	47.75%	37.75%	37.75%	37.75%	37.75%	37.75%	37.75%	37.75%	37.75%	37.75%
Rate:	\$2.63	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40

Loss 10 % of Market in F885 -

HB 884 introduced in the Montana Legislature to solve the unfunded liability problems within the State Compensation Insurance Fund will impose a "payroll tax" of 57¢ on each \$100 of wages paid by every Montana employer. This revenue producing measure would provide the State Fund with an additional \$23 million each year beginning in Fiscal Year 1988.

The financial short-fall facing the State Compensation Insurance Fund has to be dealt with swiftly to avoid a potential collapse of this needed insurance program. The majority of solutions available to correct this problem are administrative in nature and do not need any legislative involvement. A "quick-fix" measure should not be used on a problem that has developed over the past six to seven years.

The State Fund has grown from a relatively small insurance company in the late 1970's to the largest insurance writer of workers' compensation insurance in Montana. Many reasons surround this tremendous growth, but, the most significant reason rests with the inadequate rate that the State Fund has used since 1980. Since July 1, 1980 the State Fund has charged its policyholders a rate that did not meet a break-even level for their insurance operations. Since this rate was significantly less than the rates used by the private insurance companies in Montana, many Montana employers moved their insurance coverage to the State to save premium dollars. In 1980, the State Fund wrote \$26.9 million in workers' compensation coverage. They grew to \$33.7 million in 1983; to \$37 million in 1984; to \$49.3 million in 1985 and are projecting premium income of \$65 million for 1987.

The State Fund has increased its market share nearly 100% from 1981 through 1987 using a rate that was not adequate. They passed on this rate savings to only those policyholders that purchased insurance from the State Fund. Businesses that did not attain insurance coverage from the State Fund thru this period were required to pay higher prices for insurance from their private insurance company to reflect the increases in the costs of workers' compensation insurance. Since the State Fund was not using an actuarial sound rate in the 1980's, they

are faced with a financial deficit must meet to maintain their position

Many members of the Montana "payroll tax" measure is the only But, many options are available to the financial problems of the near

Many people believe that the solve this financial problem since insurance to any business. When it was granted many advantages over and the self insured companies. the State Fund was restricted in in its insurance program. These

1. All State government Fund.
2. State Fund was exempt (The State Fund in Idaho their respective General
3. State Fund was exempt profits from operation
4. State Fund was exempt or interest income.

their aggregate losses liability would be minimized

7. State Fund is immune Insurance Commission discount their incurred rates; they do not have "expense" reserve that outstanding claims; the acquiring new business

Many options are available for us the State Compensation Insurance meant to be an inclusive listing

1. The 57¢ "payroll tax" amounts to a 16.48% premium increase for those risks insuring with the Montana State Fund. Employers' are looking at bottom line costs for insurance, and whether the requirement to pay additional monies to the State Fund is called a "rate increase" or a "payroll tax" the cost must be paid by the employer.

The State Fund rate for insurance is the cheapest available in Montana at this time. The next best available rate used by any insurance company is State Fund plus 17½%.

The State Fund would certainly be able to move their rate upward without having to loose the need for charging the lowest rate.

2. The State Fund is able to charge an advance rate for dangerous places of employment. This permits the State Fund to debit their current rate to use on employers that have employment conditions unacceptable to the standard risk.

Private insurance companies for many years have used a debit or credit system to impose a penalty for poor risks or grant a reduction to good risks.

3. The State Fund should improve their insurance products by offering for sale more than just a guaranteed cost insurance policy. They could offer retrospective rated insurance policies, retention plans, cash flow plans, and individually tailored dividend programs.
4. The State Fund should improve their cash flow position. They should require that all advance deposits be paid in cash. A deposit should be more than just security for unpaid premiums; it should be a vehicle that generates income to aid in the operations. Deposits should be altered annually to reflect the current operations of each risk that is insured with the State Fund.
5. The State Fund should offer more than just quarterly and semi-annual voluntary payroll reports as the method of paying premiums. A program to allow insureds to pay premiums in advance will imrove the cash-flow position of the Fund.

Private insurance companies allow premium payments in advance on the majority of insurance policies. Payments on a monthly basis and an annual basis in advance provide a very positive cash flow and additionally this reduces the fixed collection costs associated with premium payments.

6. The State Fund should audit all risks above \$2,500 each year.

Private insurance companies audit all risks each year; risks above \$2,500 are generally audited by a individual visiting the risks and risks below \$2,500 are generally asked to submit all payroll information on a solicitation basis. Fee auditors are able to complete about 20 audits per week per person when actually visiting the business.

7. The State Fund should use proven claims reserve practices that reflect the loss development characteristics unique to Montana. When the initial reserve amounts are not adjusted in a timely manner, the Experience Modification Factor is unable to reflect the "correct" actual incurred loss. The use of the NCCI development factors will more accurately allow the State Fund to know that the experience modification promulgation process is reflective of the actual loss data.
8. The State Fund does not use the "Expected loss rates" or the "D ratio's" calculated by NCCI in the experience rating process. Since the State Fund does not use the NCCI rates, the State Fund should calculate their own experience modification factors using factors that are relative to their own experience.

It serves no purpose to develop a rate program and then use a different set of rates to promulgate an experience modification factor. Currently, the "expected loss rate" for many class codes is greater than the actual rate used by the Fund. In these cases, the experience modification factor is far less than adequate in reflecting the true experience of a risk.

9. The State Fund should have a loss control department. They should implement an aggressive program to aid employers in reducing loss time injuries. The use of "safety inspectors" employed by the Division of Workers' Compensation prevents a free exchange of information on the part of the employers in many cases. Loss control is a very important item in the overall effort to reduce employer costs under the workers' compensation program.
10. The State Fund rate level does adequately reflect the losses incurred by each classification code. Since individual claim reserves are not adequately valued within the first seven months, the rates don't reflect the true loss experience. This problem is providing a dual benefit to the employer; one from the rate position and one from the experience rating position. The use or NCCI loss development factors would help solve this problem.
11. The State Fund should retain the services of an actuarial firm that has a wealth of knowledge in the property-casualty insurance field. Their current actuarial firm has helped lead them on the path to their current financial position. The use of NCCI is always an alternative. The Fund could submit their line item losses to NCCI for determination of the adequate rate to use.

Many of the State Fund rates are based on virtually no credible data since they are inclusive of such a small data base. The inclusion of additional data available from NCCI would improve the rate credibility base that the State Fund is using.

12. The State Fund could increase each rate less than the average rate by 25%. The average State Fund rate is about \$3.75. This additional increase will generate additional premiums of \$8-10

million annually. This type of increase would pass more of the fixed costs of the insurance operation directly to the users.

13. The State Fund should stagger their renewal dates (NARD dates). This would permit the use of the correct rates and correct experience modification factors at all times. This would improve the internal work flow and all policies would not receive their modification factors on July 1.
14. The State Fund should "short-rate" any insured that is mid-term cancelling a policy to insure with another insurance company.
15. The State Fund should eliminate any special programs that they have with certain groups that work to the detriment of the overall insurance program offered by the State Fund.

For instance, they should drop the Montana Logging Association "Dividend-Safety Program". Under this program, the State Fund pays to the MLA up to 4% of the paid premium by all the members. Additionally, none of the members of this "group" are required to pay an advance deposit.

16. The State Fund could choose to cap rates when they reach a certain limit (for instance \$32.00). If this were the case, the State Fund would have to spread the excess over the remainder of the risks insured with the Fund. This practice is common when a rate increase would be excessive in any single year; extension to an overall book of business would also be very easy to implement.
17. The State Fund could adopt the NCCI expense constant for Montana of \$120. per insurance policy. This charge for 26,000 risks would amount to \$3,120,000 annually.

State Funds in Oregon and Idaho currently use this same \$120.

18. The State Fund could use a minimum premium charge on each account similiar to the private insurance companies in Montana. State Funds in Idaho and Oregon also use this same minimum premium. The minimum premium is equal to the current rates times 105 plus the \$120 expense constant, but not over \$750 each year.
19. The State Fund should improve their claims handling process. They currently have attorney representation on 35% of their open case file which is excessive for the industry, probably seven (7) times the average for Montana. A problem exists in getting the word to the injured people on their benefits and what the State Fund will do for them.

20. The State Fund should not use special classification codes for only their own usage. They should use established classifications that include a history of losses.

For some of the captives insuring with the State Fund, the Fund has created a special classification code to use. This code has a rate that has been developed over a period of time. Then the risk is experience rated. For instance, the State Highway Department uses two codes only used by that entity. Then they receive an experience modification factor comparing them to the average risk using just those two classifications.

The effect of any losses are magnified by providing a lower rate and a low modification factor if past losses are less than the premium paid. If the losses are greater, the rates and the experience modification factor would be much greater than the premium paid.

Since losses are discounted when they exceed \$2,000; a greater benefit is given to the insureds with numerous losses over that \$2,000 loss figure.

21. State Fund may still need to borrow monies to meet the immediate financial needs of their plan in late 1989 or 1990. They could borrow this money from the "Coal Trust" and amortize the debt over an extended number of years.

One of the major reasons that the State Fund is facing the financial problems of today rests in the tremendous growth that it brought upon itself. By maintaining a rate level less than break-even, they were able to garner the majority of the workers' compensation insurance market in Montana. But, the more business they attracted, the more money they will lose. To reverse this trend, the State Fund will have to charge a rate that is adequate to cover all insurance operations. Private insurance companies must charge an adequate rate to remain in business. In recent years, the private insurance companies have charged a rate that would cover the insurance operations, but that rate has been unattractive to the consumers in Montana since the State Fund is using a rate that is depressed.

The State Fund is an insurance company and must operate like an insurance company. It must provide a product to the consumer at an equitable price, a price that is inclusive of all the costs of operating an insurance company for a long period of time. The Fund must use good business practices. It must use methods consistent with all other insurers, balancing the needs of the customer and Fund.

A change in the administrative direction at the State Fund will assist in making them a more viable venture. The current problems at the State have developed over the past seven years and can be solved through prudent decisions and money management. HB 884 shifts the burden of insurance from the high risk employer to the low risk employer. A flat tax on the payroll earned of each employer will penalize the employers who have succeeded in implementing a good and effective safety program over a number of years. Employers with low rates will see tremendous increases in premium.

Schools, retail stores, professional offices and other low risk establishments will see rate increases that exceed 50% under HB 884. These risks have provided the base for all successful insurance operations in the past. A risk with a \$20.00 rate would only see an increase in premium of 2.9% under HB 884.

The unfunded liability existing at the State Fund is a direct result of the insurance program offered by the Division of Workers' Compensation. The insureds at the State Fund who received lower than adequate rates in the past should hold the responsibility of balancing the existing liabilities of the present since they are a direct result of the past operations.

NEW FISCAL NOTE BASED ON:

	1988	1989
3% Science and Technology Board	\$896,757	\$933,156
3% Business Assistance	896,757	933,156
2% Vo Techs for Job Training	597,838	622,104
2% University Capital Equipment	597,838	622,104

Page 3 Line 5 - 7

(b) 6% until July 1, 1987, and thereafter 27.5% to the state Special Revenue Fund to the credit of the local Impact and Education Trust Fund Account;

Page 4 Line 14 - 16

(k) 3% to an account in the State Special Revenue Fund to the credit of the Montana Science and Technology Development Board;

Page 4 Line 17 - 21

(l) 3% to the State Special Revenue Fund to the credit of the Department of Commerce Business Assistance Program for funding economic assistance programs and ways to add value to Montana's basic commodities before they leave the state;

Page 4 Line 22 - 24

(m) 2% to the State Special Revenue to the credit of the Office of Public Instruction to be granted to the Vocational Technical Centers for job training and equipment programs to prepare Montanans for jobs in mid-level and advanced technology companies;

Page 4 Line 25 - Line 4 on page 5

(n) 2% to a higher education Capital improvement fund in the State Special Revenue Fund for purchasing equipment needed by units of the university system to train students and conduct research in mid-level and advanced technology;

Motions to be made to HB 2

1. Science and Technology Board

\$896,757 \$933,156

To be directed to the university system for research and development in areas of economic development.

2. Business Assistance

\$697,893 \$691,692

Remove general fund within the department budget to fund with 3% earmarked.

\$100,000 \$100,000

Local Community grant program to assist in matching funds to place business packaging at the local level.

\$ 78,000 \$100,000

To be used by "Montana Ambassadors" to develop loaned executive program in cooperation with the Department of Commerce - Recruitment expense.

\$ 20,000

\$ 30,000

Value Added Commission to explore added value opportunities to Montana basic industries

3. Vocational Technical Job Training Programs

\$597,838

\$622,104

4. Higher Education Capital Improvements

\$597,838

\$622,104

EXHIBIT 22
DATE 3/30/87
HB 889

WITNESS STATEMENT

NAME Jo Brunner BILL NO. HB889

ADDRESS 2015½ 9th Avenue DATE 3/30/87

WHOM DO YOU REPRESENT? Montana Cattlefeeders and Cattlemen

SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Mr.Chairman, you have heard or have yet to hear a great many reasons why HB889 will be beneficial to agriculture in Montana, and thus to the rest of the state. The Cattlefeeders and the Cattlemen support the views and Representative Winslow in HB889. Mr. Chairman, its taken quite a few sessions for a great portion of the Montana Legislature to recognize that when the agriculture segment of our economy is suffering it will be detrimental to our overall economy in a few years.

While some of the problem may lie within agriculture itself, our people on the land who don't get too involved in our legislative process, some of the problem lies with our agriculture representatives and senators who for some reason or other have different views on any given solution. I have worked within the framework of the Agriculture Coalition for 4 sessions now and that Montana Coalition of agriculture organizations is getting stronger each session, through unity amongst the groups. We have a great unity on this bill and while some of our organizations have positions arrived at years ago, when the Coal tax principal was new and the idea of anyones posterity seemed light years away, those positions remain and tho they may have supporting views of the bill, they are unable to give unqualified support.

These organizations represented here today do not have the coal tax problem. And while you will undoubtedly here testimony protesting the raid of the coal tax principal on various grounds, there are also valid reasons for this purpose.

Frankly, i believe that that sacred cow has been butchered, quartered and dispensed quite freely already and not necessarily to the most needy. Everytime money is diverted from entering that fund, it has been raided and everytime a tax reduction is granted to those who are taxed for deposit into the account it has been raided..

For some reason we do not look squarely at some issues,--people who would lay down their lives to ensure that fund for their posterity see no connection between not getting the money deposited and the lack of growth to the principal.

Those who will not see using some of the coal tax principal for HB889, a much needed infusion to the agriculture communities understand the rational of lowering the tax to the coal companies, without any guarantee at all except it should bring about more sales of coal. The coal companies say so, and while I certainly do not dispute their words, We--agriculture say this will be beneficial to the whole state of Montana also.

Will you resist --one more time--agriculture's pleas that you cannot continue to ignore our plight.

How dead must the plant that the state feeds off of have to be before you realize the reason the top branches are dying is because there is no life left in the roots.

This law will infuse some life back into our communities--perhaps not all, but it will give us a chance.

I have 22 grandchildren that I want to have a good education, I want them to stay in Montana for schooling and to live in Montana and to work here after school. My farm cannot continue to fund those dreams---and I know that unless we are able to help keep alive--at the root---this plant--they will not be able to do so, nor will those who live in the larger communities.

My oldest grandchild is nearly ready to start college. My posterity is here now---in real need of the use of the coal tax money---our rainy day is with us--it will do little good to keep that money in the bank when their future and their posterities future will be in another state. Please vote yes on this bill.

ews-Argus

SUNDAY, MARCH 15, 1987
Second-Section

Montana like the stars

To drive and shoot . . .

Law Academy 'visits' Lewistown

by BRIAN JUSTICE

No matter where the Montana Law Enforcement Academy will be located, it appears Lewistown will be participating in the program for the next several years.

Legislators and city and state officials in Helena are fighting over which city it will be. Lewistown was one of three finalists for the academy's permanent home.

A legislative subcommittee made Dillon its final choice. But the final decision is still up to the Legislature and several bills promoting various locations are yet to be acted on.

This past week 28 students, seven academy instructors and seven highway patrolmen were in Lewistown to participate in driving courses and shooting drills at the facilities near the airport.

Bill Westfall, LEA administrator, said proper driver training is one of the most critical foundations in law enforcement and Lewistown has the only driving course in the state.

He said it doesn't make any difference where the academy is located, it appears students will still be coming to Lewistown for the next few years because of the driving course.

"A driver's training course is something that we will eventually need and we will continue to come to Lewistown until we get one," he said. He estimated this could be for the next four or five years.

A driving course wasn't in the academy's site proposal criteria, Westfall said, because drivers training wasn't required.

However, he said, that has changed because of skyrocketing liability

Last fall students and instructors stayed for a week of driver's training. The class was divided into two groups.

One group drove in Lewistown for three and one-half days, while the other underwent firearms training in Helena. At mid-week, the students traded duties.

The road time required for driving to additional training facilities has robbed the students of valuable training, academy officials and students say.

Jack Wiseman, basic program manager, said the time lost totals about two days when moving to other facilities.

"It would be a lot nicer if we had our own facility," he said of the driving course. "That's two days of driving that could be put to use if everything was in one location."

Wiseman said he has no preference for the academy's location, but "unless we had a proper facility, it would be tough to go here."

He and Westfall agree that none of the proposed sites would meet the needs of the academy because all include converting existing facilities.

"We don't have a problem with location," Wiseman said, "just the facilities."

Westfall agreed with Wiseman on the facilities and location.

"We should be asking what should the academy be, not where should it be."

He explained that the students put in 420 hours of training and can take 70 optional hours to further improve their skills.

"With the amount of time spent and the intensity of it, the academy needs a facility designed for specific needs," he said. "That means a

ed.

"There are more than 3,500 skills a police officer should know to adequately do the job," Westfall said. "This was compiled from studies during the 1930s and law enforcement has become increasingly more demanding since then because of technology."

"Law enforcement has learned a lot from this issue and we need a new facility to produce the best men and women possible."

He predicts that the academy will remain in Bozeman, as is, because of the state's bleak financial situation. The same process Lewistown has faced may occur again by the time the Legislature meets again, he added.

He described the quest for a new facility as "a long-term proposal" and the academy will have to make due with what it has.

"Rome wasn't built in a day," he said.

Westfall said even though the current facilities are not adequate, the academy still turns out "excellent law enforcement personnel."

And many of them are working throughout the state and have excellent track records, he added.

He used an example of the recent shooting at Fergus High School resulting in the death of a substitute teacher.

He said the police officers found out where the suspect was and surrounded the house and used the phone to call the suspect's mother and stepfather.

The suspect was taken into custody without any further shooting.

"Ten years ago you would have seen another shooting spree," Westfall said. "Somebody did a good job of training these police officers."

VISITOR'S REGISTER

COMMITTEE

BILL(S) 294

DATE _____

SPONSOR(S)

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

VISITOR'S REGISTER

BILL(S) HB-895 COMMITTEE _____
 DATE _____
 SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
Ken Foust	Great Falls	895	X	
Frank J. Iacono	Sidney	895	X	
Mike Walker	St. Falls	895	X	
George L. Anderson	Mayor, City of St. Falls	895	X	
Richard G. Gasvoda	CHAIRMAN OF CITY COMMISSIONERS	895	X	
Barry C. Michelotti	Cascade County Sheriff	895	X	
Rick Later	Beaverhead Co. Sheriff	894	X	
James N. ...	Dillon	"	X	
...	...	894	X	
...	...	894	X	
...	...	894	X	
...	...	894	X	
...	...	894	X	

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VISITOR'S REGISTER

BILL(S) 904 COMMITTEE _____
 SPONSOR(S) _____ DATE _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
<i>Reginald Jones</i>	<i>Western MT College</i>			
<i>Bill F. Jones</i>	<i>Western Montana College</i>		X	
<i>Ed Hagenbarger</i>	<i>OP</i>	<i>904</i>	X	
<i>Clare Thomas</i>	<i>Retired Teachers</i>	<i>904</i>	<i>amend</i>	X
<i>Darryl B. Carlson</i>	<i>MT Society CPAS</i>	<i>904</i>		X
<i>Phil Campbell</i>	<i>MEA</i>	<i>904</i>	X	
<i>James A. Hill</i>	<i>MTA</i>	<i>904</i>	X	
<i>James A. Hill</i>	<i>MTA</i>			X
<i>James A. Hill</i>	<i>MTA</i>			X
<i>Claudette G. Morton</i>	<i>Board of Public Education</i>	<i>904</i>	X	
<i>Bill F. Jones</i>	<i>MTA</i>			

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT
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