

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

April 8, 1987

The 27th meeting of the Senate Finance and Claims met on the above date in room 108 of the State Capitol. Following roll call the meeting was called to order by Senator Regan, Chairman to hear House Bills 593, 862, 870, 888, 871 and 901.

ROLL CALL: With Senators Jacobson and Stimatz excused the remaining members of the committee were present. Senator Regan said Senators Jacobson and Stimatz had left their votes with the secretary.

CONSIDERATION OF HOUSE BILL 593: THE PRIVATE ENTERPRISE ACT; ESTABLISHING A PRIVATE ENTERPRISE REVIEW COMMISSION AND PROVIDING FOR ITS FUNCTIONS; etc.

Representative Jan Brown, House District 46, and chief sponsor of House Bill 593 said, House Bill 593 establishes a private enterprise review commission to review goods and services that are provided by state agencies but might better be provided by private enterprise. All that's left of the bill now would set up a commission with 11 members who would receive no compensation. It provides a \$500 appropriation and all other money would be provided by private contribution. The bill was requested by the National Federation of Independent Business. She said the bill asks that the Legislative Council furnish a staff person and there was some concern that \$500 would not be enough money.

PROPOSERS TO HOUSE BILL 593: Riley Johnson, NFIB said, as many as 4 or 5 years ago the NFIB began surveying their membership of about 5,000 small and independent businesses in the state of Montana and asking the question, are you as a business in any way affected by the competition of the state or local government. About 715 % of the respondents said they were in one way or another affected by government competition. In 1987 the survey ballot we just did the results were 82% of the respondents said they were being affected.

Mr. Johnson explained that much of the state was small and independent businesses and that government of all kinds is the biggest market we have. He said it was being eroded by state government going into business in various industries.

Sue Weingartner, Montana Solid Waste Contractors Association said, many of our members are also members of the NFIB and we've been asked to strongly support this bill.

Don Engels, Montana Chamber of Commerce said, at the White House Conference on small business this was such a problem that it rated # 3 on the top of the list; the competition between private enterprise and government. We support House Bill 593.

Ken Dunham, Association of Printers and Publishers of Montana said, we too support this bill.

Ellen Feaver, Director Department of Administration said, as the bill is written I think it is a very legitimate subject for study of public policy and one that should be studied in the state. I would point out to you on page 5 that in lines 11 and 12 there is no per diem, travel or mileage for the people who serve on the commission and I would hate for a legislator to put in for this commission and be surprised since you are accustomed to being reimbursed for at least your travel expenses for participation in work. I think this language prohibits the \$500 from being used to reimburse your expenses and I think the language also prohibits private enterprise from reimbursing your expenses too. If that is not your intent then I would suggest you look at it.

LeRoy Schramm, Chief Legal Counsel for the Montana University System said as the bill is amended we think it is worth while. We would like one change and I have an amendment that I would pass out. He said this amendment would amend the composition of the study commission. Right now it has 11 members, a majority of whom are listed as a representative of private enterprise, and given the fact that this group is supposed to come back to you with recommendations for legislation I think you would be better served and state agencies and everyone would be better served if the study commission were somewhat more balanced. Also since to some extent it would use legislative council staff and facilities, I think one might question whether that should have a majority of members from private enterprise. His amendment would make it 12 members; 4 representatives, 4 legislators, and 3 department heads or 3 representatives from the Executive branch and 1 representative of the Montana University System.

There were no further proponents and Chairman Regan asked if there were opponents.

OPPONENTS TO HOUSE BILL 593: Tom Schneider, representing Montana Public Employees Association, said he did not oppose the bill in the House. There is some merit for the study but was concerned about the games that were played in the

House dealing with printers. He said, if that's the purpose of this particular study I would hate to see the state spend 2 years going through the same scenario and spending money that could be used in other ways just to perpetuate the ends of a few people in the state of Montana that want to make some more money. He said, I proposed some amendments since I am concerned about the makeup of the committee. My amendment would reduce the commission to a director appointed by the governor, 2 private enterprise representatives appointed by the Governor, and simply 2 senators appointed by the Senate and 2 House members appointed by the House. I think this would make a good workable group and a good cross section to look at the things this bill intends to do and it might produce a study that it would be in the best interests of all of us in 2 years to take a look at.

Mr. Schneider pointed out that any corporation the size of state government would have it's own print shop, store, etc., and that it should be looked at but the cost to the state should be a careful consideration to the commission. He also pointed out that even if it were private donations the money would have to be appropriated in order to be spent and thought an estimate should be made of income and an appropriation put in the bill for that amount.

Linda Ard, representative of the American Federation of State, County and Municipal employees. Her written testimony is attached as exhibit #3, H. B. 593, and she passed out a booklet entitled "When Public Services Go Private" which is attached to the minutes as exhibit #4, H. B. 593.

Terry Minow, Montana Federation of Teachers, Montana Federation of State Employees spoke in opposition to House Bill 593. She said she would like to relate the experiences with Montana Federations with an experiment with prioritization in the state. She said, I am referring to the Montana Youth Treatment Center in Billings. Most of you will remember being courted by Rivendell two years ago when they wanted to purchase the Montana Youth Treatment Center. At that time the Legislature specifically required that preference be given to current employees who were substantially qualified and were working for the state at the time of the privatization. That has not happened and there is a law suit pending over that loss of jobs. Rivendell also brought in outside management for another loss of jobs to Montana citizens. We also gave up all control of the treatment plan at the Montana Youth Treatment Center. Rivendell provides a four month treatment plan and this may or may not be appropriate to severely disturbed youth of Montana, but that placer has moved because the state has given up control over that treatment center. As you know the Department of Institutions is not noted for

being a particularly easy going, sympathetic or high paying employer, but unfortunately Rivendell makes them look good.

Claudia Clifford, representing the United Food and Commercial Workers said they represent workers both in the private sector and the public. Her testimony is attached as exhibit # 5, House Bill 593.

Don Judge, representing Montana AFL-CIO spoke as an opponent to House Bill 593. His testimony is attached as Exhibit # 6, House Bill 593.

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

QUESTIONS FROM THE COMMITTEE: Senator Jergeson said he would like to ask Representative Brown a couple questions. He asked, first on the technical nature, the Senate has a great deal of affection for our President but as a general rule appointments on committees are done by the Committee on Committees. Is there a reason why you did not write the bill that way? Representative Brown answered, the bill as originally written was based on a law that was used in the state of Arizona and they took the wording directly from that and then the House Appropriations committee amended it as you see it written now. It was an oversight.

Senator Jergeson said, several years ago the Government appointed a management council of private enterprise people who reviewed management practices in the agencies. Did they not address this kind of an issue at all in their studies? Representative Brown said, maybe some of the people here would know. I know they did address some of the same questions and many of their recommendations have been put into the law.

Senator Jergeson said, this bill must indicate that you felt they did not fully address these particular issues. Representative Brown suggested the question be directed to Riley Johnson. Riley Johnson answered, the previous one did address more on the management standpoint and the management function as opposed to efficiencies, etc. Our intention here is to suggest looking at general areas that we feel are pure private enterprise versus state supplied service.

Senator Jergeson asked, the choice between doing something in-house and contracting out services; isn't that really a major management type of issue? Mr. Johnson answered, yes, it is, and I think that in a lot of respects the other commission did, as I recall, look at some of the management aspects and how things are done, but I don't think they addressed the issue -- could it be done better out here and to go out and actually see if it could, and if it was better quality, cheaper, etc.

Senator Bengtson asked, Did this legislation come about as a result of studies done in other states? Have you examples of privatization of public services in other states? Mr. Johnson answered, yes ma'am, Arizona is one state that has implemented this law. Some of the things they have looked at have included laundry services, state store type situations, purchasing around the state where you are dealing one with the central stores where opposed to out in Miles City or Sidney dealing locally. These areas are the major areas that have been addressed for instance in Arizona and Hawaii and not the police services or road maintenances etc. What has happened in the other states that have tried to implement this type of study has been certain things just aren't dealt with. Generally the commission gets together and they set their agenda and decide at that time what areas can we feasibly look at, what do we feel is important to look at and what can we handle as a group within a short span of time.

Senator Bengtson asked, are you aware that in subcommittee those issues are faced on a daily basis, a lot of these services and contracting services are reviewed thoroughly. Mr. Johnson answered, yes they have to a degree. We feel that over the past 2 or 3 sessions we have seen a rash of these bills coming in on special interests that they were looking at the printing or something else. We feel that private enterprise is asking for a chance for input. They don't feel they have had the input here simply because they can't take the time to come up and work through the whole system and spend the time with the subcommittees, etc. They feel that if they have this opportunity to present their cases, they would feel more comfortable with it and have an opportunity to voice their concerns.

Senator Himsel asked, Mr. Johnson could you be more specific? What industry is the prime mover behind this type of bill? There is some special interest behind this bill, can you identify that? What's the prime mover? Mr. Johnson answered, the NFIB is the only prime mover that is behind this and started the whole bill. What constituted that that it is no specified interest in NFIB. We represent everything from drug stores to body shops to small businesses, gas stations, laundries, you name it. We have 5,000 members and we don't have an identifiable group that wants this bill. I think you are asking, are the printers the prime movers or is someone else the prime mover? No, sir; when we talked to Representative Brown and drafted the bill I was the only one who talked to her and worked on the bill.

Senator Himsel said, to be more specific, you certainly aren't going to cover the whole water front in this thing. Many of these areas have been discussed and studied in depth. For instance the printing one; we've had our

state people come in here, supposed to be independent, and nobody accepted the findings any way. We have had these controversies going on all the time and I am just wondering what you had targeted by this bill. Mr. Johnson answered, we did not target any specific areas. We are leaving this the commission and we feel they are the ones with the obvious make up, and I talked to Representative Brown; the NFIB would have no problems with the makeup suggested by the University system.

Senator Gage asked, Riley, what are you going to do if you don't get 2 House members and 2 Senators that are willing to serve without pay? Mr. Johnson said, he felt they could, he felt confident they could.

Senator Harding said, in listening to this testimony and I am wondering if through this study you are expecting to hear from the private sector out there that might have a problem. Mr. Johnson answered, yes that is correct.

Senator Keating asked if the elected officials will be able to accept the honorary appointment in lieu of expenses if they serve on this commission? Senator Regan said, I suppose we could address the bill and make sure this could be done if necessary.

Senator Boylan said, I think there are enough business people in this legislature as a private sector could serve as liaison.

Representative Brown closed by saying she felt the amendments that were suggested were very good ones and hoped the committee could strike some sort of a compromise between the ones between the University system and Mr. Schneider, and perhaps an amendment saying they can receive no compensation. I think a bill like this could save a lot of money to the Department of Administration in the next session.

Senator Regan declared the hearing closed on 593 and said we would now take up 870.

CONSIDERATION OF HOUSE BILL 870: AN ACT REQUIRING THE DEPARTMENT OF INSTITUTIONS TO ADJUST PAY SCHEDULES FOR TEACHERS, etc.

Representative Harper, House District 44, and chief sponsor of the bill said, I submitted one technical amendment (attached as exhibit 1, H.B. 870.). This bill would provide a pay raise for the institutional teachers, the teachers at Mountain View, Pine Hills, the Montana Developmental Center, teachers at the Prison and I believe there are some at Warm Springs.

Representative Harper said these teachers are certified, have to undergo the same training, go into classrooms that mostly consist of problem students whereas a regular teacher at public schools consider themselves unfortunate if they have 2 or 3 problem students in a class. He said we need better than average teachers but we are paying them less than average salaries. He said the average state wide is \$15,430; the Institutional teachers average \$13,210. He said this bill would add a little less than \$200,000 to bring these teachers up, not to the average but give them a little hope and incentive and get them to stay there a little longer. Continuity is very important to these kids they are dealing with. He said the state will realize cost savings not only in terms of money saved in terms of court costs and correctional system costs but also in the human savings. The burn out factor with these teachers dealing with the problem kids is incredible.

PROPOSERS TO HOUSE BILL 870: Phil Campbell, Montana Education Association spoke as a proponent to House Bill 870. He said they represent teachers from Pine Hills and Mountain View. He said this started out for just teachers from Mountain View and when it was reviewed by the subcommittee decided it would apply to everybody rather than create a new matrix. Rather than plug in dollars into the matrix, they suggested an amount to appropriate to the state to bargain with these folks so they could fill in the matrix where the needs are the greatest. The House Education committee adopted that recommendation with only negative vote and it was sent to the Appropriations committee, and they were jolted a bit I think. You don't see that history in the bill, but the Appropriation committee cut the appropriation in half. (Exhibit 2) He went through the salary schedules and averages and said there was a great inequity here.

Chuck Smith, a teacher at Mountain View School, gave a handout attached as exhibit 3, House Bill 870. He said they are currently on a 3 month search for a special ed teacher at Mountain View and because of the wage differential we are unable to find one that will come and work for us at those wages. 21% of the students are emotionally disturbed and are not receiving the help they deserve because of the wage schedule. He said they not only work for less they retire for less, and drew the attention to page 5 of the handout.

Toni Tyson, Mountain View School, said, I have a lot of handouts for you. They are all letters from other teachers at Mountain View. Exhibits 4 through 12 are attached. She said she is a teacher at the school, and her check is \$314 a month after everything is taken out. She said they have a high population, some classes with 20 kids in each going at their own level, 10 of them with emotional problems. She said they have more preparations, have to write reports on

the students on 45 day evaluations, inter disciplinary reports, 9 day progress reports, behavior reports on a daily basis, attend 2 teachers meetings a week, meet with the educational directors, staff psychologists, case workers and discuss the plans for each individual student. It is hard to get all this done. She said many of the students are juvenile delinquents, many criminal persons; the usual student is not very social and has very poor skills so they have difficulty communicating and assimilating the information; no self-esteem and are subject to drug and alcohol addiction. She said it seems every year there are more violent crimes and did not feel warehousing is the answer, she felt it was teaching.

Terry Minow, representing the Montana Federation of Teachers, said she would like to testify in favor of both 870 and 871 at the same time. We represent teachers at Boulder and the state hospital at Warm Springs, she said, and for the Montana School for the Deaf and Blind. She said the difference in the matrix --this group has been frozen for 6 years. She said if she started at the School for the Deaf and Blind she would start at the same wage as a teacher that had been there for 6 years. She said the opponents will be the Department of Administration and they will talk about setting some precedence. She said the state has addressed these problems in other areas such as faculty salaries, engineers in the Highway Department, etc. She said some questions might be asked as to why not combine the two bills, but the teachers at the Department of Institutions work for the Department of Institutions, teachers for the School for the Deaf and Blind work for the Board of Public Ed, and so they have two separate negotiating systems and 2 separate salary scheduling.

Senator Regan asked how many more proponents there were to House Bill 870 and asked them to raise their hands. She then asked if there were any opponents.

OPPONENTS TO HOUSE BILL 870: Rod Sundsted, Chief Negotiator for the Executive Branch of State Government in Collective Bargaining spoke in opposition to House Bill 870. His testimony is attached as exhibit # 13, House Bill 870.

There were no further opponents and Senator Regan asked if there were questions from the committee.

QUESTIONS FROM THE COMMITTEE: Senator Hammond asked of the MEA representative, the average salaries as you have structured, do you arrive at them by adding together all of the salaries and then take the top one? Phil Campbell answered, it is a composite of all the schedules that are bargained and then taking the average of each step. The computer does all that.



Senator Hammond said, then you could say that every school below that average could come in and make the same pitch that you've made here for these schools. Mr. Campbell said, except that other schools that would fall below the average would come under a totally different system and they are free to bargain.

Senator Hammond said, I know that, but how many would come below that average? Mr. Campbell said, I could get that information for you. Senator Hammond said there would be as many people below the average as above the average. In 1981, I can't understand -- I worried about these people then and nobody ever said anything. Now when we are in a real bad position as far as finances are concerned there are about 3 bills. Mr. Campbell said, I wasn't involved in it at that time and I can't really answer that. There have been bills in the past and they never got out of the House.

Senator Harding asked Mr. Campbell, the #5 that was raised by Rod Sundsted regarding the district court case, that already provides them with \$2,000. What is your answer to this? Mr. Campbell answered, the lawsuit was filed because the state had been in a class suit action. They have denied the benefits of both to the Institution teachers. On one hand they say, you are a state employee and therefore you are not entitled to tenure; so they say okay, if we are state employees and all state employees are entitled to vacation leave and that sort of thing but the state denies them that because they also say there is a little section of the law that says school teachers are exempt. The state has denied the institution teachers those benefits because of that exemption. We have asked the court to clarify that position. It is not going to be any take home pay, and I don't know where Rod comes up with the \$2,000 but as I recall they are denied vacation and some holiday that other state employees get, and I think that is the only difference.

Senator Himsel asked Rod Sundsted, what is the rationale in the Department for having such a disparity between the educational community of the state and the public one? It seems like it is patently unfair, the difference. What is the rationale for it? Mr. Sundsted answered, I am not sure there is a rationale from that point. We are behind in a number of professional occupations and teachers are one of them we are considerably behind, but we do not have a compensation system that looks at the market and sets salary based on the market. We try to set salaries so there is internal equity. In other words if the responsibilities of a nurse we feel is equivalent to those of a teacher they should be paid the same. We don't look at the market, and in some occupations we pay above what the market pays and some less. Our pay philosophy is one of equal value and equal amount, we look at the internal equity.

Senator Himsel said, but this is a particular area or field that is so identified, I guess I don't know on the equal worth thing, if you are embracing that doctrine we are headed for more trouble; but this one you have teachers working next to teachers and it seems to me it is hard to accept that philosophy. Mr. Sundsted answered, I am not sure -- it may be for you. I think internal equity is more important than market comparisons.

Senator Hammond asked about the fluctuation of state pay with the lower echelon of public school teachers? Mr. Sundsted said, yes, we are higher than some of the class 3 districts which are the lower districts and we are ahead of a few schedules, but we are behind on most of them.

Representative Harper closed by saying we carried these two bills together in the House and I think most of the comments made are relevant to both bills. I can't accept the argument that this bill is unfair to other state employees. I represent as many or more state employees as any other Representative in this state and I realize, there are inequities among different professions and levels, but this is one that is way out of kilter, and this is the only forum we can come to to address this inequity. You can't go anywhere else, the money has to come from you.

Chairman Regan declared the hearing closed on 870.

CONSIDERATION OF HOUSE BILL 871: AN ACT REQUIRING THE ABOARD OF PUBLIC EDUCATION TO ADJUST THE SALARIES FOR THE CERTIFIED OR LICENSED FACULTY OF THE MONTANA SCHOOL FOR THE DEAF AND BLIND; etc.

Representative Ron Miller, House District 34 and chief sponsor of House Bill 871, said he stood as a proponent for this bill and for 870. He said, if you bring home \$300, \$400, \$500 a month take home pay after receiving a teaching degree from one of our universities, it's the pits.

PROPOSERS TO HOUSE BILL 871: Claudette Morton, Board of Public Education said she was a proponent for both bills. She said, we are concerned about the quality education for all of Montana's children. The Institutions and the School for the Deaf and Blind serve children with particular needs. I am aware of times when the market place creates a shortage and the state cannot hire adequately trained people. They do in fact raise the salaries as for example the computer area. Right now the whole country is experiencing a teacher shortage and we will feel that in Montana. We are feeling it in certain areas such as the Special Education areas. We have had great difficulty this year at the School for the Deaf and Blind hiring a speech therapist.

Bob Deming, Superintendent for the School for the Deaf and Blind said in October 1984 where he presented to the Board of Education the proposal for pay increases for professional faculty and staff. The Board approved the concept, the bill was drafted and died in committee. He said, our staff has gone to other school districts for pay increases and we have difficulty recruiting mandated staff.

Lucile Crises, Principal for the School for the Deaf and Blind said, I am one of the people who are forced to look at the market comparisons when involved in the hiring process. The speech therapy position has been open for the entire school year. It is very difficult to recruit people at a salary of \$8.17 when right across the street they can make money equal to \$25 to \$35 per half hour and more in the private sector. Our physical therapist makes \$15,636 versus the \$22,500 she would make for a comparable amount of time. She said she would urge the favorable consideration of both these bills.

Sandy Ritchie, primary level teacher of the deaf at MSDB and president of the MSDB local board and supporting both bills. She said she feels the salaries at MSDB are grossly unfair, there is more than \$5,000 difference between my salary and that of a teaching peer from the public schools in Great Falls. Meanwhile I am being penalized for working at the MSDB. She said all the teachers at the MSDB have received their education out of state since there are no such training facilities in the state.

Robert LeMieux, teacher at MSDB gave testimony through an interpreter. His testimony is attached as exhibit 13.

There were no further proponents, and Senator Himsl asked if there were any opponents.

OPPONENTS TO HOUSE BILL 871: Rod Sundsted spoke in opposition to House Bill 871. His testimony is attached under House Bill 870 as an exhibit # 13.

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

QUESTIONS FROM THE COMMITTEE: Senator Boylan asked, these two bills, with the shortage of money we have -- there are a lot of retired teachers living in the state of Montana who would like to pick up a little work and do some community service. They might be able to do it on part time. Have they looked into this at all? Representative Miller answered, in the Institution area, what wasn't brought up is some of the teachers in the Institution literally get punched -- physically abused and hurt. How many older teachers would want to go in and teach at Mountain View or Pine Hills and Swan or the Prison, where the Institution

teachers are. The MSDB -- that is not beyond the realm of possibility, through vacancy savings being funded so low that they don't even have money to pay for the substitute teachers to come in to these places.

Representative Harper said, in the past 4 months in Mountain View there have been 4 assaults, and I am informed also that they have no substitute teachers out there.

Senator Hims1 said, I would like to have the principal address this since I think there is a problem of certification qualifications in all these categories. Lucile Crises answered saying Mr. Deming asked me to respond to your suggestion to using retired teachers on a part time basis. At the present time we have retired staff members in the Great Falls area. All three of them retired because they don't want to work any longer and we can barely recruit them to sub when we need them. At the present time today I have a classroom that does not have a substitute teacher in it. The students are in a study hall being supervised by a teachers aid because I have no substitute.

Senator Keating asked, House Bill 871 is not tied to 233 in any way? The Mountain View bill is somehow or other related to House Bill 233 which must have to do with the state pay matrix. Yours is not related? Representative Miller said they had the two bills together initially and maybe Ms. Morton could address this.

Claudette Morton said, the pay plan for the MSDB is negotiated with the Board of Public Education. It is not on the same matrix; it will be if these two bills pass, but our matrix is negotiated independent of the state pay plan.

Senator Keating said, you are on the Board of Public Education -- do you negotiate the salaries for the teachers at the school? Claudette Morton answered, Ron does negotiate for us, but it is separate because they are under our supervision rather than the Department of Institutions.

Senator Keating said, apparently you've recommended the increase in salaries, but the Department has not? Ms. Morton answered, we recommended particularly because our teachers have been frozen for 6 years as opposed to other state employees that have been frozen for four. They are not only not equitable to the state average but they also have been frozen longer than regular state employees.

Senator Bengtson asked, is this going to be a consistent policy then that the Board of Education and the Department of Institutions as they negotiate for the teachers at the state schools, will they be comparable and on the same matrix, since you are different departments. I am really encouraged by this type of joint effort. Ms. Morton

answered by saying, I can't really say, but I do know that we sat down with the subcommittee on Education and we all looked at it and thought it seemed a fair approach that we do this. I would not wish to speak for the Board to say that 10 years from now that is what it is going to be. I could only say that because the MSDDB does have many unique specialists as was pointed out. They are trained out of state, have additional licenses, etc., and so it may not always be comparable.

Senator Bengtson asked, Terry or Phil -- have you thought about this when you deal with the AFT and the MEA? Dealing with the teachers in all the institutions have you thought about that as a way of dealing with all the teachers in the state schools? Terry Minow answered, I think what we are doing right now, we are just dealing with 2 different salary schedules and we are trying to make them somewhat comparable.

Senator Hammond asked, it is a little hard to equate these two bills, do you feel that the teachers from the MSDDB are getting as good a treatment here as in institutions? Claudette Morton answered, when we originally came in the first bill was to equate the salaries in the MSDDB with the Great Falls school system which is where we lose most of them so there is a significant difference in what you see as the amount crossed out and the amount they are getting. It is hard to say, it is certainly a compromise and again one that MFT and the Board agreed to accept.

Senator Hammond asked, where do you feel they are in comparison with the teachers in the Institution? Ms. Morton answered, they would be the same now.

Representative Miller closed on House Bill 871 by saying, the question was asked as to whether they will be tied together in the future as far as raises in the future come. I think politically if this bill passes with this matrix they will be forced to be tied together because if one goes up the other will about have to. In setting a precedent, the state has already set a precedent in addressing critical problems in allowing extra pay for engineers in the Highway Department, extra pay for highly skilled faculty members, etc.; and the pay freeze does not apply to the faculty, University Presidents and other state employees who are not on the pay matrix.

Senator Himsel declared the hearing closed.

CONSIDERATION OF HOUSE BILL 901: AN ACT DELETING THE REQUIREMENT OF A GENERAL FUND TRANSFER TO PAY FOR CERTAIN COPIES OF ADMINISTRATIVE RULES OF MONTANA AND THE MONTANA ADMINISTRATIVE REGISTER.

Representative Rehberg, House District 88 and chief sponsor of House Bill 901 said, I am representing the House Appropriation Committee which is the principle sponsor of House Bill 901 and it would have a general fund savings within the Secretary of State's office, and I would like to introduce Larry Akey, and let him present the testimony.

PROPOSERS TO HOUSE BILL 901: Larry Akey, Chief Deputy to Secretary of State Jim Waltermire said, House Bill 901 removes the general fund transfer requirement from the Montana Procedures Act. As the Montana Procedures Act is currently on the books requires a general fund transfer to pay for the so called free copies of the Administrative Registrar and updates for the Administrative Rules of Montana. House Bill 901 removes this requirement and if this bill passes the so called free copies will be paid for out of agency filing fees and out of subscription fees charged to subscribers to the registrar.

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

Senator Bengtson asked, did you say who is going to pay for this Representative Rehberg? If the general fund isn't going to pay for this then who? Representative Rehberg answered, the agencies and the rest of the dues is currently paid for the administrative rules. This was done in the special session also, in the last legislation as a cost saving measure. The full Appropriations committee felt this was a cost savings procedure we could continue and it would save about \$61,000 in general fund money.

Senator Bengtson said, if the agencies are going to pay for it then obviously that will have to be budgeted for in the agencies. Representative Rehberg answered, it would be a cost they would have to eat, it is not a substantial amount and it would allow us to cost allocate to so many agencies.

Senator Bengtson asked, how many agencies have \$61,000 laying around? Representative Rehberg answered, that is a \$61,000 total, there are not too many free copies go out and I believe the bill has a listing of the free copies, legislators included.

Senator Himsl asked, the whole thrust of this bill will be that those who want that information will pay for it instead of free distribution. Representative Rehberg answered, that is correct.

Representative Rehberg closed by saying this was something that was done in the last special session and I guess the decision made at that time was that it was worth continuing and we brought it up as a last minute bill during the hearing on the Secretary of State's office.

Senator Jergeson asked, has this amount of money been taken out of House Bill 2 then as a general fund appropriation? Representative Rehberg answered yes, I believe it has.

Senator Himsl announced the hearing on House Bill 901 closed.

CONSIDERATION OF HOUSE BILL 888: AN ACT AUTHORIZING THE DEPARTMENT OF LABOR AND INDUSTRY TO PROVIDE CHILD CARE ASSISTANCE TO FORMER AFDC RECIPIENTS; APPROPRIATING TO THE DEPARTMENT \$50,000 FOR THE 1989 BIENNIAL FOR A PILOT INCENTIVE PROGRAM FOR OPERATORS OF THE DISPLACED HOMEMAKER PROGRAM; etc.

Senator Regan resumed the chair at this time and Representative Winslow was called in to present the bill.

Representative Winslow, House District 89 and chief sponsor of House Bill 888 said, this is an attempt to deal with the increased numbers in the Welfare area of AFDC. He said, there are two things that become very apparent as anybody looks at AFDC and that is what are we going to do to decrease this case load that continues to increase and it is obvious there are two things that prevent in many cases, even those women with children that would like to move off are medical care and day care. This bill addresses that by developing a pilot program called New Horizons because I don't believe we can get them off these roles there are any horizons, and as time goes by and the children begin to leave the home their income level becomes lower and lower and it is entrapping people into a lifetime of poverty as they become older women. It is appropriate that we deal with this since now from the national level all kinds of emphasis is coming down on the welfare, AFDC being one of the major concerns, and it is no longer something that people are thinking of as only a conservative issue. This bill would set up a program that would establish day care for a period of 4 months for an AFDC recipient that has moved off the AFDC and has gotten a job. It is an incentive to keep them going, and the other part of it is a \$50,000 incentive pool for the Displaced Homemakers Program. The rationale for it is the increase in the divorce fees had \$50,000 more than was assessed between Displaced Homemakers and Big Brothers and Sisters, and that \$50,000 is the money that would be used here. First they would have had to be on AFDC for at least 9 months; it would move them off the roll after they had been employed for 6 months they would get a \$350 bonus through the Displaced Homemakers Program. After they have kept them off for a year they would get another \$350 bonus.

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

QUESTIONS FROM THE COMMITTEE: Senator Bengtson asked if this is a day care program that is under the auspices of the Department of Labor? Representative Winslow answered, no this would reimburse an AFDC client, selected ones in the Displaced Homemakers program, it would reimburse them up to \$200 for their day care for 4 months to try to get them to go to work and stay working. It is in House Bill 2, the funding; it is not a new program.

Senator Keating asked, what is a program operator or a selective operator? Representative Winslow said those would be the Displaced Homemaker Programs for the state. The reason I tied it down is to have it within a select group like that and to have a pilot program. We can look at it and find out what the response is.

Senator Keating asked, who is receiving the \$350? Representative Winslow answered, the Displaced Homemakers Program, if they take a hard core AFDC person, someone who has been on AFDC for 9 months, and they put them to work, after that person has worked for 6 months they receive a bonus for putting out that extra effort to getting them to work.

Senator Keating asked, who is "they"? Representative Winslow answered, the Displaced Homemaker Programs. They would get them the job and work with them after they have been employed for 6 months.

Senator Keating asked, is this a state employee? Representative Winslow answered, the Displaced Homemakers Program is a non-profit organization. They have JTPA money going through them, they have Carl Perkins money going through them, but they are a non-profit organization.

Senator Keating asked, a person who is employed in the Displaced Homemaker Programs? Representative Winslow answered the program will get it, no person will get the bonus -- the program itself will get the money.

Senator Regan asked, Representative Winslow, perhaps you would explain to them how it works in Billings at the YWCA. Representative Winslow answered they have a program down there, it is an excellent program and it will take someone who is perhaps 40 or 50 years old and has never worked, they've been in the home and they will work with them, counsel them, help them to develop resumes and get a job, but the fact is not much emphasis is being placed on the hard core AFDC because they are harder to place.

Senator Hammond asked, that \$350 goes to the organization? He was told yes, the organization. Senator Hammond then asked, then they use it for what? Representative Winslow said, to further their program and work with another client.



In Billings they have 2 or 3 employees and they get grants to keep them going to work with women to place them. He said, even at the national level most of the things we try to do are disincentives so I tried to turn it around and tried to make it an incentive to work with them to work in that area.

Senator Bengtson said, I am confused. In developing this pilot program, did you have a model, or is it just with your working with Human Services? Representative Winslow said, it is my experience and my frustration and I am sure Senators Himsel and Harding feel much the same way. To see this increase grow and to realize one of the reasons it is increasing is because we make the package too sweet. We don't attempt to, but because of the cost of day care and because of the cost of medical care and because of the benefit levels we can give them they don't go out and get a job, even if one is available at minimum wage because it is not worth while for them, and this program would just add a little additional incentive to get employed.

Senator Bengtson said, I have another question about the \$200 and the \$350, I have that in my mind that the \$350 goes to the provider for placing the hard core AFDC people; the \$200 is the limit on how much they get on day care. If they had 5 children \$200 is not going to pay it all, anyway.

Senator Bengtson said this is the same target group? Representative Winslow said, I did some calculations on my own, and if we can move some of these people off AFDC the money will come back to us 14 to 1.

Senator Bengtson asked, this \$50,000 is available? Do the Displaced Homemakers know that you are trying to get this for this program? Representative Winslow answered, yes. The increase in the House, and I don't know how that is all shaping up here, had \$150,000 from divorce fees going to Big Brothers and Sisters, \$200,000 a year going to Displaced Homemakers and there was \$50,000 left that would go to this.

Senator Bengtson said, we put an amendment on the Senate floor that addressed the Children's Trust Fund, that is where that was flipped out some way. Representative Winslow said, I don't know how that is shaping up right now.

Senator Regan asked, Representative Winslow isn't the money for this appropriated in House Bill 2? Where is the actual appropriation for this? Representative Winslow said, the \$50,000 is appropriated here.

Senator Regan asked, and it is appropriated from? Representative Winslow said, from general fund.

Senator Gage asked, if that is not all used, it reverts to general fund then? Senator Winslow answered yes.

Senator Regan asked Representative Winslow how soon he could be back to present House Bill 862 and he answered about 15 minutes. She said we would take executive action while waiting to hear the bill.

Votes were left with the committee secretary from Senators Jacobson, Stimatz and Story, attached to minutes.

DISPOSITION OF HOUSE BILL 901: AN ACT DELETING THE REQUIREMENT OF A GENERAL FUND TRANSFER TO PAY FOR CERTAIN COPIES OF ADMINISTRATIVE RULES etc.

Senator Hims1 said anyone who gets those papers or documents out of the Secretary of State's office will pay the Secretary of State's office.

Motion by Senator Hammond that House Bill 901 be concurred in. Voted, passed, Senator Hammond to carry the bill.

DISPOSITION OF HOUSE BILL 871: AN ACT REQUIRING THE BOARD OF PUBLIC EDUCATION ADJUST SALARIES FOR THE CERTIFIED OR LICENSED FACULTY OF THE MONTANA SCHOOL FOR THE DEAF AND BLIND, etc.

Motion by Senator Manning be concurred in. Voted, passed. Senator Manning to carry the bill.

DISPOSITION OF HOUSE BILL 870: Motion by Senator Bengtson that House Bill 870 be concurred in.

Senator Gage said this bill needs an amendment on, changing the House Bill number to 233 and striking 223. Senator Bengtson said she would move the amendment.

The amendment was voted and passed.

Motion by Senator Bengtson to move the bill as amended.

Senator Keating said he felt the committee should be pretty careful it would be disrupting bargaining. He said that when he did his comparable worth attack earlier he got quite a lot of information in regard to the state pay plan and the state employee framework. They have about 76 bargaining units out there to deal with. The state pay plan and the equal opportunity and the equal pay for equal work and all of that goes into that formula for equity among all of the state employees, and if the legislature starts getting specific in certain areas and interferes with that bargaining process for state employees we will disrupt the thing for 9,000 to 10,000 people out there and I think we ought to approach this very cautiously.

Senator Haffey said, in my judgement we are not going to be doing any harm even though I understand Senator Keating's concern. This bill follows as logically in terms of supporting it as the one we just passed.

Senator Smith said, I was told that a teacher that had been there for 6 years was getting a salary which was less than someone new. Senator Regan said, they get the same salary because they froze it for 6 years.

Senator Smith said anyone who has worked there for 6 years has the experience and training that be far more than anyone coming on new. Senator Keating said, to answer that, one of the handouts we had show the matrix for the pay scale and it actually deals with the amount of education and the amount of experience so that someone starting with a BA would be paid less than someone with a bachelor's with 15 years of experience, so the reverse could happen. Someone could start with a BA and be there for 5 years and get less than somebody starting with a BA and 30 years experience.

Senator Regan said, I think the problem is that there was a pay freeze and because of the pay freeze the teacher who had been there 6 years and started at entry level still is making entry level and a new teacher coming aboard is making entry level, and I think that is one of the discrepancies.

Senator Smith said, I don't want to jump around on that matrix system that you have, you draw the straight line from where a person was 6 years ago and where a person is now and then the new teacher where they start at, and I think that is where the inequities are.

Senator Hims1 said, I would like to support the administration on the freeze. I think that is something we all recognize that we can't just keep going up on this, but it seems to me that there has been such a patently discriminatory position taken in this area where they have been frozen for 6 years. It just seems to me they have to recognize they are in the market place for employees; they are not in some abstract realm of state government. It seems to me they are justified in making this adjustment which is a token at best, and I support the bill.

Senator Hammond said, they are in the market and he said there hadn't been any problem in recruiting the teachers. I would like to point out that the reason that they haven't had a problem is that we are making a comparison with the average, not what they are paying in some of the lower paid systems in the state. That comparison was never made in any testimony that was brought in here.

Senator Gage said, I would just like to refresh in your minds that the teacher market is getting very thin out

there, particularly in some areas, and when you get your lights punched out a few times by these people you are involved in it has a little bit of impact on whether you want to apply for that anyway and with the thin market out there it is going to recruit people to these jobs.

Senator Bengtson said one of the things she felt was important was there is just no continuity because the turn over is so great and their morale is so low. Certainly teaching at Boulder and Warm Springs with their wages frozen for 4 years, I think it is only right that we do something.

Question was called, voted, passed, Senator Keating voting no, Senator Bengtson to carry the bill.

DISPOSITION OF HOUSE BILL 888: AN ACT AUTHORIZING THE DEPARTMENT OF LABOR AND INDUSTRY TO PROVIDE CHILD CARE ASSISTANCE TO FORMER AFDC RECIPIENTS, etc.

Motion by Senator Harding moved House Bill 888 be concurred in.

Senator Himsl said he thought someone from the Department of Labor should have been here to explain their part of it since they will be administering it.

Senator Keating said the Department of Labor will merely be the conduit for administrative purposes because they handle the AFDC and Displaced Homemakers Program, I think. Senator Regan said, they handle the job training funds and this goes with the job training funds.

Senator Keating said, I have a question on section 7 which is rule making authority, it doesn't read like the normal rule making authority we see generally in these bills, this has some specifics and there is no statement of intent.

Senator Jergeson said, I wonder since the subsections specify what the rules are to do, that would be the kind of stuff you put in the statement of intent anyhow, and I recall from my previous service here that Senator, now Chief Justice, Turnage suggested that even though a statement of intent may not get attached to a bill through the process it does not affect the legitimacy of its acceptance. Senator Regan said they could investigate this and offer a statement of intent from the floor should the bill go up.

Question was called, the bill was voted, passed, Senator Harding to carry the bill.

Senator Regan said, I think 593 will require some work, 38 and 538. 538 is the bill that would reorganize the delivery of state Human Services.

Senator Bengtson said she had a question, this was where Representative Winslow put into law demanding these changes and then the committee was appointed afterward. I can remember the comments on the Family Services being established in a different way and he submitted this was a better way to do it than to have the hearing first and then determine what consolidation should consist of. I had a feeling that the approach we did with the Family Services Department even though some of the counties and people had objections afterward, I thought you could accomplish the same thing rather than outline the specifics.

Senator Hammond asked, isn't this the case where we have something left over from SRS and we've taken some of SRS and put it in Family Services and now they are going to take parts of SRS and make 2 out of 3, isn't that what he's mandating here?

Senator Keating said in the shifting of funds to the Commerce Department so much did not get addressed and it seemed as though it were shifting for shifting purposes but did not really accomplish anything in the way of efficiency. I don't mind considering reorganization for efficiency purposes, but this kind of puts the cart before the horse when it says this is what we're going to do and then we want the study to verify it. I think if you just had a study to begin with and use this as suggested proposals to review and verify if they have any merit. It seems to me we are sort of jumping off into space.

DISPOSITION OF HOUSE BILL 538: AN ACT REORGANIZING THE DELIVERY OF HUMAN SERVICES BY STATE GOVERNMENT; etc.

Motion by Senator Keating that House Bill 538 be not concurred in. Question was called. Voted, passed, Senators Smith, Hammond and Senator Stimatz voting no. Senator Keating to carry the adverse committee report on the floor.

DISPOSITION OF HOUSE BILL 854: AN ACT SPECIFYING THAT MONEY IS APPROPRIATED TO THE DEPARTMENT OF COMMERCE TO DEVELOP PLANS FOR ONE-STOP BUSINESS LICENSING, etc.

Some discussion was held on the complications involved with things like seeds, scales, etc.

Motion by Senator Keating that House Bill 854 be not concurred in. Voted, passed, Senator Jergeson voting no. Senator Story will carry the adverse committee report.

CONSIDERATION OF HOUSE BILL 862: AN ACT TO REVITALIZE THE MONTANA ECONOMY BY INVESTING COAL SEVERANCE TAX PROCEEDS FROM JOBS AND DEVELOPMENT, etc.

Representative Winslow, House District 89 and chief sponsor of House Bill 862 went through the "whereas's" of the bill stressing the need to give Montana a boost economically so it could move ahead with jobs and technology.

PROPOSERS TO HOUSE BILL 862: Jo Brunner, Montana Agriculture Coalition spoke in favor of the bill. She said this could help Agriculture to start some projects to keep the people on the farms rather than putting them on the labor market.

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

QUESTIONS FROM THE COMMITTEE: Senator Keating asked Jo Brunner what she meant when she referred to this bill helping Agriculture. She answered that it could help possibly in starting some small packing plants that would save a rural town or help with some technical equipment that might save the small towns and rural areas. She mentioned the Montana Beef Act and the people working to add value to Montana beef raised, slaughtered and sold as a Montana product.

Senator Smith asked, what about the workman's comp rates? Jo Brunner answered that the coalition was looking more into helping businesses that we can work into our agriculture operations.

Senator Hammond asked if this was about \$2.5 million to the University System, and Representative Winslow said no, there is about \$500,000 a year that goes to the University for increased technology equipment.

Senator Hammond asked, when you say Universities, is that to the Board of Regents to be distributed to some unit, or what? Representative Winslow answered, that is right. With criteria and staff there is \$500,000 a year that goes to the Vo Techs to seek matching funds for job training and then almost a million dollars a year that goes into business assistance, but you also backed out their general fund dollars which was \$600,000 so there is actually \$400,000 more goes into the systems and then there is a million dollars a year that is broken down with this amendment to be used for Agriculture and basic industry development and \$250,000 a year that would be used for research and development at the University level and economic development.

Senator Hammond said, then it would be \$400,000 that goes to Agriculture for basic industry development, to what entity does that go? Representative Winslow said, there is a bill that is still in the House that should get out today with the appropriation taken out of it. It is 889 which

establishes an Agricultural Council to work out of the Department of Commerce. Part of the problem we have over there, in speaking to the Agricultural people, is that there is a lot of emphasis and interest in science and tech, but not a whole lot of concern about makes Montana what it is today or what it was in the past -- agriculture; there is a council that would work out of there that would distribute this money. One of the ways, innovative grants; dislocated farmer, for instance. I understand exactly what you are saying, but there are some people that are in existence today that are simply not going to make it on the farm. There would be some money here available to help the farmer in Circle, for example, that can no longer farm, but might have an idea -- a small manufacturing idea that has to do with grains or with agriculture that could move into down town Circle and start something. There is money here to establish incubators at the local level. This has to be paid back. Wolf Point is trying to get one together, Havre is trying to get one together, and that bill 889 says it could only go to communities of 15,000 or less, so we start dealing with it. If it works in Butte and Billings, I think it can work in the smaller towns. South Dakota has done a good job of trying to bring small plants and small things into their community. That is where the agriculture money comes in, but it is distributed by an agricultural council that is set up in House Bill 889.

Senator Jergeson said, that would raise the question -- you would be setting up a new agricultural council. I think most farmers and ranchers around the state are comfortable working with extension services and experiment stations; was there any thought given as to why this is a new council? Representative Winslow said the experiment stations are talking more about research development, working with products; working with projects.

Senator Jergeson said, the experiment station does a lot of research but the extension program then goes beyond that to apply that research. For farmers and ranchers, I just suspect they would be more comfortable and I know they are both interested in this concept. Representative Winslow answered, I dealt with the coalition and they can probably address it better than I can.

Senator Gage asked, sub k on page 4, how does that work in with the science and technology bonding bill that went through? Representative Winslow said, again there's a bill upstairs, I think it is the research and development -- House Bill 904 that establishes a grant program to the Universities for research and development. The University has to come up with \$100,000, the state will match \$100,000 if they do that. There is all sorts of criteria in that grant for research and development; first of all that they be industries that have potential in the state, that they

put up the matching funds, that they have goals and objectives etc. But what the science and technology is doing now is to work with an industry to bring them in and recruit them and try to get them going here. Without the research and development the capital funds aren't going to be affected.

Senator Gage said, you have a bill in here on additional funding to the ambassadors, and you indicated that part of the money in House Bill 2 was going to the ambassadors, how does that work? Representative Winslow said, the way they did it in the House Representative Vincent had a number of those bills, good bills, addressing specific area. Rather than putting more money into them the money is all in here in 862, so those bills, as they are in the House where they took the appropriation out, the appropriation is actually in 862. So it is not general fund money in them, it is this money that's there.

Senator Bengtson said, you can say there's lots of pieces to this bill. Maybe if we had all the other bills, 904, 889, etc. What is the bill number of the one you said is for research. If we had a little flow chart here. You have obviously had a little time on this bill, it is pretty hard for us to understand where all is surfacing. Representative Winslow said, if you can wait a day or so when all the other pieces are together I will make a chart. It is not as complicated as it seems. This is the funding and there are a number of different areas that are being addressed through the funding sources.

Senator Bengtson said, on page 6 you are talking about another commission and I have some problems on that. Does it duplicate or interface the Montana Economic Development Board, Science and Technology Board and other advisory councils. Representative Winslow added this into the bill and I think it could be taken out because he has another one that comes through that calls for the value added commission so that section could be stricken. The commission is made up of business people who will participate in the next few years from timber, from agriculture, from energy, minerals, etc. to try to see which directions we can go.

Senator Bengtson said, I would request that flow chart of where all these bills interface.

Senator Keating said, you are setting up more and more statutory accounts. Why set up the statutory account; why not divert the money to the Legislature for appropriation to be used on a merit system basis? Representative Winslow said, I wouldn't have any problem doing that, but I think these statutory dollars are already taken. They are taken for the Education Trust Fund right now and I am saying if we are going to take the money to all these areas, isn't it



appropriate to take some of it and use it in the area of economic development? I am not adding any new dollars. This is taking money that is already earmarked and breaking the earmarks down to what I think are more appropriate areas.

Representative Winslow closed by saying he felt the flow chart would make it much easier. This is the program for a number of programs that are coming through.

Senator Regan said starting tomorrow morning we would start House Bill 2 and try to finish it in the next couple of days.

The meeting was adjourned at 11:23 a.m.

  
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Senator Regan, Chairman

ROLL CALL

50th LEGISLATIVE SESSION - - 1987

Date 4-8-87

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NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HIMSL	✓		
SENATOR JACOBSON			✓
SENATOR BENGTON	✓		
SENATOR STIMATZ			✓
SENATOR HARDING	✓		
SENATOR HAFLEY	✓		
SENATOR SMITH	✓		
SENATOR KEATING	✓		
SENATOR STORY	✓		
SENATOR BOYLAN	✓		
SENATOR JERGESON	✓		
SENATOR TVEIT	✓		
SENATOR MANNING	✓		
SENATOR HAMMOND	✓		
SENATOR GAGE	✓		

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Ellen Feaver	Dept of Admin	HB 593		
Bob Deming	SD 13	HB 821		
Riley Johnson	NFIB	HB 593	X	
LINDA ARD	A7SCME	HB 593		X
Bob Le Meunier	MSLB	HB 871	X	
Terry Minow	MFT	HB 870	X	
" "	"	HB 871	X	
" "	"	HB 593		X
Sandy Ritchie	MSLB	HB 871	X	
Sue Neingsma	MT Solid Waste Contractors	HB 593	X	
Don Judge	MT STATE APL-CIO	HB 593		X
Tom Schneider	IMPEA	HB 593		X
" "	"	HB 870	X	
Tim BERGSTROM	Billings Fire Fighters	HB 593		X
Don Ingels	MT Chamber of Commerce	593	X	
Ree Sundsted	D OF A	80/871		X
Laurie Ekanger	"	870/871		X
Bob Person	leg Council Exec Dir	593		
Claudette Morton	Board of Public Education	HB 870/871	X	
Ken Dunham	Assoc. Printers & Publishers	HB 593	X	
Jane Campbell	one Soc. of CPAs	HB 593	X	
Chuck Smith	Ytter View School	870	X	
Don Tyson	" " "	870	X	
Stan Giddell	— MHSLE			
Ted J. Doney	Mont. Dairymen's Assn.	HB 862 w/amend.	X	
Jo Brunner	Agriculture Coalition	HB 862 w/amend.	X	

FAC

4-8-57

2

*4th Senate*  
This is an open invitation to corruption. We have seen it happen many times when the door is left open to purchase profit. And the sad fact is that those who suffer are not the national corporations who are trying to profit from government. Those who suffer are the citizens of the state, county or city who need those services to survive. I am not speaking only of the public employees who have been providing these services to Montana citizens; but also of the citizens who need and use those services - some just to survive.

If there were truly a profit to be made from providing quality public services, the private sector would have been providing them all along. If the quality is maintained and a profit factor added to the cost, the price of the service must go up. If either the price goes up or the quality goes down, it is the user of the service who suffers. The users of public services are the people you, as elected legislators, must represent.

There is nothing to prohibit members of the private business community from doing a study, presenting findings and proposing legislation. They do it all the time - that is part of the democratic process. There is no need for the legislature to make this particular study and commission law and thereby to sanction it, before any findings are made and presented.

I ask you to consider all of this and to recommend "do not pass" on HB 593. If you cannot do this, I would ask you to consider amending the bill as follows: 1) change the composition of the commission so that it is not so heavily weighted in favor of private enterprise; add at least 2 labor representatives - one public and one private sector.

2) mandate the commission's report to include comparisons of cost and quality of services (public vs. private) and to provide for some kind of control or regulation of both cost and quality;

3) provide for protection of Montana workers and businesses. Currently the legislation contains nothing to prohibit selling of state government to corporations from out of state who could easily import their employees;

4) provide that any public employees incumbent at the time of privatization be given first choice of jobs with the private employer or provided money for relocation and training as necessary.

Thank you for your time.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3 page 2

DATE 4-8-87

BILL NO. HB 593

Mr. Chairman, Committee Members

My name is Linda Ard. I am a representative of the American Federation of State, County and Municipal Employees, an organization which represents over 1500 public employees here in Montana and 1.2 million in the United States.

I am here today in opposition to House Bill 593. AFSCME has had many years of experience in situations where public sector jobs have been privatized, and we have found the private sector does not provide public services either better or cheaper than the traditional public employers.

I have brought with me today a publication which includes testimony from various public sector representatives where privatization was tried. They found it became an unworkable situation, leading to added expense for poor quality service; and to rampant corruption. I will leave copies for the Committee members and ask that you read of other states' experiences before you vote.

In review of the proposed Montana legislation, I point out to you first the composition of the commission. Of a total membership of eleven, six would be representatives of private enterprise, four would be elected legislators and one would be a director or commissioner of a state department. The people who actually perform the duties and provide the services would be totally unrepresented. There is not even one representative of labor - public or private - included on the commission.

Secondly, I would raise the issue of cost and payment. At first glance this legislation appears to be a bargain. A commission of eleven members, legally obligated to evaluate all state agency activities; legally obligated to hold at least 4 meetings in which to perform this gargantuan task - all between July 17, 1987 and November 15, 1988; and legally obligated to report findings and propose legislation for consideration by the next legislature -- all for only \$500!

But, again, before you vote, please carefully consider the remainder of Section 9 of the proposed legislation, which states "ALL OTHER EXPENSES INCURRED BY THE COMMISSION, EXCEPT THOSE OF THE LEGISLATIVE COUNCIL, WILL BE PAID BY PRIVATE ENTERPRISE CONTRIBUTIONS UNDER THE DIRECTION OF THE COMMISSION".

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 3  
DATE 4-8-87  
BILL NO. HB. 593

Exhibit 4 H.B. 393

# When Public Services Go Private:

Not Always Better,  
Not Always Honest,  
There May Be A Better Way.

Finance and Claims  
Exhibit 4  
Date 4-8-87  
Bill No - H.B. 393



**AFSCME**  
*in the public service*

American Federation of State, County  
and Municipal Employees, AFL-CIO  
1625 L Street, N.W.  
Washington, D.C. 20036

Gerald W. McEntee,  
International President

William Lucy,  
International Secretary-Treasurer



edd 1  
Amend HB 593 as follows:

Strike page 3, line 20 through page 4 line 2 and insert instead the following:

(a) six members appointed by the governor, three of whom are representatives of the state executive departments, two of whom represent private enterprise and one who has been recommended to the governor by the board of regents of higher education as a representative of the Montana university system;

(b) two senators and one representative of private enterprise appointed by the president of the senate;

(c) two members of the house of representatives and one representative of private enterprise appointed by the speaker of the house.

Rationale: The amendment modifies the membership of the proposed Private Enterprise Review Commission. The new membership would be more balanced than the previously proposed membership, and their recommendations would therefore be more credible and useful. The membership under this amendment would consist of four representatives of state government (including one from the university system) four legislative members and four representatives of private enterprise.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE 4-8-87

BILL NO HB 593

*64622*  
*Section*  
Proposed amendments to House Bill No. 593 (Third reading; blue):

1. Page 3, lines 23 and 24.

Following: " senators "

Strike: "and two representatives of private enterprise"

2. Page 3, line 25.

Following: " representatives "

Strike: "and"

3. Page 4, line 1.

Strike: "two representatives of private enterprise"

4. Page 4, line 18.

Following: " interest "

Insert: " , while maintaining cost effectiveness and the efficiency of  
government operations, "

amdhb593

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 2  
DATE 4-8-87  
BILL NO. HB 593

*with Claudia Clifford*

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 4-8-87

BILL NO. HB 593

CHARTERED BY

UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION

AFL-CIO & CLC



TESTIMONY BY CLAUDIA CLIFFORD ON BEHALF OF UNITED FOOD AND COMMERCIAL WORKERS  
OPPOSING HB 593 BEFORE THE SENATE FINANCE AND CLAIMS COMMITTEE, 4/8/87.

Madame Chair, members of the committee, my name is Claudia Clifford and I am here on behalf of United Food and Commercial Workers in opposition to House Bill 593. Public employees as well as workers in private businesses are members of UFCW.

I would like to point out three problems with the bill:

(1) There are no provisions in the bill for a fair way to choose which government activities to review. As the bill is written, the agenda for the commission is subject to the whim of commission members or possibly favoritism towards certain businesses.

(2) There is potential for conflict of interest in which commission members could profit from proposed legislation. If the legislature wants to study the policy question of privatization of government, then assure that these difficult decisions are made by people who are not serving their own interests.

In response to these first two concerns, I like to point out that the legislature has an interim study process which provides for a fairer way to chose study topics, and has a more objective committee composition.

(3) My last concern, is that there are no guidelines for commission proposals which will assure comparable or better quality services, will not cost state government or consumers more money, and will provide benefits to Montana workers and businesses rather than out-of-state corporations.

I'll illustrate this last point with the following example:

A couple of years ago, University of Montana President Bucklew put up for bid the food service at the university in an attempt to cut costs. SAGA, a large private contractor which caters many universities throughout the country, was the lead bidder. Students as well as many businesses in Missoula were outraged at the prospect. The opposition to this private enterprise move defeated the proposal with the following evidence:

1) The current university in-house food service was found to be superior in quality compared to SAGA service provided to other schools in MT. The high quality of service was highly valued by the students in their assessment of

the proposal. The students conducted a comparison of the UM service with SAGA service at Eastern Montana State University.

2) SAGA would not guarantee jobs to the 35 employees who worked for the in-house service. In all likelihood there would be a net loss of jobs for Montanans as SAGA probably would have brought in managers from out of state, circulating personnel through its national corporate structure.

3) SAGA purchases much of its food and other products from out-of-state suppliers. Over twelve businesses in Missoula stood to lose out.

4) ALL the profits from the in-house service goes to the University's general fund. The profits reaped by SAGA would have gone out of state.

Because this bill provides so little guidance for the free enterprise commission and there is only a vague intent to promote private enterprise without consideration or priorities for Montana workers and businesses, even a \$500 appropriation would be wasted. I encourage you to give HB 593 a do not pass recommendation.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 5 *pg 2*  
DATE 4-8-87  
BILL NO. HB 593



JAMES W. MURRY  
EXECUTIVE SECRETARY

Box 1176, Helena, Montana

ZIP CODE 59624  
406/442-1708

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 6  
E 4-8-87  
Bill NO. 593

TESTIMONY OF DON JUDGE BEFORE THE SENATE FINANCE  
AND CLAIMS COMMITTEE, APRIL 8, 1987, ON HOUSE BILL 593

GOOD MORNING, MY NAME IS DON JUDGE AND I AM HERE TODAY ON BEHALF OF THE  
MONTANA STATE AFL-CIO TO TESTIFY IN OPPOSITION TO HOUSE BILL 593.

MADAM CHAIR, MEMBERS OF THE COMMITTEE, THE APPARENT INTENT OF THIS BILL  
APPEARS TO PROMOTE "PRIVATE ENTERPRISE" IN MONTANA; NOTABLY AN ADMIRABLE GOAL.  
HOWEVER, IT IS OUR BELIEF THAT HOUSE BILL 593 EXAGGERATES SUCH EFFORTS AND FAILS  
TO TAKE INTO ACCOUNT THE PUBLIC INTEREST. WE BELIEVE THAT THIS MEASURE SERVES  
ONLY TO FURTHER DESTABILIZE A STATE....A STATE GOVERNMENT WE ALL KNOW IS REELING  
FROM AN ACUTE BUDGETARY AND ECONOMIC CRISIS.

UNDER THIS BILLS PROVISIONS, THE GOVERNOR, THE PRESIDENT OF THE SENATE AND  
THE SPEAKER OF THE HOUSE, WILL APPOINT MEMBERS TO A "PRIVATE ENTERPRISE REVIEW  
COMMISSION." THE MAJORITY OF THESE COMMISSIONERS WILL THEMSELVES REPRESENT THE  
PRIVATE SECTOR. THIS COMMISSION WOULD THEN BE REQUIRED TO "REVIEW STATUTES,  
RULES AND PRACTICES FOR ALL (STATE) AGENCY ACTIVITIES TO DETERMINE IF THE PUBLIC  
INTEREST IS BEST SERVED IF "PRIVATE ENTERPRISE" PERFORMED THESE ACTIVITIES.

AT THE VERY LEAST, THE COMPOSITION OF THIS COMMISSION COULD REPRESENT A  
POTENTIAL CONFLICT OF INTEREST. IT IS NOT INCONCEIVABLE THAT COMMISSIONERS FROM  
THE PRIVATE SECTOR WOULD PROMOTE LEGISLATION THAT WOULD SERVE THEIR OWN INTERESTS.

OUR SECOND CONCERN ARISES BECAUSE THERE ARE NO PROVISIONS IN THIS BILL  
TO PROTECT PUBLIC SECTOR EMPLOYEES AND THEIR FAMILIES WHEN THEIR JOBS ARE TURNED  
OVER TO THE PRIVATE SECTOR. WILL THESE EMPLOYEES BE ELIGIBLE FOR PENSION BENEFITS?  
HOW WILL THEIR SEVERANCE PAY BE HANDLED? WILL THESE EMPLOYEES HAVE GUARANTEED

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 6 0-4-2  
DATE 4-8-87  
BILL NO. 593

RIGHTS TO JOBS WITH THE PRIVATE FIRM THAT ASSUMES THE FUNCTIONS OF A STATE AGENCY?  
WILL ENTIRE AGENCIES BE ABOLISHED?

THERE IS A THIRD REASON FOR OUR OPPOSITION TO HOUSE BILL 593. WE BELIEVE THAT BY PRIVATIZING STATE AGENCIES, STATE GOVERNMENT WILL BECOME AN ACTIVE PARTICIPANT IN WAGE-BASE DISRUPTION IN MONTANA. MORE LIKELY THAN NOT, THOSE EMPLOYEES WHOSE JOBS ARE PRIVATIZED WILL BE FORCED TO ACCEPT THEIR OLD POSITIONS AT A DRASTICALLY REDUCED WAGE.

THIS WILL MEAN NOT ONLY A SIGNIFICANT REDUCTION IN THE EMPLOYEES STANDARDS OF LIVING, BUT WILL ALSO RESULT IN A FURTHER EROSION OF THE TAX BASE AND EVEN FEWER DOLLARS FOR LOCAL BUSINESSES. CONSIDER THE PROFOUND IMPACT THAT WHOLESALE PRIVATIZATION WOULD HAVE ON MONTANA MAINSTREET BUSINESSES.

LADIES AND GENTLEMEN, PRIVATIZING PUBLIC SERVICES OFTEN APPEARS TO BE AN ATTRACTIVE OPTION BECAUSE YOU MAY PERHAPS SIGNIFICANTLY REDUCE THE COSTS OF THESE SERVICES. HOWEVER, WE BELIEVE THAT THERE ARE OTHER SEVERAL IMPORTANT CRITERIA FOR ASSESSING THESE COSTS.

THE COSTS OF CONTINUITY OF SERVICES SHOULD BE ADDRESSED AND THE QUALITY OF THOSE SERVICES MUST ALSO BE CONSIDERED. WE MUST ALSO CONTEMPLATE THE LONG-TERM COSTS TO OUR STATE BEFORE ENGAGING IN A WHOLESALE RUSH TO DISMANTLE OUR STATE'S INFRASTRUCTURE. TO TURN OVER THE ADMINISTRATION OF THESE STATE SERVICES MIGHT MEAN AN IMMEDIATE REVENUE INJECTION FOR OUR STATE, BUT IT POSES TWO VERY DISTINCT RISKS.

THE FIRST IS THE QUESTION OF ACCOUNTABILITY. GOVERNMENTS REMAIN ACCOUNTABLE THROUGH THE ELECTORAL PROCESS. BUT WHO DOES THE PRIVATE SECTOR ANSWER TO?

THE SECOND RISK CONCERNS POTENTIAL START UP COSTS. SHOULD STATE GOVERNMENT DECIDE, IN RETROSPECT, THAT IT IS THE PROPER PROVIDER OF THESE SERVICES, THEN COSTS ASSOCIATED WITH REPURCHASING LOST CAPITAL INVESTMENTS COULD VERY WELL BE PROHIBITIVE.

MEMBERS OF THE COMMITTEE, IT IS OUR BELIEF THAT HOUSE BILL 593 DOES NOT  
SERVE THE BEST INTERESTS OF PUBLIC EMPLOYEES, RECIPIENTS OF STATE SERVICES OR  
THE PUBLIC WELFARE.

WE URGE YOU TO GIVE HOUSE BILL 593 A "DO NOT PASS" RECOMMENDATION.  
THANK YOU.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 6  
DATE 4-8-87  
BILL NO. 593

*Page*

*House*  
Passed 4-8-87

PROPOSED AMENDMENTS TO HOUSE BILL NO. 870 (Third reading/blue):

1. Page 10, line 17.

Strike: "223"

Insert: "233"

2. Page 10, line 19.

Strike: "223"

Insert: "233"

corhb870.wp

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 1  
DATE 4-8-87  
# BILL NO. 870



SALARY INFORMATION FOR INSTITUTION SCHOOLS

SENATE FINANCE AND CLAIMS

CREDIT NO. 2

DATE

4-8-87

BILL NO.

870

PREPARED BY  
MONTANA EDUCATION ASSOCIATION  
1987

# ADDENDUM A

STATE OF MONTANA

05/03/85

ANNUAL HOURS = 2080

DEPARTMENT OF ADMINISTRATION

NOTE: DOES NOT INCLUDE  
INSURANCE

AY-MATRIX= TEACHERS

PERSONNEL DIVISION

1986 -- 1987

TERM = NINE MONTH

MATRIX TYPE= ANNUAL

## EDUCATION

EXP	PAYROLL	BA	BA+1	BA+2	BA+3	MA	MA+1
	STEP						
0	1	13,212	13,656	14,112	14,335	14,557	15,013
1	2	13,735	14,230	14,726	14,974	15,222	15,717
2	3	14,256	14,804	15,338	15,614	15,887	16,423
3	4	14,779	15,379	15,952	16,253	16,553	17,127
4	5	15,300	15,952	16,565	16,891	17,219	17,833
5	6	15,823	16,527	17,180	17,532	17,885	18,538
6	7	16,343	17,100	17,792	18,171	18,549	19,241
7	8	16,866	17,675	18,407	18,812	19,216	19,946
8	9	17,387	18,248	19,020	19,450	19,882	20,651
9	10	17,910	18,824	19,634	20,089	20,546	21,356
10	11	18,433	19,397	20,246	20,729	21,212	22,060
11	12	18,433	19,397	20,246	20,729	21,212	22,060
12	13	18,433	19,397	20,246	20,729	21,212	22,060

As per H.B. 375, Section 2-18-303(3)(iii): "The compensation of each teacher on the first day of the first pay period in July, 1986, shall be that amount which corresponds to his level of academic achievement and the step occupied on June 30, 1985.

SENATE FINANCE AND CLAIMS

FILED NO. 2

DATE

BILL NO.

2 Pg 2  
4-8-87  
870

COMPOSITE	SCHEDULE QUARTER HOURS				TOTAL TEACHERS:		9,305
	BA	BA+15	BA+30	BA+45	MA	MA+15	
NO.	145	145	145	81	140	74	
1	15,485	16,009	16,539	16,940	17,278	17,804	
2	16,062	16,628	17,193	17,614	17,986	18,567	
3	16,632	17,240	17,847	18,273	18,690	19,333	
4	17,232	17,887	18,528	18,966	19,425	20,130	
5	17,822	18,526	19,206	19,661	20,162	20,936	
6	18,395	19,160	19,882	20,350	20,894	21,737	
7	18,963	19,774	20,542	21,029	21,624	22,550	
8	19,526	20,408	21,212	21,702	22,356	23,325	
9	20,054	21,019	21,866	22,376	23,066	24,104	
10	20,536	21,609	22,520	23,051	23,775	24,885	
11	20,987	22,164	23,167	23,722	24,479	25,666	
12	21,140	22,614	23,729	24,316	25,134	26,418	
13	21,205	22,826	24,212	24,873	25,758	27,152	
14	21,241	22,918	24,468	25,389	26,321	27,837	
15	21,251	22,957	24,596	25,722	26,797	28,475	
16	21,261	22,971	24,641	25,923	27,164	28,941	
17	21,265	22,975	24,651	25,972	27,287	29,142	
18	21,269	22,979	24,656	25,991	27,345	29,246	
19	21,271	22,981	24,658	25,991	27,354	29,255	
20	21,274	22,984	24,661	25,991	27,364	29,256	
21	21,276	22,987	24,664	25,991	27,368	29,258	

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE

4-8-87

BILL NO.

870

CHANGES IN AMOUNT OF SALARY SCHEDULES 276666668607 OVER 279990069912

FOR SCHOOL DIST. PINE HILLS (STATE SCHOOL)

AND SCHOOL DIST. COMPOSITE

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-2,273	-2,353	-2,427	-2,605	-2,721	-2,791
2	-2,327	-2,398	-2,467	-2,640	-2,764	-2,850
3	-2,376	-2,436	-2,509	-2,659	-2,803	-2,910
4	-2,453	-2,508	-2,576	-2,713	-2,872	-3,003
5	-2,522	-2,574	-2,641	-2,770	-2,943	-3,103
6	-2,572	-2,633	-2,702	-2,818	-3,009	-3,199
7	-2,620	-2,674	-2,750	-2,858	-3,075	-3,309
8	-2,660	-2,733	-2,805	-2,890	-3,140	-3,379
9	-2,667	-2,771	-2,846	-2,926	-3,184	-3,453
10	-2,626	-2,785	-2,886	-2,962	-3,229	-3,529
11	-2,554	-2,767	-2,921	-2,993	-3,267	-3,606
12	-2,707	-3,217	-3,483	-3,587	-3,922	-4,358
13	-2,772	-3,429	-3,966	-4,144	-4,546	-5,092
14	-2,808	-3,521	-4,222	-4,660	-5,109	-5,777
15	-2,818	-3,560	-4,350	-4,993	-5,585	-6,415
16	-2,828	-3,574	-4,395	-5,194	-5,952	-6,881
17	-2,832	-3,578	-4,405	-5,243	-6,075	-7,082
18	-2,836	-3,582	-4,410	-5,262	-6,133	-7,186

CHANGES IN AMOUNT OF SALARY SCHEDULES 276666668607 OVER 279990069912

FOR SCHOOL DIST. PINE HILLS (STATE SCHOOL)

AND SCHOOL DIST. COMPOSITE

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
19	-2,838	-3,584	-4,412	-5,262	-6,142	-7,195
20	-2,841	-3,587	-4,415	-5,262	-6,152	-7,195
21	-2,843	-3,590	-4,418	-5,262	-6,156	-7,198

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 8-8-87

BILL NO. 876

PERCENT CHANGES OF SALARY SCHEDULES 276666668607 OVER 279990069912  
FOR SCHOOL DIST.PINE HILLS (STATE SCHOOL)  
AND SCHOOL DIST.COMPOSITE

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-14.7	-14.7	-14.7	-15.4	-15.7	-15.7
2	-14.5	-14.4	-14.3	-15.0	-15.4	-15.3
3	-14.3	-14.1	-14.1	-14.6	-15.0	-15.1
4	-14.2	-14.0	-13.9	-14.3	-14.8	-14.9
5	-14.2	-13.9	-13.8	-14.1	-14.6	-14.8
6	-14.0	-13.7	-13.6	-13.8	-14.4	-14.7
7	-13.8	-13.5	-13.4	-13.6	-14.2	-14.7
8	-13.6	-13.4	-13.2	-13.3	-14.0	-14.5
9	-13.3	-13.2	-13.0	-13.1	-13.8	-14.3
10	-12.8	-12.9	-12.8	-12.8	-13.6	-14.2
11	-12.2	-12.5	-12.6	-12.6	-13.3	-14.0
12	-12.8	-14.2	-14.7	-14.8	-15.6	-16.5
13	-13.1	-15.0	-16.4	-16.7	-17.6	-18.8
14	-13.2	-15.4	-17.3	-18.4	-19.4	-20.8
15	-13.3	-15.5	-17.7	-19.4	-20.8	-22.5
16	-13.3	-15.6	-17.8	-20.0	-21.9	-23.8
17	-13.3	-15.6	-17.9	-20.2	-22.3	-24.3
18	-13.3	-15.6	-17.9	-20.2	-22.4	-24.6

PERCENT CHANGES OF SALARY SCHEDULES 276666668607 OVER 279990069912  
FOR SCHOOL DIST.PINE HILLS (STATE SCHOOL)  
AND SCHOOL DIST.COMPOSITE

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
19	-13.3	-15.6	-17.9	-20.2	-22.5	-24.6
20	-13.4	-15.6	-17.9	-20.2	-22.5	-24.6
21	-13.4	-15.6	-17.9	-20.2	-22.5	-24.6

SERVO FINANCE AND CLAIMS  
EXHIBIT NO. 2  
DATE 8-8-84  
BILL NO. 895

403  
B870

①

STATE: MONTANA

KEY= 2766676678607

DISTRICT: PINE HILLS (STATE SCHOOL)

EFFECTIVE 7/86		NO. OF TEACHERS:			ENROLLMENT:	
STEP	BA	BA+15	BA+30	BA+45	MA	MA+15
1	13,212	13,656	14,112	14,335	14,557	15,013
2	13,735	14,230	14,726	14,974	15,222	15,717
3	14,256	14,804	15,338	15,614	15,887	16,423
4	14,779	15,379	15,952	16,253	16,553	17,127
5	15,300	15,952	16,565	16,891	17,219	17,833
6	15,823	16,527	17,180	17,532	17,885	18,538
7	16,343	17,100	17,792	18,171	18,549	19,241
8	16,866	17,675	18,407	18,812	19,216	19,946
9	17,387	18,248	19,020	19,450	19,882	20,651
10	17,910	18,824	19,634	20,089	20,546	21,356
11	18,433	19,397	20,246	20,729	21,212	22,060

STATE: MONTANA

KEY= 276676678607

DISTRICT: MOUNTAIN VIEW SCHOOL (STATE)

EFFECTIVE 7/86		NO. OF TEACHERS:			ENROLLMENT:	
STEP	BA	BA+15	BA+30	BA+45	MA	MA+15
1	13,212	13,656	14,112	14,335	14,557	15,013
2	13,735	14,230	14,726	14,974	15,222	15,717
3	14,256	14,804	15,338	15,614	15,887	16,423
4	14,779	15,379	15,952	16,253	16,553	17,127
5	15,300	15,952	16,565	16,891	17,219	17,833
6	15,823	16,527	17,180	17,532	17,885	18,538
7	16,343	17,100	17,792	18,171	18,549	19,241
8	16,866	17,675	18,407	18,812	19,216	19,946
9	17,387	18,248	19,020	19,450	19,882	20,651
10	17,910	18,824	19,634	20,089	20,546	21,356
11	18,433	19,397	20,246	20,729	21,212	22,060

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 3  
DATE 4-8-87  
BILL NO. 870

2

STATE: MONTANA

KEY= 270090228607

DISTRICT: HELENA CITY DIST #1

EFFECTIVE 7/86		NO. OF TEACHERS:				ENROLLMENT:	
STEP	BA	BA+15	BA+30	BA+45	MA	MA+15	
1	14,600	15,150	15,700	15,950	16,240	16,770	
2	15,250	15,840	16,440	16,750	17,030	17,610	
3	15,990	16,530	17,190	17,530	17,820	18,460	
4	16,520	17,220	17,940	18,300	18,610	19,310	
5	17,150	17,910	18,650	19,080	19,400	20,160	
6	17,780	18,590	19,430	19,850	20,190	21,010	
7	18,400	19,280	20,170	20,630	20,980	21,860	
8	19,030	19,970	20,920	21,400	21,770	22,710	
9	19,660	20,660	21,670	22,180	22,560	23,550	
10	20,290	21,350	22,410	22,950	23,350	24,400	
11	20,920	22,030	23,160	23,730	24,140	25,250	
12	...	22,720	23,910	24,510	24,930	26,100	
13	...	...	24,650	25,280	25,720	26,950	
14	...	...	25,400	26,060	26,510	27,800	
15	...	...	26,140	26,830	27,300	28,650	
16	...	...	...	...	28,090	29,490	

ATTAINMENT LEVEL 4.5

STATE: MONTANA

KEY= 270250158607

DISTRICT: HELENA DIST #1

EFFECTIVE 7/86		NO. OF TEACHERS:				ENROLLMENT:		
STEP	BA	BA+15	BA+30	BA+45	MA	MA+15	MA+30	
1	15,380	15,900	16,440	16,960	17,500	18,030	18,550	
2	16,000	16,580	17,160	17,750	18,330	18,920	19,490	
3	16,610	17,260	17,890	18,530	19,160	19,810	20,430	
4	17,230	17,930	18,610	19,320	19,990	20,700	21,360	
5	17,840	18,610	19,330	20,100	20,830	21,590	22,300	
6	18,460	19,290	20,060	20,890	21,620	22,490	23,240	
7	19,070	19,960	20,780	21,670	22,490	23,380	24,180	
8	19,690	20,640	21,500	22,460	23,320	24,270	25,120	
9	20,300	21,320	22,220	23,240	24,150	25,160	26,050	
10	20,920	21,990	22,950	24,020	24,980	26,050	26,990	
11	21,530	22,670	23,670	24,810	25,810	26,950	27,930	
12	...	23,350	24,390	25,590	26,640	27,840	28,870	
13	...	...	25,120	26,380	27,470	28,730	29,810	
14	...	...	...	27,160	28,300	29,620	30,750	
15	...	...	...	...	29,130	30,510	31,680	
16	...	...	...	...	29,960	31,410	32,620	
17	...	...	...	...	30,790	32,300	33,560	

ATTAINMENT LEVEL 4; CAREER INCREMENTS BEGIN. 17 YRS

STATE OF MONTANA AND CLAIMS

EMP NO. 3

DATE

BILL NO. 870

1986-1987

(3)

CHANGES IN AMOUNT OF SALARY SCHEDULES 276666668607 OVER 270090228607  
FOR SCHOOL DIST. PINE HILLS (STATE SCHOOL)  
AND SCHOOL DIST. MILES CITY DIST #1  
(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-1,418	-1,504	-1,588	-1,645	-1,683	-1,737
2	-1,525	-1,610	-1,714	-1,775	-1,808	-1,893
3	-1,634	-1,726	-1,852	-1,915	-1,933	-2,037
4	-1,741	-1,841	-1,988	-2,047	-2,057	-2,183
5	-1,850	-1,958	-2,115	-2,189	-2,181	-2,327
6	-1,957	-2,063	-2,250	-2,318	-2,305	-2,472
7	-2,057	-2,180	-2,378	-2,459	-2,431	-2,619
8	-2,164	-2,295	-2,513	-2,588	-2,554	-2,764
9	-2,273	-2,412	-2,650	-2,730	-2,678	-2,899
10	-2,380	-2,526	-2,776	-2,861	-2,804	-3,044
11	-2,487	-2,633	-2,914	-3,001	-2,928	-3,190
12		-3,323	-3,664	-3,781	-3,718	-4,040
13			-4,404	-4,551	-4,508	-4,890
14			-5,154	-5,331	-5,298	-5,740
15			-5,894	-6,101	-6,088	-6,590
16					-6,878	-7,430

PERCENT CHANGES OF SALARY SCHEDULES 276666668607 OVER 270090228607  
FOR SCHOOL DIST. PINE HILLS (STATE SCHOOL)  
AND SCHOOL DIST. MILES CITY DIST #1  
(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-9.7	-9.9	-10.1	-10.3	-10.4	-10.5
2	-10.0	-10.2	-10.4	-10.6	-10.6	-10.7
3	-10.3	-10.4	-10.8	-10.9	-10.8	-11.0
4	-10.5	-10.7	-11.1	-11.2	-11.1	-11.3
5	-10.8	-10.9	-11.3	-11.5	-11.2	-11.5
6	-11.0	-11.1	-11.6	-11.7	-11.4	-11.8
7	-11.2	-11.3	-11.8	-11.9	-11.6	-12.0
8	-11.4	-11.5	-12.0	-12.1	-11.7	-12.2
9	-11.6	-11.7	-12.2	-12.3	-11.9	-12.3
10	-11.7	-11.8	-12.4	-12.5	-12.0	-12.5
11	-11.9	-12.0	-12.6	-12.6	-12.1	-12.6
12		-14.6	-15.3	-15.4	-14.9	-15.5
13			-17.9	-18.0	-17.5	-18.1
14			-20.3	-20.5	-20.0	-20.6
15			-22.5	-22.7	-22.3	-23.0
16					-24.5	-25.2

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3 29 3

DATE 4-8-81

FILE NO. 870



1986-1987

4

CHANGES IN AMOUNT OF SALARY SCHEDULES 276676678607 OVER 270250158607  
FOR SCHOOL DIST. MOUNTAIN VIEW SCHOOL (STATE)  
AND SCHOOL DIST. HELENA DIST #1

(COMPUTATION WAS MADE IN THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-2,168	-2,244	-2,323	-2,403	-2,943	-3,017
2	-2,265	-2,330	-2,404	-2,479	-3,108	-3,203
3	-2,354	-2,456	-2,552	-2,616	-3,273	-3,387
4	-2,451	-2,551	-2,655	-2,767	-3,437	-3,573
5	-2,540	-2,655	-2,765	-2,889	-3,601	-3,757
6	-2,637	-2,763	-2,890	-3,058	-3,775	-3,952
7	-2,727	-2,860	-2,988	-3,199	-3,941	-4,139
8	-2,824	-2,965	-3,093	-3,248	-4,104	-4,324
9	-2,913	-3,072	-3,200	-3,350	-4,268	-4,509
10	-3,010	-3,166	-3,316	-3,431	-4,434	-4,694
11	-3,097	-3,273	-3,424	-3,581	-4,598	-4,890
12		-3,953	-4,144	-4,361	-5,428	-5,780
13			-4,674	-5,651	-6,258	-6,670
14				-6,431	-7,088	-7,560
15					-7,913	-8,450
16					-8,748	-9,350
17					-9,578	-10,240

PERCENT CHANGES OF SALARY SCHEDULES 276676678607 OVER 270250158607  
FOR SCHOOL DIST. MOUNTAIN VIEW SCHOOL (STATE)  
AND SCHOOL DIST. HELENA DIST #1

(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-14.1	-14.1	-14.2	-15.5	-16.8	-16.7
2	-14.2	-14.2	-14.2	-15.6	-17.0	-16.9
3	-14.2	-14.2	-14.3	-15.7	-17.1	-17.1
4	-14.2	-14.2	-14.3	-15.9	-17.2	-17.3
5	-14.2	-14.3	-14.3	-16.0	-17.3	-17.4
6	-14.3	-14.3	-14.4	-16.1	-17.4	-17.6
7	-14.3	-14.3	-14.4	-16.1	-17.5	-17.7
8	-14.3	-14.4	-14.4	-16.2	-17.6	-17.8
9	-14.3	-14.4	-14.4	-16.3	-17.7	-17.9
10	-14.4	-14.4	-14.4	-16.4	-17.8	-18.0
11	-14.4	-14.4	-14.5	-16.4	-17.8	-18.1
12		-15.9	-17.0	-19.0	-20.4	-20.8
13			-19.4	-21.4	-22.8	-23.2
14				-23.7	-25.0	-25.5
15					-27.2	-27.7
16					-29.2	-29.8
17					-31.1	-31.7

SENATE FINANCE AND CLAIMS  
CREDIT NO. 3 Rq 4-  
DATE 4-8-87  
BILL NO. HB 870

5

1986-1987

\*\*\* POTENTIAL EARNINGS \*\*\*

KEY: 270090225607 DISTRICT: MILES CITY DIST #1

STEP	LANE	CUM SAL	STEP	LANE	CUM SAL	STEP	LANE	CUM SAL
1	100	14,630	16		336,320	31		
2		29,890	17	210	366,310	32		
3		45,780	18		395,800	33		
4		62,300	19		425,290	34		
5	110	80,210	20		454,780	35		
6		98,800	21		484,270	36		
7		118,080	22		513,760	37		
8		138,050	23		543,250	38		
9	120	159,720	24		572,740	39		
10		182,130	25		<u>602,230</u>	40		
11		205,290	26			41		
12		229,200	27			42		
13	200	254,920	28			43		
14		281,430	29			44		
15		308,730	30			45		

NOTE- 100 110 120 200 210

NOT FOUND, USING PREVIOUS CODE

\*\*\* POTENTIAL EARNINGS \*\*\*

KEY: 276666668607 DISTRICT: PINE HILLS (STATE SCHOOL)

STEP	LANE	CUM SAL	STEP	LANE	CUM SAL	STEP	LANE	CUM SAL
1	100	13,212	16		287,230	31		
2		26,947	17	210	309,290	32		
3		41,203	18		331,350	33		
4		55,982	19		353,410	34		
5	110	71,934	20		375,470	35		
6		88,461	21		397,530	36		
7		105,561	22		419,590	37		
8		123,236	23		441,650	38		
9	120	142,256	24		463,710	39		
10		161,890	25		<u>485,770</u>	40		
11		182,136	26			41		
12		202,382	27			42		
13	200	223,594	28			43		
14		244,806	29			44		
15		266,018	30			45		

NOTE- 100 110 120 200 210

NOT FOUND, USING PREVIOUS CODE

FINANCE AND CLAIMS  
BIT NO. 3 29.5  
DATE 6-8-87  
BILL NO. 46870

(6)  
\*\*\* POTENTIAL EARNINGS \*\*\*

KEY: 270250155607 DISTRICT: HELENA DIST #1

STEP	LANE	CUM SAL	STEP	LANE	CUM SAL	STEP	LANE	CUM SAL
1	100 <i>BH</i>	13,380	16	<i>BH</i> 11	331,810	31		
2		31,380	17	210	384,110	32		
3		47,990	18		416,410	33		
4	<i>BA+1</i>	63,220	19		448,710	34		
<i>Y/M</i> 5	110	93,830	20		481,010	35		
6		103,120	21		513,310	36		
7		123,080	22		545,610	37		
8	<i>BA+2</i>	143,720	23		577,910	38		
9	120	163,940	24		610,210	39		
10		188,890	25		<u>642,510</u>	40		
11		212,360	26			41		
12	<i>BA</i>	236,950	27			42		
13	200	264,420	28			43		
14		292,720	29			44		
15		321,850	30			45		

NOTE- 100 110 120 200 210

NOT FOUND, USING PREVIOUS CODE

\*\*\* POTENTIAL EARNINGS \*\*\*

KEY: 276676678607 DISTRICT: MOUNTAIN VIEW SCHOOL (STATE)

STEP	LANE	CUM SAL	STEP	LANE	CUM SAL	STEP	LANE	CUM SAL
1	100	13,212	16		287,230	31		
2		26,947	17	210	309,290	32		
3		41,203	18		331,350	33		
4		55,982	19		353,410	34		
5	110	71,934	20		375,470	35		
6		88,461	21		397,530	36		
7		105,561	22		419,590	37		
8		123,236	23		441,650	38		
9	120	142,256	24		463,710	39		
10		161,890	25		<u>485,770</u>	40		
11		182,136	26			41		
12		202,382	27			42		
13	200	223,594	28			43		
14		244,806	29			44		
15		266,018	30			45		

NOTE- 100 110 120 200 210

NOT FOUND, USING PREVIOUS CODE

*See  
Career earnings  
pg 11 & 12*

STATE CLAIMS  
EXHIBIT 3 pg 6  
DATE 4-8-87  
FILE NO HB870

\*

20K4  
H B 870

April 8, 1987

The Honorable Pat Regan  
Chairwoman of Finance & Claims Com.  
Capitol Station  
Helena, MT 59620

Dear Senator Regan:

I am writing in support of House Bill 870. This bill directly affects me as I am a teacher at Mountain View School.

One of my major concerns is the turn over of the teaching staff. These students need consistency and it is hard when a position may have 2 or more different teachers within the same year. This is difficult on public school students, but worse on our students who have often never had much consistency.

I went to college to become a Business Teacher and look upon what I do as a "career" rather than a job just for money or to support myself. However, I can not make ends meet with what I receive from Mountain View School for the full-time position and that is why I am working at another job to make ends meet for my family. I feel I would be more effective if able to afford to work only at Mountain View School.

Thank you for your consideration of this bill.

Sincerely,

*Lola Smith*

Lola Smith  
Business Ed Teacher

cc: Committee Members

SENATE FINANCE AND CLAIMS

EXHIBIT NO 4

DATE 4-8-87

BILL NO HB 870

4/8/87  
HB 870  
April 8, 1987

Finance and Claims Committee  
Capitol Station  
Helena, MT 59620

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 5  
DATE 4-8-87  
BILL NO. HB 870

Chairwoman and members of the committee:

My name is Kenneth Platt. As President of the Mountain View School Education Association and the Science teacher at the school, it is of great concern that this testimonial be submitted to this committee and that I ask you to pass House Bill 870 out of committee.

The certified teachers at Pine Hills and Mountain View Schools are drastically under paid as evidenced by the attached "Mountain View/Pine Hills Schools Fact Sheet". Personally, I am a 5-year veteran of science teaching at Mountain View School and still receive less wage than a new teacher at Mountain View School with outside experience. We, as teachers, have not moved on the experience pay matrix since 1981. Besides the cost of living raises, the 2% to 3%, the only other raise we can procure is by completing fifteen credits of graduate courses.

The teachers at Pine Hills and Mountain View Schools are certified teachers, and unlike other state employees, are required to pay tuition and other costs as do public school teachers in order to continue to teach. Even though we continue to receive about \$2000 less at base salary, the difference widens as you move along the matrix, we still are required to recertify every five years by paying for and taking continuing education courses through the university system. This is not a requirement for other state employees.

A further problem associated with low wages being paid teachers is retirement. The teacher's retirement takes an amount based on salary. We continue to put away less wages for less retirement.

In addition, these institutional teachers teach a variety of subjects in their curriculum to a variety of every changing students. About 4 to 6 different topics or courses are taught by each teacher on an individualized basis to students with emotional and behavioral problems. These students are also run risks and are actually dangerous to themselves and others in the classroom. You never know when an argument, fight or assault will break out. Besides teaching these low level and low achieving kids, we need to concentrate on major discipline problems. So far this school year four adults have been assaulted in and out of school. But, we can and we do a good job of controlling our classrooms and will do better if we can retain veteran teachers. Good, qualified teachers are difficult to attract to these schools just because of the type of students and additional work loads brought forth by individualized instruction, behavior problems and grade differences in each student.

These students' lives and educational experience can be turned around toward the positive if quality educators can be found and retained. The low pay has caused a teacher turnover rate at these schools that is unbelievable. For example, within the past ten years there have been 6 English, 4 Math, and 5 P.E. positions and since 1984 4 different Art teachers. Salary increases will make a difference and will result in a more stable environment.

It is my contention that these students' lives need to be stabilized and that they need a change with education. For many of these students, the state educational institutions are where they will find this stabilization. Quality educators can and do make a tremendous difference to the futures of these students. However, quality education will not be provided to these girls and boys if the teachers are not retained by equal salaries with public school educators. There will continue to be a high turnover rate with a great loss of quality education to the students who really need it. We can turn around some of those lives now before the state will need to continue to pay for welfare and housing in other institutional settings.

Please vote yes on House Bill 870 so that the excellent teaching staff at Mountain View School can continue to stabilize and provide quality education to these students.

Thank you,

*Ken Platt*

Ken Platt, President  
Mountain View School Ed. Assn.

SENATE FINANCE AND CLAIMS  
EXHIBIT 5 P92  
DATE 4-8-87  
BILL NO. HB 870

MOUNTAIN VIEW/PINE HILLS SCHOOLS FACT SHEET

Helena School District's base salary is \$15,380.

Miles City District's base salary is \$14,630.

Mountain View/Pine Hills Schools base salary is \$13,212

This is a difference of \$1,418 to \$2168 a year at the base.

Helena School District's salary at experience level of 11 is \$26,950.

Miles City District's salary at experience level of 11 is \$25,250.

Mountain View/Pine Hills Schools highest salary level is \$22,060.

This is a difference of \$3190 to \$4890 a year at the highest levels.

We are not gaining experience levels on the pay matrix as our salaries have been frozen.

The average amount of money we are losing each year from not moving up on the experience levels of the pay matrix is \$1152.

The average teaching salary in the U.S. is \$25,260.

The average teaching salary in Montana is \$22,500.

The average teaching salary at Mountain View/Pine Hills Schools is \$13,210.

The average state base teaching salary of 1st-3rd class districts in Montana is \$15,430.

At Mountain View/Pine Hills Schools it is \$13,210.

Working 25 years in the Helena District you will make an average of \$642,500.

Working 25 years at Mountain View/Pine Hills Schools you will make an average of \$485,770.

Not only will you spend your teaching career with less money, you will retire to an equally low pension.

\*Most of this information can be verified from the MEA Montana Teacher Salary Schedule.

4-6  
HB 870

April 6, 1987

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 6  
DATE 4-5-87  
BILL NO. 870

Pat Regan, Chairman  
Finance and Claims Committee  
State Administration  
Capitol Station  
Helena, MT 59620

Dear Mr. Regan:

My name is Neal Christensen. I am presently the School Counselor at Mountain View School in Helena. I have been in education as a teacher, coach, counselor and administrator for 29 years. I have been at Mountain View for over 5 years. I strongly support HB870.

Seldom in my educational career have I been associated with classroom teachers of the caliber we have at Mountain View. These teachers are knowledgeable, dedicated experts at teaching and especially at teaching Court Adjudicated Juvenile Delinquent girls.

A teacher's job at Mountain View is especially difficult because they are required to teach mostly emotionally disturbed, unmotivated tough kids. Most teachers in the traditional school system would not even begin to try to teach to our population, and in fact, have mostly removed such students from the traditional schools.

We have 60+ students on campus at present and some say the reason for teachers not being paid equal salaries is because the classes are small. They are not that small, (8 - 20) and almost any one of these students could upset a class of 20 - 30 in the traditional school. Our teachers at Mountain View are effectively able to teach whatever number they are assigned, and all in the same room. Mountain View students can be unruly and volatile but our teachers face these students everyday.

Sometimes I wonder about the teachers when they go home after a particularly hard day. I wonder why they keep coming back? I know the reason they come back is because they are true professionals and their teaching outcomes are far more important than money or they would not still be here. However, that does not mean they should suffer economic injustices because they are fine professionals who like teaching kids.



I have been asked by other educational professionals why teachers would work at Mountain View. My answer is that they are concerned for the welfare and education of these truly needy kids. Time after time I see these unmotivated youth settle down at Mountain View and for the first time in their life begin to learn and take school more seriously. These teachers are sometimes miracle workers.

What bothers me immensely is that these teachers have had to almost beg for a wage that they can live on. Because of various political stances, I do not think they have even had a raise in years. They are far below salary with their peers in other schools. They have no substitute teachers and there are other inequities persisting in the Mountain View School system (i.e. materials and equipment).

Sometimes, the teachers have complained over the years about their low pay and conditions, yet I have never seen them, as a whole, deliver more than the best possible education for their students. They are warm, tender, caring people who do an outstanding job disciplining and teaching this population.

In the five years I have been here I have been proud to be associated with this teaching faculty. Many of the teachers have been here for a long period of time. A couple of years ago a teacher retired from here with 30 years of teaching experience (25 at Mountain View). Other teaching numbers of tenure years are 18, 13, 9, 4, and 5. Some of our teachers have gone on to other traditional schools over the years to all parts of the state including the Helena system. All of our teachers are State Certified and have degrees from Bachelors through Masters plus.

I feel the teachers at Mountain View School deserve the best, because they give their best, even when morale is low. An equal pay boost with their traditional school peers would be deserving.

Thank you for your consideration for these hard working dedicated teaching professionals. They do not have an advocacy population supporting them.

Sincerely,

*Neal J. Christensen*

Neal J. Christensen  
Educational Counselor

NJC/1g

SENATE FINANCE AND CLAIMS  
VISIT NO. 6 PG 2  
DATE 4-8-87  
BILL NO. HB 870

copy F  
NB 870

April 7, 1987

Senator Pat Regan, Chairperson  
Finance and Claims Committee  
Capitol Station  
Helena, Montana 59620

Dear Senator Regan:

I work at Mountain View School as a Chapter I English tutor. I am well acquainted with the teachers and the job they do.

In essence, they teach the most difficult, troubled girls in the state of Montana, under conditions which would be difficult, even with a normal population. To do this job they have to be devoted and idealistic.

I suppose that it is this idealism which keeps them in their positions: never losing hope that our girls' tangled lives can be ordered, the oppression of their hopelessness lifted, that these social rejects can be salvaged and made beautiful and promising again. And I think it is this same idealism which keeps them working at salaries which are indefensibly low.

Because they are idealistic, it has been possible for the state, in essence, to exploit them. But it is not ethical.

Support HB870, please.

Sincerely,

*Marilyn F. Seastone*  
Marilyn F. Seastone

SENATE FINANCIAL AND CLAIMS  
EXHIBIT NO 7  
DATE 4-8-87  
BILL NO HB 870

ENCL  
HB 870

April 7, 1987

Senator Pat Regan, Chairperson  
Finance and Claims Committee  
Capitol Station  
Helena, Montana 59620

Dear Senator Regan:

I have taught at Mountain View School for the past fourteen years. I thoroughly enjoy working with these students. They present many challenges while trying to overcome their psychological, emotional, and educational deprivation. Many of our students come from dysfunctional families with histories of alcoholism, sexual, physical, and mental abuse, and drug abuse.

These students deserve the same quality education as our other Montana youth but due to the extremely low salaries paid to Mountain View teachers we have an enormous teacher turnover. This hinders the quality and stability of our programs.

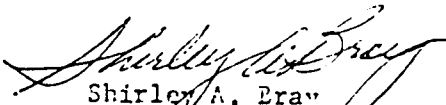
I have had to work a second job for the past eight years and I don't know how much longer I will be able to keep this pace. I work a minimum of sixty-eight hours a week, seven days a week. I am beginning to feel the strain, struggle, and stress. This generates but I have no choice if I am to provide the necessities for my family.

It is necessary for me to keep my teaching certificate up to date and in order to do that I must pay, out of my own pocket, for the college courses required by law. If I have to leave Helena to acquire a course I must also pay travel, motels, meals, and other supplies. No other state employee is required by law to have their licenses or certificates renewed by taking college credits once they have received their B.A. or B.S., only teachers.

As I neither want to leave my work at Mountain View School nor leave the state to find pay commensurate with my education and qualifications, I urgently request your support for HB 870.

Thank you for your consideration on our behalf.

Sincerely,

  
Shirley A. Eray  
English Dept. Chairperson

cc: Committee members

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 8  
DATE 4-8-87  
#B 870

4409  
HB 870  
April 8, 1987

Honorable Chairperson:

I'm appearing at this hearing to give my support to House Bill 870.

As a "Senior Citizen" with no children in school, I have noted a lack of interest in the differential in teachers' salaries within the school system. I'm sure there are many like myself who haven't taken a lot of interest in the situation.

We have teachers working in Institutional Schools which would scare the heck out of most of us.

These teachers deal with constant changes, turnover of students, addictions, pregnancy, molestation, and sometimes abused, unwanted, confused, mean, unreasonable, self-willed, unloved and sometimes frightened students.

Sometimes there are four or five levels of students in one class. Still these underpaid persons do a beautiful job of teaching and bringing it together for the students.

They walk that extra mile and always walk it with love.

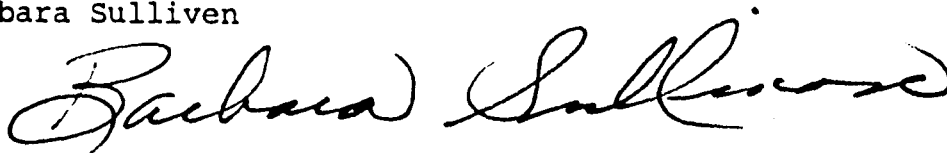
I am with the "Foster Grandparent Program" and proud to be "Grandma Barb" not only to the students at Mountain View School, but also to the staff and teachers.

During the school year I work only in the school proper so have a lot of opportunity to see first hand the terrific job these teachers are doing. I work with all of them and due to their help I'm still at it.

These are thankless jobs these teachers are doing so let's not complicate it by not allowing them the pay they so richly deserve.

Sincerely,

Barbara Sullivan



SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 9  
DATE 4-8-87  
BILL NO. HB 870

HB 870  
April 8, 1987

Senator Pat Regan, Chair  
Finance and Claims Committee  
Capitol Station  
Helena, MT 59620

Dear Senator Regan,

I am writing to urge your support for HB 870. I have been an educator and librarian at Mountain View for the past six years. Despite the stressful position and the low wages, I continue to work here because I see and feel the need for consistency for the girls and the total program here at Mountain View School.

I have been frozen on the pay matrix since 1981. People coming new into the program obtain higher wages, because they have not yet been caught up in the freeze. Once they realize that they too will be working for the same pay each year, many leave us.

The frustrations are many and frequent at this institution. However, there are several young girls who count on my familiar face and a stable program each day. When they see everything else in their life crumbling, they feel some comfort in being able to talk with a familiar person and exist in a non-threatening place. For many of them, this school is their life, their salvation, their springboard to be able to trust, love and take risks again in society.

Teachers here are not only educators, but also parents, counselors, and good listeners. We must wear several hats to provide all the necessary missing parts in a girl's life.

With the passing of HB 870, we can better ensure a stable, quality program and staff. The consistency of both is extremely vital in an institutional school. We have accepted our roles here and have learned to live with humility. HB 870 will give us the added incentive to continue our goal of providing quality time for the girls at Mountain View.

I thank you and the other committee members in advance for your sincere consideration of this Bill.

Sincerely,

*Diane M. Potter*

Mrs. Diane M. Potter  
English/Librarian

cc: Finance Committee Members  
Montana Education Assoc.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 10  
DATE 4-8-87  
BILL NO. HB 870

HB 14  
HB 870

April 7, 1987

Senator Pat Regan, Chairman  
Finance and Claims Committee  
Capitol Station  
Helena, MT 59601

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 11  
DATE 4-8-87  
BILL NO. HB870

Dear Senator Regan:

My name is Jack Oberweiser. I am a mathematics and computer science teacher at Mountain View School. I taught at Mountain View from 1978 to 1981, when I left the school to open and direct the Last Chance Youth Home, a group home for teens. I recently returned to Mountain View from the University of Montana where I received a Master's Degree in Teaching of Mathematics.

Almost all of my professional career has been spent in the service of underprivileged kids. I have been foster parent to over 30 Montana youth; I taught two years at the Montana Children's Center before its closure; I have been a counselor at the Deaconess Home for children.

I love working with kids, particularly kids with problems. I was extremely fortunate in growing up with a loving and caring family, and feel the obligation to pass along some of the human compassion and good will with which I've been blessed.

Teaching kids with special needs and problems is hard work, but is extremely rewarding. We who enter the teaching profession have no illusions about our potential earnings. Teaching is a low paying job, compared with other professional positions. When our chosen career does not allow us to make ends meet, however, the discouragement that results often leads to disillusionment and the search for new employment.

SER. NO. AND CLAIMS

EXH. 11 Pg 2

DATE 4-8-87  
HB 890

Mountain View School has lost ~~BILL 400~~ good teachers over the last 10 years. Although stress and other factors contribute to this turnover, low salaries are most often cited as reasons for leaving. Our pay scale is considerably below that of the local schools, and nearly at the bottom of the list of all Montana schools. It is not difficult to find a school in Montana that pays its teachers more than Mountain View School. Of the 5 present full time teachers at the school, 3 of us hold at least another part time job.

Yet, in polling our present teachers, we find that we'd all like to stay. We're not just putting in time, waiting for openings in the public school system. Our students are our kind of people. They provide us with a unique challenge, a difficult task, but one worthy of our profession, and one we meet each day with dedication, optimism, and a sense of humor. We measure our success in subtle attitude changes, in gradual, less hostile approaches to the learning process, in trust relationships built slowly and steadily, with youth who have seldom, if ever, trusted an adult. Our kids have been failures in the regular school system; we try to renew in them feelings of selfworth, teaching them to believe in themselves and in their ability to succeed. We're not better than public school teachers, but we are different, we are special.

Just as those who work with handicapped youth, or the developmentally disabled have a special talent for bringing the best out of kids in difficult situations, so do we who work with delinquent kids have a special empathy with them that allows

us to look beyond surface rough spots, jagged edges, and find some real strengths on which to build and educate.

In fairness to my family, I will be looking this spring for another teaching job. I don't want to. I enjoy what I am doing.

We're not asking for extra pay, only to be paid on the same scale as other teachers in the Helena area with comparable education and experience. We urge you to support House Bill 870.

Thank you, for myself, on behalf of the other teachers at Mountain View School, and especially on behalf of the girls at Mountain View, whose education is the responsibility of all of us.

Sincerely yours,



Jack Oberweiser

Teacher, Mountain View School

cc Members of the Senate Committee on Finance and Claims

SENATE FINANCE AND CLAIMS  
EXHIBIT 11 pg 3  
DATE 4-8-87  
# BILL NO. 870



4/12/87  
Mr. Chairman and members of the Committee:

My name is Robert LeMieux. I am a teacher of the deaf at MSDB. Also, I am the proud father of two deaf daughters who were graduated from the MSDB some years ago. I am here today representing the Montana Federation of Teachers at MSDB.

I support HB 871.

During my twenty-five years of teaching I have seen a steadily increasing disparity in the MSDB salary schedule as compared with the salary schedule of the largest school district in Cascade County. Indeed, it becomes more difficult for the MSDB to catch up with the present salary schedule which has easily attracted some professional employees from the MSDB in recent years.

When HB 871 is passed, it will eliminate the disparity over salary schedule, and also it will benefit the MSDB very much in recruiting qualified professional employees thereafter.

Please vote to give your full support to HB 871. That will boost employee's morale, spirit and eagerness.

Thank you for your consideration.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 12  
DATE 4-8-87  
BILL NO. HB 870-871

44213  
870

# DEPARTMENT OF ADMINISTRATION

## STATE PERSONNEL DIVISION

TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING



# STATE OF MONTANA

(406) 444-3871

HELENA, MONTANA 59620

Madam Chairwoman, Members of the committee, my name is Rod Sundsted, and I am the Chief Negotiator for the Executive Branch of State Government in Collective Bargaining.

I appear before you today in opposition to House Bill 870 which would provide pay increases of \$197,334.00 to approximately 52 institutional teachers at Montana State Prison, Montana Developmental Center, Montana State Hospital, Pine Hills School and Mountain View School.

There is no question that the State compensates teachers less than many public school districts. However, even given that fact, I believe there are a number of reasons, besides the obvious economic impact, for not passing this bill.

1. The administration's proposal for state employee pay is contained in HB 233. HB 233, which is still in this committee, provides for a pay freeze for all state employees. We have reached agreements containing a wage freeze with six bargaining units representing approximately 1,200 state employees or 20% of all employees that are organized. Granting \$197,334.00 in wage increases to approximately 52 institutional teachers seems highly unfair to those collective bargaining units that have recognized the State's financial problems and have negotiated a wage freeze for their members.
2. Institutional teachers have been treated at least equal to and in some cases better than other State employees with regards to pay increases. Institutional teachers were granted their own pay matrix in 1977, which provides for greater earnings potential than other similarly situated professionals. Since 1977, teachers have received the same percentage increase as all other state employees. In addition, they can increase their salary by increasing their educational attainment, an option which is not available to any other profession.
3. Teachers are not unique in being paid less than their counterparts outside of State government. The State is considerably behind the market when it comes to many professional occupations. The results of the State Employee Salary and Benefit Survey show that the State is 20% or more behind the market salary for Architects, Engineers, Hydrologists, Biologists, Geologists, Dentists, Pharmacists and many more professional occupations. State teachers salaries are behind the market because the pay increases granted State employees have been and continue to be considerably less than the increases public school districts are granting their teachers.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 13

DATE 4-8-87

4-11-87 870

4. The State compensation system has always been one which stresses internal equity. It is a significant change in policy to make an adjustment to salary based strictly on a comparison to the market. If this occupation is successful in receiving an adjustment, what would prevent other occupations in State government from seeking a similar adjustment.
5. Institutional teachers at Pine Hills and Mountain View recently filed suit in District Court asking for vacation pay and holiday pay beyond the compensation they presently receive. The District Court granted their request and the decision has now been appealed to the Montana Supreme Court. Should this bill pass, it is very possible that the State teachers would receive the increased pay contained in this bill and then also receive the additional vacation and holiday pay that no public school teachers receive. The vacation and holiday pay would provide approximately \$2,000.00 per year additionally to each teacher.

I am also concerned that passage of this type of legislation would be detrimental to the concept of a Statewide classification and pay plan. It may be sending a message that the way to secure larger pay increases is to break from the statewide system and seek favorable legislation on a fragmented basis.

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 13  
DATE 4-8-87  
# BILL NO. 870

# STANDING COMMITTEE REPORT

April 6 1987

MR. PRESIDENT

FINANCE & CLAIMS

We, your committee on

HOUSE BILL

having had under consideration No. 538

Third reading copy (blue color)

REORGANIZATION OF DELIVERY OF SERVICES BY STATE HUMAN SERVICE AGENCIES

WINSLOW (Keating)

HOUSE BILL

Respectfully report as follows: That No. 538

BE NOT CONCURRED

~~DO PASS~~

~~DO NOT PASS~~

PAT REGAN,

Chairman.

# STANDING COMMITTEE REPORT

.....April 3..... 1987.....

MR. PRESIDENT

We, your committee on.....FINANCE AND CLAIMS.....

having had under consideration.....House Bill..... No. 854.....

third reading copy ( blue )  
color

FUNDING TO DEVELOP PLANS FOR ONE-STOP BUSINESS LICENSING

VINCENT (Story)

Respectfully report as follows: That.....House Bill..... No. 854.....

BE NOT CONCURRED IN

~~DO NOT PASS~~

~~DO NOT PASS~~

.....SENATOR REGAN.....

Chairman.

# STANDING COMMITTEE REPORT

..... April 6 ..... 19.. 67..

MR. PRESIDENT

We, your committee on ..... FINANCE AND CLAIMS .....

having had under consideration..... House Bill..... No. 370.....

third reading copy ( blue )  
color

REQUIRE SALARY SCHEDULE FOR TEACHERS AT MOUNTAIN VIEW AND PINE HILLS  
SCHOOLS

HARPER (Bengtson)

Respectfully report as follows: That..... House Bill..... No. 370,  
be amended as follows:

1. Page 10, line 17.

Strike: "223"

Insert: "233"

2. Page 10, line 19.

Strike: "223"

Insert: "233"

AND AS AMENDED

BE CONCURRED IN

XXXXXX  
DO PASS

XXXXXXXXXX  
DO NOT PASS

.....  
SENATOR REGAN

.....  
Chairman.

# STANDING COMMITTEE REPORT

April 8 1937

MR. PRESIDENT

We, your committee on **FINANCE AND CLAIMS**

having had under consideration **House Bill** No. **371**

**third** reading copy ( **blue** )  
color

**REQUIRE SALARY SCHEDULE FOR STAFF OF DEAF AND BLIND SCHOOL**

**HAN MILLER (Manning)**

Respectfully report as follows: That **House Bill 371** No.

**BE CONCURRED IN**

**XXXXXX**

**XXXXXXXXXX**

**SENATOR REGAN**

Chairman.

# STANDING COMMITTEE REPORT

April 8

19 87

MR. PRESIDENT

We, your committee on FINANCE AND CLAIMS

having had under consideration House Bill No. 388

third reading copy ( blue )  
color

**ESTABLISHING A NEW HORIZONS PROGRAM FOR AFDC RECIPIENTS**

**WINSLOW (Harding)**

Respectfully report as follows: That House Bill No. 388

BE CONCURRED IN

~~XXXXXX~~  
DO PASS

~~XXXXXXXXXX~~  
DO NOT PASS

SENATOR REGAN

Chairman.



# STANDING COMMITTEE REPORT

April 3

19.87

MR. PRESIDENT

We, your committee on **FINANCE AND CLAIMS**

having had under consideration **House Bill** No. **901**

third reading copy ( blue )  
color

**REVISE PAYMENT FOR CERTAIN COPIES OF ADMINISTRATIVE RULES PUBLICATIONS**

**REHBERG (Hammond)**

Respectfully report as follows: That **House Bill** No. **901**

**BE CONCURRED IN**

**XXXXXXX**  
DO PASS

**XXXXXXXXX**  
DO NOT PASS

**SENATOR REGAN**

Chairman.