MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Senator Gary C. Aklestad, on February 9, 1989, at 1:00 P.M. in room 415 of the state Capitol.

ROLL CALL

Members Present: All members were present. Senator Sam Hofman, Senator Jerry Devlin, Senator J.D. Lynch, Senator Richard Manning, Senator Chet Blaylock, Senator Dennis Nathe, and Senator Gary C. Aklestad, Chairman.

Members Excused: Senator Keating was excused.

Members Absent: There were no members absent.

Staff Present: Tom Gomez, Legislative Council Analyst.

Announcements/Discussion: There were no announcements or discussion.

HEARING ON SENATE BILL 311

Presentation and Opening Statement by Sponsor:

Senator Ethel Harding, Senate District 25, stated SB 311 is an act that creates a Self-Sufficiency Trust Account to be administered by the Department of Social and Rehabilitation Services to provide care and treatment for certain developmentally disabled, mentally ill, or physically handicapped persons. The bill will allow people, who are parents of DD children to open a Self-Sufficiency Trust fund to provide for the DD children when they are gone.

List of Testifying Proponents and What Group They Represent:

Paul Medlin, representing the National Foundation for the Handicapped.

Pat Conant, representing herself.

Alicia Pichette, representing herself.

Chris Denehy, representing the Developmentally Disabled.

Don Thorson, representing the Mental Health Association of

Montana.

Testimony:

Paul Medlin, Senior Vice President for the National Foundation for the Handicapped, stated the Self Sufficiency Health Act was developed as the first public and private partnership to address the long term needs of the disabled population. The concept is a model of two separate components. Mr. Medlin discussed the flow charts. The private sector is governed under the existing trust laws and the trustee act of state probate laws. They are incorporated as a trust, and they are governed by a volunteer board of trustees, acting in behalf of the individual families in managing and planning. The private sector does not require legislation. The public sector receives the earning from the private trust dollars, to enhance and expand services over and above mandated services. The act empowers the state treasurer to be the custodian of the public sector fund, as addressed in SB 311. Money will be spent pursuant to individual agreements of a life care plan. Life care plans must be approved by the director of SRS, before the public sector will be included. The intent of the model is not to supplant what the state is obligated to provide, but to supplement. The SRS cannot reduce benefits because the disabled person is being a participant in the trust. They would retain their rights. The legislation establishes a charitable fund. The money comes from residual private trust funds, after individual passes away. At least one half the deceased's fund will go to the charitable fund, and the fund is controlled in the private sector. The earnings transfer to the state, subject to laws. The private fund is managed by the board of trustees. People participating in the trust will not jeopardize their eligibility in SSI or MEDICAID. Families wanting to provide extra treatment services can do so.

Mr. Medlin stated the legislation provides for two funds governed by SRS with a contract from the Department of Institutions. The departments' role will be to implement a voucher system. Residential options are available, and sometimes the small group living conditions are preferable and less restrictive. The private sector does charge a management fee, which is used to offset the costs of developing life care plans and monitoring services. Illinois and Maine have passed similar laws, while New York, Michigan and Pennsylvania, Indiana, Florida, Alaska, Kansas, Missouri are currently legislating trust funds. (Exhibit 1)

Alicia Pichette, Helena, stated she has spoken to other parents of DD children in order to get information about what this bill means to their families. One of the

difficult things for parents of handicapped children is dealing with what will happen to their children when they have passed away. Like all parents, we want our children to live as full a life as possible and to continue to enjoy a comfortable standard of living. Disabled children do not have the same opportunities to create their own lives as normal children. Many of the DD children are dependent of government assistance for basic necessities. Obviously, the government cannot provide for things that are personally important to the DD children. When parents are gone, the children will need the basic necessities, food and shelter, but they will also need what has been important to them while living in their parents' home. Except for the very rich, parents do not have a vehicle to improve their child's quality of life.

Alicia Pichette stated she is the mother of a beautiful DD child. The legislation provides a vehicle for her family to make future plans for their children. Ms. Pichette stated, with the passage of this legislation, she can become a partner in care. As Chairperson of Montana Family Support Services and Advisory Council, Mrs. Pichette stated the recommendations have been presented to the Governor in the annual report. The priority is the Self Sufficiency Trust Fund.

Ms. Conant stated she would like to help her daughter live as independent as possible. This would require substantial modifications of living quarters to be readily accessible. (Exhibit 2)

Chris Denehy, Developmentally Disable Lobbyist, stated support for SB 311.

Don Thorson, Mental Health Association of Montana, stated the association is encouraged because the fund includes the mentally disabled. The legislation enables the parents to provide for their children over the long term.

List of Opponents and The Group They Represent:

There were no opponents.

Questions From Committee Members:

Senator Nathe asked if this legislation provides for one trust fund set up in the public sector so people can contribute directly without creating another charitable private sector fund. Why does the private sector have to be created. Mr. Medlin stated the private sector is created by a board of trustees, incorporated as a trust. The trustees will be parents, professionals, and so on. Everyone pools

their assets into one trust fund. There are two private sector funds, the private and the charitable. Senator Blaylock asked why can't the trust fund be in the private sector. Mr. Medlin stated he did not think people would be willing to donate to the state fund. The reason why the public sector fund is necessary is to receive the earning from the private sector. The funds can flow through the existing system to the disabled to enhance and expand the system. The federal government is also included. If a parent leaves assets directly to the disabled child in excess of $1,900, they DD child becomes ineligible for federal funded programs.

Senator Aklestad asked if there is matching state or federal money. Mr. Medlin stated there may be federal matching money in residential start ups. Families involved in the trust can link up and invest among themselves. The fund is to take care of private sector money. Senator Aklestad asked if the money will provide services above what the state is currently offering to the total population and to the fund recipient. Medlin stated if there are several beneficiaries in a small living group, the other people would receive benefits in certain circumstance, such as recreational. Senator Aklestad asked about the administrative costs. The state would provide the voucher system, which is already in place.

Senator Blaylock asked who invests the money from the private trust fund account. Mr. Medlin stated the board contracts a judiciary agent to invest money. In most states, the funds have been invested in government secure securities. The policies will be established by the board of trustees. A fee will be charged. Senator Blaylock asked if the state Board of Investments could be involved. Medlin, stated, in his opinion, the model is crafted to be a delicate measure between the private and public sector. This is a private sector initiative, while the state is the primary provider of most of the services for the DD. Mr. Medlin did not think it would be wise to transfer duties and responsibilities to the public sector because it would add cost and overhead. The volume of participation is important as there needs to be a balance between the private and public sector.

Senator Hofman asked about enhancement services. Medlin stated the state provides for the young DD person going to school, but the older DD individual must leave the safety of mandated services in order to receive vocation training. The money is not always available. The SRS may only have finances for five hours of supported employment, but ten hours are needed. The family can add the needed five hours of supported employment. The mentally ill need special

activities, and the fund could provide the additional needs. The mental health clinic, which is normally a nonprofit organization, will have another source of income to help pay for the DD adaptive equipment.

Senator Devlin asked about the DD person who moves to another state. Mr. Medlin stated if the client moved out of state, the trust fund would be dissolved. Senator Devlin asked how many other state have this law. Mr. Medlin replied Illinois and Maine have the fund, while legislation is pending in eight other states.

Closing by Sponsor:

Senator Harding closed by stating the reason she is carrying the legislation is because she finds the fund unique. Senator Harding's thirteen months old grandchild died of cerebral palsy. The father worried from the time the child was prognosed who would take care of the child if the father died. Senate Bill 311 answers this concern.

HEARING ON SENATE BILL 343

Presentation and Opening Statement by Sponsor:

Senator Van Valkenburg, Senator District 30, stated the bill puts in place a mechanism for the resolution of collective bargaining disputes between cities and municipal police officers. The bill is modeled after an existing Montana statute concerning the fire fighters. Senator Van Valkenburg stated he is carrying the legislation because of his close working relationship with law enforcement. Senator Van Valkenburg is a deputy county attorney in Missoula, Mt and has been involved in criminal justice for fifteen years. Senator Van Valkenburg stated he has worked closely with local and county government, and he is familiar with legislative labor issues. Arbitration is the not necessarily the best way to settle unresolved labor disputes between employees, if the employees are critical to public safety. The citizens should not have to tolerate the threat of police strikes. A certain amount of animosity is built up between the public and private sector. The local governments and the firefighters are sitting down before arbitration starts and are working out agreeable settlements. It is last best offer arbitration. Senator Van Valkenburg stated on page 2, line 18 and 19, the legislation reads: the arbitrator, if necessary makes a just and reasonable determination concerning the final position of dispute matter. The determination will be adopted within 30 days of the commencement of the arbitration. The arbitrator shall notify the board of personnel appeals and the parties, in writing, of the determination. Each side

must lay out the last best officer by the time the case goes to the arbitrator. It is not a case of diving the baby in half and splitting the difference. The government and employee groups generally come to an agreement on their own. The arbitration kicks in only if there is an impasse between the parties. They must then jointly petition the board of personnel appeals. Anytime after that, the parties can still reach an agreement. The arbitrator can order them to go through certain procedures. It is extremely rare the arbitrator makes the decisions. There are people who would argue the legislation takes away management's authority. The previous legislation speaks well of the firefighter's statutes.

List of Testifying Proponents and What Group they Represent:

Greg Willoughby, representing the Missoula Police Department.

Scott Miranti, representing the Bozeman Police Department.

Frank Garner, representing the Kalispell Police Department.

Mr. Grove, representing the Great Falls Police Department.

Gorden Erickson, representing the lobbying group that spearheaded the firefighter's binding arbitration legislation.

Tim Bergstrom, representing the Montana State Professional Firefighters.

Testimony:

Greg Willoughby, Missoula Police Department, stated he has been involved in collective bargaining for the last five years. During this time, he has experienced frustration. The police association is psychologically opposed to strikes. The police have sworn to uphold the law and to protect the people of Missoula. A strike is contrary to their oath. Any type of job action, along strike lines, is not productive for either side. Trying to work out an proposal, the police officers realize arbitration is not necessarily the answer. The must be an incentive to get collective bargaining over with as soon as possible. The arbitration laws will allow the incentive to get the job done quicker. (Exhibit 3)

Scott Miranti, Bozeman Police, stated for the last two years he has been involved with negations with city management. Miranti believes the city of Bozeman knows exactly what their position is before they begin to negotiate. The

police is told to take any action we want, but it does not matter. The police officers are mandated to protect the public. The police will not strike. The police are in a no bargaining position. The city did a comparative wage study several years ago at a $18,000 cost. The finding was: The police and the city workers were underpaid by approximately two to three thousand dollars. The city created unimaginable road blocks to prevent the police getting access to the data. The Bozeman police wants the legislation to pass because the city and the police will be in a different perspective. They will be able to solve labor disputes before they happen. Mr. Miranti stated he upholds the law, helps people in emergency situations and works in weather below 45 degrees Fahrenheit. Mr. Miranti wants to be fairly represented.

Frank Garner, Kalispell Police, stated he is testifying for the police association. Garner stated he supports binding arbitration. Mr. Garner is a native Montanan and has served the police since he was 23 years old. He has 24 more years of service to look forwards to. Mr. Garner stated the police are against work stoppages, and are in a position, without clout or collateral, to back up their positions. The third party arbitrator does both sides good. Garner urged support of the legislation.

Mr. Grove, Great Falls Police Department, stated he took the oath of office eight years ago. The metropolitan police act requires the off duty officer to act when they see crime happening. The police officer is responsible to do something about the crime, no matter when the crime is being committed. Mr. Grove urged support for SB 343.

Gorden Erickson stated he is one of the lobbyist who is responsible for passing the nonarbitration bill in 1979. He feels that after ten years, there is not a weak flaw in the legislation. It is hard to know just how well the bill has worked, because, many times, situations were prevented before the strike started. Mr. Erickson stated he would be available to answer any questions.

Tim Bergstrom, Montana State Professional Firefighters, stated support for SB 343. The firefighter's organization has a long history in the collective bargaining process. Frivolous bargaining demands are expedited.

List of Testifying Opponents and What Group They Represent:

Jim Van Arsdale, representing the city of Billings.

Nadiean Jensen, representing the AFL-CIO.

Hal Million, representing the city of Great Falls.

Shelly Laine, representing the city of Helena.

Alex Hansen, representing the city of Bozeman.

Testimony:

Jim Van Arsdale, Mayor of Billings, stated SB 343 will bind arbitration for police officers. Van Arsdale stated he is happy to see there are no police officers from Billings at the hearing to testify in favor of SB 343. Senate Bill 343 will make the police give up their right to strike. If the police and the city can not agree on a contract, an arbitrator will make the decision for them. The city of Billings is strongly opposed to the legislation. What problems the city faces are being dealt with. There has not been any deaths or destructive police strikes, according to Van Arsdale. The heart of the collective bargaining process is: The employee has a right to withhold services if there is no contract agreement. The city of Billings supports this fundamental right, and the right to strike is a powerful incentive for both sides to work out differences and come to an agreement. If the legislation takes away this right, it also takes away the incentive to agree. Giving the decision to a third part would be an abdication of our responsibilities as public officials and labor leaders. Binding arbitration is an expensive, time consuming process that cuts the heart out of collective bargaining. It is incompatible with representative government because it relinquishes the responsibilities for public decision making by a disinterested third party. The city of Billings has had only one police strike in recent memory. The city was able to serve the citizen by using supervisory personnel until the short strike was settled. Currently, the city of Billings feels labor relations with the police department is excellent. The city of Billings believes the firefighters' binding arbitration is a significant hinderance to labor relations and is an expensive and time consuming situation. Van Arsdale asked the committee not to take away the employees most powerful incentive to keep good labor relations. The elected officials know the city's process and financial situation. (Exhibit 4)

Nadiean Jensen, Executive director of the AFL-CIO spoke against SB 343.

Hal Million, Assistant manager of the city of Great Falls, stated SB 343 takes critical management situations and budgetary controls out of the hands of city government. The cities should be able to make their own decisions.(Exhibit5)

Shelly Laine, City of Helena, explained the policies of Helena. Ms Laine explained arbitration starts far from where either side intends to settle. However, the city has only so much to give. The city of Helena has been very straight forward in negotiations. Although strikes are unfortunate, strikes are a valuable tool in the negation process. (Exhibit 6)

Alex Hansen, submitted written testimony for the city of Bozeman, (Exhibit 7)

Questions From The Committee Members:

Senator Devlin asked who are the arbitrators and are they qualified. Bob Jenson stated the state have 35 ad hoc arbitrators. Some have been trained by the American Arbitrator Association. The kind of arbitration used is known as interest arbitration.

Senator Sam Hofman asked Ms Laine about the right to strike. Ms Laine again stated the right to strike is a valuable tool for the process to be completed.

Senator Devlin asked how many times have the arbitrators been called. You can not say how effective the binding arbitration process is because one does not know what has been shouldered during the arbitration sessions. Senator Blaylock asked Mr. Jensen how many years has the Board of Personnel appeals taken care of the cases. Mr. Jensen stated 14 years. Mr. Jensen stated it takes both sides of the labor and management to get serious in the early bargaining because if the case gets to arbitration, the arbitrator is going to look at more than the last position. Both sides have to agree on strategy to make sure they get to a certain point on the last position.

Senator Pipinich asked Mr. Jenson if the binding arbitration preference is going to come from the firefighters, to the police officers, and then to the highway crews. Jensen stated he belongs to an association of labor relations agencies. Analyzing what is happening in many other states, one sees a trend, limiting arbitration to essential services. Essential services become a policy subject.

Mr. Van Arsdale stated one must take into account the interest and welfare of the public, as well as the financial ability of the public employer to pay. Mr. Hansen said, on behalf of the League of City and Towns, the cities would love to give another inch, if they had more money to give.

Closing by The Sponsor:

Senator Van Valkenburg closed the hearing and urged support of SB 343. This legislation calls for the last best offer. The difference cannot be split. One of the things that must be taken into account is the welfare of the citizens. Senator Van Valkenburg urged the committee to give the police the opportunity to be on an equal setting.

HEARING ON SENATE BILL 315

Presentation and Opening Statement by Sponsor:

Senator Paul Rapp-Svrcek, Senate District 46, stated he is the chief sponsor of SB 315. Senator Rapp-Svrcek stated the workers comp bill sets in place a deductible program for medical claims in the workers' comp system. Senator Rapp-Svrcek went through the entire bill for the committee members. Currently, the insured employer can either pay the deductibles directly to the provider or can ask the insurer to pay the deductible and bill the client. Mr. Riely Johnson will present an amendment correcting the problem.

Senator Rapp-Svrcek stated the deductible amount paid does not go against the employer's modified rate. The fiscal impact, based on the 1987 division figures, is approximately 18,000 medical claims. Multiplied by $500., the amount of the proposed deductible, the saving is $9 million in a year. The fiscal note indicates there are administrative assumptions of $187,000 the first year and $83,000 the second year. The savings potential, even with administrative costs, is exceptional. Presently, every time a claim is submitted to the division, the division tacks on cost for processing and administering. The annual cost of processing a claim is $675 to $1,057. The small claims make up 80 to 85% of the total claims. The saving for Montana employers is $9.1 to $14.2 million dollars per year, a significant savings. The report of injury is still filed with the division to protect the workers and the employers, and to create a paper trail, if complications arise. The bill may reduce rates, but there is no guarantee The bill will allow the employer to be involved to a much greater extent in the initial stages of the employee's medical treatment. The issue of safety and accident prevention will be active, and accidents will be reduced.

List of Proponents and The Group They Represent:

Riely Johnson, representing the National Federation of Business.

John Lawyor, representing the Lawyor Nursery Company.

Chris Stobie, representing himself.

Testimony:

Riely Johnson, The National Federal of Business, presented written testimony to the committee. (Exhibit 8)

John Lawyor, majority stock holder and president of Lawyor Nursery Company, stated the business is family owned and has been in operations for over 30 years. Presently, the company has 85 employees. Ninety-seven percent of the products are shipped out of Montana. The Nursery is creating jobs and bringing money into the state. We question our ability to stay in business in Montana. The impact of workers' compensation insurance on the nursery in the last two years is profound. Prior to 1986, the company paid an average of two to four percent per year for workers' comp. Last year, the company paid 10.6%, and this year the company paid 11%. Senate Bill 315 is a good piece of legislation and will positively impact workers' compensation. With the deductible program, we can have a productive operation, and the company can participate with the employee and local medical community, as well as the state. We find most claims that get out of hand are small ones, and we think this legislation will help us do a better job.

Senator Aklestad stated Senate Bill 315 will be held on adjournment.

Chris Stobie stated SB 315 is a good bill, but needs more work. Mr. Stobie stated a mini self insurance program for small Montana companies would be the ideal solution.

List of Testifying Opponents and The Group They Represent:

There were no testifying opponents to SB 315.

Questions From Committee Members:

Senator Blaylock asked Jim Murphy to comment of SB 315. Mr. Murphy, Bureau Chief of the Workers' Compensation State Fund, stated SB 315 is an idea worth exploring, but the division has not had the time to check the bill out with an actuary. This is something that can be explored and may be a benefit for the employers, perhaps some, but not all. The effects on rates may work better if there were double rates. The actuary would determine the actual rate for a given. Another rate would be for the actuarial study for employers, who opted for a deductible. Allowing the reimbursements to be made by the insurance carrier, and billing the deductible

to the employer may be a better way to conduct business.

Senator Devlin asked Senator Rapp-Svrcek if he knew of any surrounding states that had this type of procedure. Senator Rapp-Svrcek said he did not, yet crisis creates creativity.

Senator Blaylock stated he thinks the bill is workable.

Closing by Sponsor:

Senator Rapp-Svrcek closed by urging support of SB 315.

Senator Blaylock stated he would like to set up a committee to make the bill work. The subcommittee members will be Senator Blaylock, Lynch, Nathe and Keating. Senator Keating will chair the committee.

Pegasus Gold would like to testify in favor of this bill.

EXECUTIVE ACTION

DISPOSITION OF SENATE BILL 285

Amendments and Votes:

Senator Lynch made a motion DO PASS, then withdrew his motion.

The second motion was made to amend SB 285. Senator Lynch asked to strike the effective date. The motion carried.

Recommendation and Vote:

The bill is in conflict with two other codes, so it needs to be corrected. Gomez explained the correction. Gomez will draw up the proper amendment.

The meeting was adjourned at 2:53 p.m., and the meeting was readjourned at 6:22 p.m.

HEARING ON SENATE BILL 235

Opening Statements by Sponsor:

Senator Tom Hager, Senate District 48, stated the bill is an act allowing a contractor or subcontractor to provide health care and retirement benefits, life insurance, disability and sickness insurance, or other bona fide fringe benefits to workers or employees covered by the state prevailing wage law in lieu of paying fringe benefits as wages if the contractor or subcontractor is not a signatory party to a collective bargaining agreement. Until the fall of 1986, the

employer would pay the $10 an hour in cash, and the other $3 would be paid into a health care fund. The Supreme Court in 1986 ruled the benefits on the had to be paid in cash. The bill will bring the law in compliance of the federal law.

List of Testifying Opponents and What Group They Represent:

Lloyd Lockrum, representing the Montana Contractors Association, Inc.

Jack Morgenstern, Lewistown, MT, representing himself.

Robert Brown, Butte, MT, representing the Montana Contractors Association.

Blake Larson, representing the Computer Claims Administrations, Billings, MT.

Gene Fenderson, representing the Montana State Building and Construction Trades Council.

James Tutwiler, representing the Montana Chamber of Commerce.

Testimony:

Lloyd Lockrum, submitted written testimony in favor of SB 235. Mr. Lockrum stated the bill covers all the governor's concerns. (Exhibit 9)

Jack Morgenstern, Lewistown, MT, stated he is a midsize, non-union company. He has worked with the union trust funds, and they have been successful. Mr Morgenstern stated his business is a private entity. The labor unions are also a private entity in the state. The present law says the Independent companies cannot buy a fringe benefit package from a trust fund, operating in behalf of the organized labor. Both are in the private sector, yet government dictates where I buy the service. The average cost per hour for employers is in excess of $20 per hour per man. The overall cost to a union contractor would be $20 per man, while the non-union contractor would be approximately $25 per man, a 5% disadvantage against the nonunion worker. This is discrimination and unconstitutional. The state is in a liable position. The non-union people are in the majority. Mr. Morgenstern asked the committee to allow more than a selected few contractors to be competitive. He would like to have the same labor and wage advantages. As a citizen, Mr. Morgenstern asked for positive consideration.

Robert Brown, Butte, MT, Montana Contractors Association Health Care Trust, stated the purpose of his testimony is to

address the procedures outlined by the Montana Contractors Association Health Care Trust and the Montana Davis Bacon Act, current statutes. As the law exists, a non-union employer may not contribute fringe benefits to a health care trust and take Davis Bacon Credit. They must pay the full FICA taxes and other taxes, which is an immediate cost borne by non-union contractors. It has become the policy of the federal government to insure health insurance to all people. This act makes it difficult for a non-union contractor to make health insurance benefits available to the employees, without the payment premium that is not borne by the contractor. Any employer that does federal Davis Bacon work and who is nonunion is allowed to pay into a bona fide trust, which has received IRS tax exempt approval. They are allowed to take Davis Bacon Credit. Most claims do not allow the employer to move in and out on health insurance coverage, so all plans must be utilized. The IRS 1986 amendments make it possible. Section 89 of the act addresses discrimination. If you are in the programs, you must stay in the programs. Mr. Morgenstern described various trusts, such as a define contribution plan. We cannot put extra money into health benefits to the detriment of pension benefits, and get credit or IRS deductions.

The department of labor does not say you are approved for certain programs, they say you are not. They send a letter telling the contractor what to do in order to apply. An employer cannot afford not to meet the Department of Labor's regulations. If you do not give health insurance on a non-segmentary basis, you lose deductions on everything, and the penalty is grave. Without a change in the law, Montana law makes it difficult for contractors to work for the state and provide proper and continuous health insurance coverage throughout the year.

Blake Larson, Computer Claims Administration, an associate group from Billings, MT, asked Mr. Morgenstern to give an overview of the company's purpose. Mr Morgenstern did so.

Gene Fenderson, Lobbyist for the Montana State Building and Construction Trades Council, submitted written testimony for SB 235. (Exhibit 10 & 11)

James Tutwiler, Montana Chamber of Commerce, asked to go on record in favor of SB 235. The Chamber believes SB 235 is to the benefit of employees and employers.

List of Opponents and The Group They Represent:

Jim Murry, representing the Montana AFL-CIO.

Lars Erikson, representing the Montana League of Carpenters.

Testimony:

Jim Murry, AFL-CIO, Helena, MT, submitted written testimony. (Exhibit 12)

Lars Erikson, Montana League of Carpenters, stated most private pension plans have large withdrawal penalties. Most private plans do not have employee representation. If they do, the trustees are appointed by the employer. The collective bargaining plans will help equalize representation between employee and employer. The plans will also allow employees to work for larger contractors, and the contractors have reciprocity in all fifty states, Canada and Puerto Rico. Mr. Erikson discussed other plans and employee needs.

Questions From the Committee Members:

Senator Blaylock asked Mr. Fenderson about the fairness of having the Little Davis Bacon Act in the state of Montana. Mr. Fenderson stated if the legislation is passed, there is nothing that stops an unscrupulous contractor.

Senator Lynch asked Senator Hager if the effective date is mandatory. Senator Hager stated he has no problem with dropping the effective date. Mr. Lockrum stated the effective date is important becasue we are working within a peak construction period and building up hours.

Senator Blaylock stated there are no employees involved with the boards. Can the status of the boards be changed. The plan is designed by the Taft Hartley, with bilateral trusts and unilateral instructions. There are no restrictions concerning membership. People are chosen for their expertise.

Senator Devlin asked about the track record of the "The Fly By Nights". It is no greater than the Taft Hartley Bi-lateral Trust. There is no incentive, whatsoever, for an employer not to apply to a trust approved by the BLO and the IRS. The plan must be a program that has received a favorable determination by the U.S. Department of Labor or Internal Revenue Service. There is no incentive for the "Fly By Nights" operations.

Senator Hofman asked Mr. Fenderson about his testimony saying there was no protection for the worker under the plan. Another testimony stated the situation was like a savings account which allows withdrawals. Fenderson stated there would be no protection for the workers who are working on state funded, county funded, or city funded water

district projects. This would come under the guidelines of federal jurisdiction. Mr. Fenderson explained various plans.

Senator Hofman asked Jack Morgenstern what he does for his workers. Mr. Morgenstern stated the employer would simply pay the workers in cash, rather than buy a benefit package with long term tax ramifications. Federal law states the employer will provide a certified payroll to the engineer, saying he paid the employees X number of dollars. The employees do not want cash because they do not want to pay 33% income taxes. Morgenstern stated his average employee makes in excess of $30,000. Eighty-five percent of the work is Davis Bacon Work. Fifteen percent is in the private sector. Approximately seventy percent of the work comes under the Montana Little Davis Bacon Act. We are asking for the same federal privileges. We have a group health plan and a profit sharing plan, but they are interrelated to the wage requirements. Morgenstern further discussed his wage plan.

Senator Blaylock asked Mr. Fenderson if the plan was pretty good. Mr. Fenderson said the plan is as good as some, but not as good as others.

Senator Aklestad asked if the union plan is audited by the state auditor, or is the union plan audited by a in-house auditor. The union players are controlled under the Taft Hartley Law.

Closing Statement by The Sponsor:

Senator Hager gave a closing overview of the bill and fiscal note to the committee members. Senator Hager commented on the Davis Bacon Act, as it relates to Montana. Senator Hager urged passed of SB 235.

ADJOURNMENT

Adjournment: The meeting was adjourned at 7:45 p.m.

Senator Gary C. Aklestad, Chairman

GCA/mfe

GCA/mfe

Happyday

ROLL CALL

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: Feb 9, 1989

	PRESENT	ABSENT	EXCUSED
SENATOR TOM KEATING			Y
SENATOR SAM HOFMAN	X		
SENATOR J.D. LYNCH	Y		
SENATOR GERRY DEVLIN	Y		
SENATOR BOB PIPINICH	Y		
SENATOR DENNIS NATHE	Y		
SENATOR RICHARD MANNING	Y		
SENATOR CHET BLAYLOCK	Y		
SENATOR GARY AKLESTAD	Y		

Exhibit # 1 SB 31
2/9/89

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Orientation

STATE OF ILLINOIS

PUBLIC ACT 84-1373

SELF-SUFFICIENCY TRUST

SUMMARY Rev 5-20-88 ©™

SELF-SUFFICIENCY TRUST SUMMARY

The Self-Sufficiency Trust © is a comprehensive life-care planning option designed to meet the supplemental service needs of people with disabilities now and in the future.

More than a pooled income trust, the Self-Sufficiency Trust is an innovative private sector service financing mechanism which allows parents and families to plan a secure future for their disabled dependent without the fear of loss of governmental benefits or invasion of their trust principal.

The Self-Sufficiency Trust provides a mutually beneficial public/private working relationship between families of disabled individuals, the state, and the community-based human service network. Enacted into state law, the Self-Sufficiency Trust becomes a stable financing mechanism which operates through individualized programs (Life-Care Plans) to arrange for supplemental services from existing provider networks. The existing service delivery system is supplemented and thus expanded ---all for the need-specific benefit of individuals with disabilities.

The Self-Sufficiency Trust evolved from the research and support of the National Foundation for the Handicapped under the direction of Mr. James DeOre, with partial funding from the Illinois Department of Mental Health and Developmental Disabilities. In 1986, the Illinois Legislature by unanimous vote established the first Self-Sufficiency Trust in the country [Illinois Revised Statutes Chapter 91 1/2, Sections 5-118 and 5-119]. Maine followed in the spring of 1987 (HP 331-L.D. 430). In both cases, the Self-Sufficiency Trust was seen as a major development in non-traditional estate and future care-planning which would replace the usual "catch 22" problems faced by families with a viable and comprehensive means to impact the present and plan for the future of the individual with disabilities.

HOW DOES THE TRUST WORK?

* Two wholly separate pooled-income trust funds exist as part of the SST structure. Each of the two funds has a public sector or State Trust Fund by virtue of the public law enacted by each state.

* A volunteer Board of Trustees is appointed from the private sector (parents and professionals) to manage and control the Private Trust Fund. The parent or family member who establishes a trust is called the Grantor, and his/her dependent is the Trust Beneficiary. The Grantor or his designee serves as Co-Trustee and shares in trust disbursement decisions.

* The Private Trust Fund accepts, holds, and invests the "pooled" assets of each family participating in the SST. Although assets are comingled, all returns on investments are credited proportionately to each "private trust". Interest earnings on Private Trust Fund assets are transferred at the direction of the Trustees and the parents or guardian, who serve as Co-Trustee, to the counterpart State Trust Fund which immediately disburses the assets for the supplemental goods or services to be provided the Trust Beneficiary. The state's Mental Health Department may be designated to hold the State Trust Fund and these funds are generally disbursed by the state treasurer. Technically, funds disbursed from the State Trust Fund become "state" monies and are not viewed as earned or unearned income to the disabled Trust Beneficiary, therefore not affecting public entitlement eligibility under Supplementary Security Income (SSI) or Medicaid.

* A segment of the trust fund controlled by the Board of Trustees is the Charitable Trust Fund. This fund is a repository to accept residual and donated assets earmarked for low-income and indigent persons with disabilities who are unable to participate in the Private Trust. This important part of the Self-Sufficiency Trust model is supported by:

  1) Assets left to the Charitable Trust Fund by grantors of private trusts at the death of the disabled beneficiary;

  2) Contributions from private donors, bequests, corporations or foundations;

  Earnings on the principal of the Charitable Trust Fund can be transferred to the State Trust Fund allowing participation of low-income and indigent disabled individuals in the concept.

* A Life-Care Plan is developed for each Trust Beneficiary which embodies the wishes of the parent (Grantor) and defines the scope and nature of supplemental services to be provided the disabled individual. Trained Self-Sufficiency Trust counselors provide the direction for parents to develop a realistic and need-specific plan.

* The Self-Sufficiency Trust computerized data base assesses each Trust Beneficiary's present functional abilities and service needs, projects future care requirements and correlates present and future costs based on existing residential per diem schedules. This process provides each family with a realistic projection of the principal necessary to provide a flow of interest income sufficient to fund the individual supplemental service Life-Care Plan.

  This data collection system is also very important to the States.

1) Via the SST intake process, disabled persons of all ages who are not currently identified within the provider system may now be accounted for and identified by disability (type, severity), age, residential and day-mode program needs.

2) The data generated will allow each state to more accurately plan for state services based on valid need. Appropriations may be sought using real statistics.

* The universal concern of parents and families with disabled dependents, "who will care for my dependent when I am gone?", has been addressed by the Self-Sufficiency Trust. Personalized advocacy and successor guardianship services are an intregal part of the Trust operation ensuring consistency and quality of care. In Illinois, PACT, Inc., a private and independent guardianship agency is under contract by the Board of Trustees to broker and monitor the supplemental services and ongoing care of Self-Sufficiency Trust Beneficiaries.

In total, the Self-Sufficiency Trust offers permanency and flexibility to adapt to changing governmental policies, estate planning and management expertise, security against loss of eligibility for public entitlement benefits, and peace of mind that concerned and knowledgable professionals will ensure the quality personalized care that will be provided for your disabled dependent now and/or in the future.

HOW DOES PARTICIPATION AFFECT PUBLIC BENEFITS?

The Health Care Financing Authority (H.C.F.A.) of the Department of Health and Human Servises, Washington, D.C. has ruled that in most cases Self-Sufficiency Trust principal and interest will not count in determining Medicaid eligibility.

Region V of the Social Security Administration has determined that, based on current regulations, the SST assets will not count as resources in determining eligibility under the Supplemental Security Income (SSI) program.

These two federally-funded entitlement programs are the primary sources of support to the disabled population.

TOTAL LIFE-CARE PLANNING OPTIONS

The Self-Sufficiency Trust creates incentives for a family to begin financial and care planning for their dependent who is disabled.

A Self-Sufficiency Trust permits families to:

1. Enhance services with family resources.
2. Help secure the quality of care they desire.
3. Help maintain continued quality of lifestyle after the family itself can no longer do so.
4. Enhance access to housing.

The Self-Sufficiency Trust enables the family to contribute assets -- savings, investments, real estate, insurance, etc. -- for the benefit of their relative who is disabled and others who have similar disabilitites.

ADVOCACY CARE

Lifelong care and the quality of that care is a primary concern for all families with relatives who are disabled. Families naturally desire the assurance that their disabled relative receives all the services to which he or she is entitled. Families also want to improve the lifestyle of the disabled person by providing extras to meet individual personal needs, leisure-time activities, training, clinical services, and transportation.

Self-Sufficiency Trust participation can provide a disabled dependent enhanced care and a personal advocate, even after the death of a parent or guardian.

In Illinois, PACT, Inc. an experienced private surrogate family model organization which provides personal case management and guardianship services, is under contract to provide advocacy and successor guardianship service to Trust Beneficiaries when these services are requested by the Grantor. Families can contract with the Self-Sufficiency Trust and PACT, Inc. as a personal advocate and advisor to broker and monitor supplemental services and assure that programs are being properly provided to their relative with a disability.

RESIDENTIAL NEEDS

Another key component of the Self-Sufficiency Trust is that families can create housing alternatives through private efforts.

This may enable a family to overcome long waiting lists for existing facilities and permits location near the family's home.

Through this program, families not only help make a residential facility available, but also determine the quality of that residence.

Parents could provide the capital needed for purchasing a house. Where necessary, affiliates of the National Foundation for the Handicapped would negotiate with the appropriate state agency to determine the Trust portion and the state portion of funding the cost of care within existing state licensure and rate methodology guidelines. Contracts would also be negotiated with existing provider agencies to provide management for the residence.

STATEWIDE DATABASE

The Trust will collect information about individuals with disabilities and their current and future needs. This information will be compiled in the Disabled Population Profile System © and presented in a confidential manner to the Department of Mental Health and Developmental Disabilities, to allow the state to plan effectively for future needs.

In addition, a computer program has been developed which uses federal functional disability criteria to perform need-specific assessment of present and future residential configurations and their costs. Families may use this data in preparing an estate plan sufficient to generate the necessary annual income needed to purchase the supplemental services desired for the Trust participant.

FINANCING

Families can finance their participation in the Trust by making a transfer of cash or other assets, either immediately, over time as various services are initiated, or through a will. Life insurance provides another means for families to fund the program and to participate in the Trust.

SUMMARY

Program funding for people with disabilities becomes more difficult to obtain each year. This uncertainty threatens the stability of the state's provider network and concerns the families of individuals with disabilities.

Unmet housing needs for a significant portion of the disabled population is a widespread dilemma. Longer lifespans of people with disabilities and the aging of responsible family members increases anxieties concerning long-term care and future housing needs.

The Self-Sufficiency Trust creates a stream of money which may be channeled through the state to help provide for the needs of people with disabilities.

Finally the Self-Sufficiency Trust provides families of the disabled a strong voice and potentially powerful role in the present and future decisions which impact their disabled family members. Planning today for a secure tomorrow is within the reach of most families with disabled dependents through the Self-Sufficiency Trust.

FOR MORE INFORMATION:

For families and guardians seeking additional information:

Headquarters:
The Self-Sufficiency Trust of Illinois
340 W. Butterfield Road, Suite 3C
Elmhurst, IL 60126
312/941-3498

Chicago Office:
PACT, Inc.
166 W. Washington, Suite 300
Chicago, IL 60202
312/641-6363
312/641-6524 (TDD)

For providers and state officials throughout the United States:

Paul L. Medlin
Senior Vice-President
Corporate Development
National Foundation for the Handicapped
340 W. Butterfield Road
Elmhurst, IL 60126
(312) 832-9700

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2/9/89
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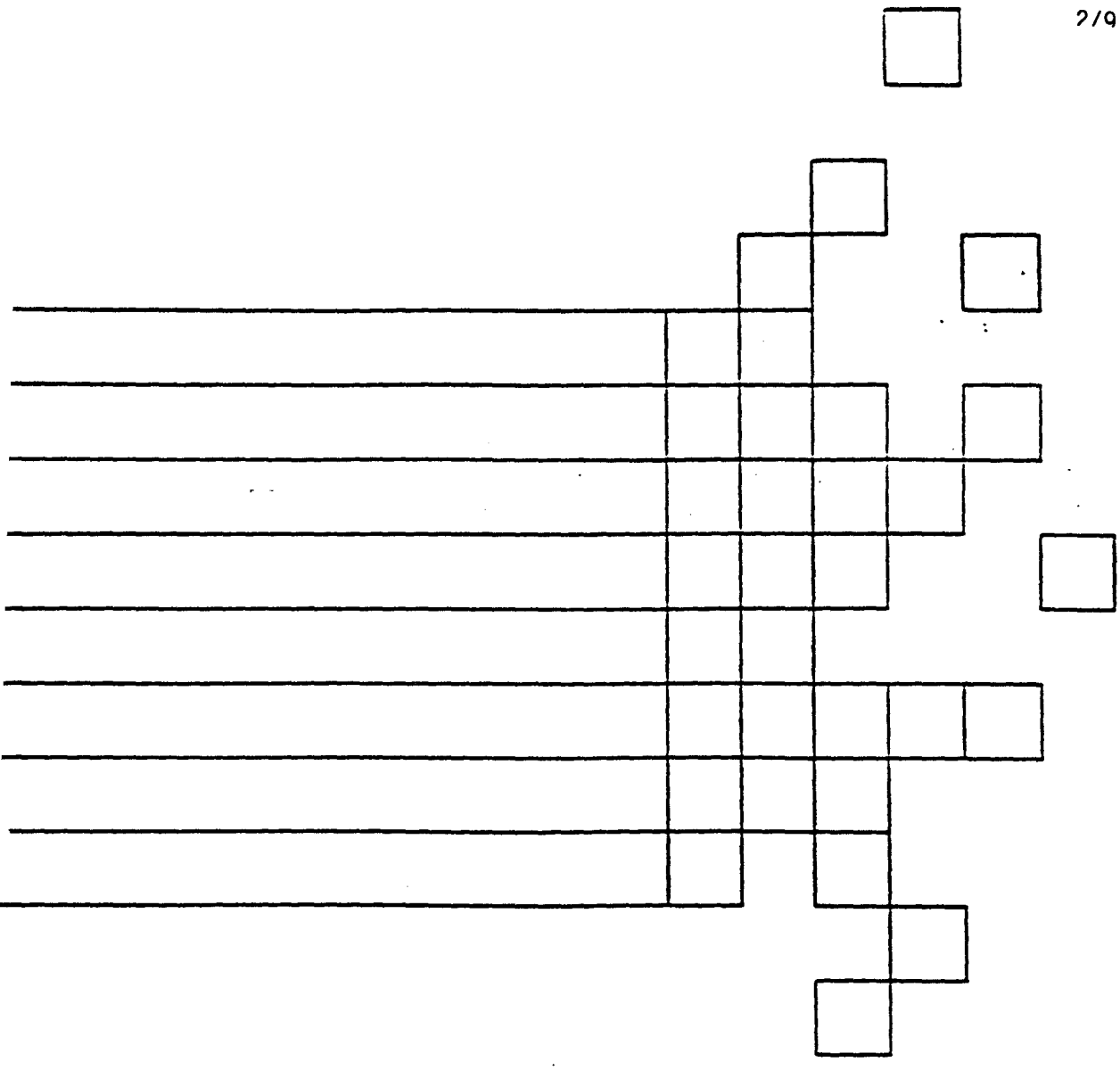

Orientation

STATE OF ILLINOIS

PUBLIC ACT 84-1373

SELF-SUFFICIENCY TRUST

Question & Answer 5/20/88

THE SELF-SUFFICIENCY TRUST©

What is the Self-Sufficiency Trust?

As a private sector initiative, the National Foundation for the Handicapped and James H. DeOre developed the Self-Sufficiency Trust concept. This concept permits individuals with disabilities and their families potential access to, and the potential capability for developing services and programs to supplement current state and federal benefits.

This plan was also conceived to assist states, hard-pressed due to limited resources, with a potential means for developing a new income stream for expansion of badly needed services.

What disabled groups are covered by the Self-Sufficiency Trust?

The Self-Sufficiency Trust serves the developmentally disabled, the chronically mentally ill and the physically handicapped.

Why was the Self-Sufficiency Trust copyrighted?

The National Foundation realized there was a possibility for individuals and groups to use the concept without fully appreciating the requirements involved. To avoid any problems associated with this type of activity, and due to the significance and seriousness of the public trust invested in this concept, the National Foundation has chosen to copyright the materials which describe the development, the installation, the servicing, as well as the operations of the Trust. The National Foundation for the Handicapped charges each state $1,000 per year, once it has an established and operating Self-Sufficiency Trust. This fee is used by the National Foundation for the Handicapped for charitable purposes.

What is the role of the National Foundation in developing the Self-Suficiency Trust?

The National Foundation for the Handicapped provides each state with the technical assistance for developing its Self-Sufficiency Trust. In addition, the National Foundation for the Handicapped can provide to each Trust grants and/or low-interest loans for cash flow purposes. For example, in the State of Illinois, the National Foundation for the Handicapped made a grant to establish staff for the Self-Sufficiency Trust.

What steps are involved in establishing the Self-Sufficiency Trust?

The actual mechanisms for establishing a Self-Sufficiency Trust may vary from state to state according to state law. Through the legislative process of enacting a state law in each state, the basis for the Self-Sufficiency Trust is established.

Under the model legislation, a private charitable 501(c)(3) organization establishes the Self-Sufficiency Trust, and appoints a board of directors. This board is comprised of members of the private and public sector. The Trust document provides the structure and guidelines for its operations.

The National Foundation for the Handicapped, through an agreement with the charitable 501(c)(3) organization, provides for the initial organization of the Trust. Subsequently, the National Foundation for the Handicapped enters into a contractual relationship to provide technical assistance, training and service to the Trust in each state.

What are the regulatory requirements in each state for the Self-Sufficiency Trust?

The regulatory requirements will vary from state to state. Each state must go through a review of its law and trust structure by the Social Security Administration, by the Health Care Financing Administration (HCFA) and any other regulatory bodies within the state that will be affected by implementation of the Self-Sufficiency Trust.

How long does it take to develop a Self-Sufficiency Trust in a state?

There are three stages of the Self-Sufficiency Trust Poject: development, installation and maintenance.

In the development stage, the organizational structure is created by state law, the trust documents are executed and the Trust Board of Trustees are appointed.

The second stage, the installation stage, includes education of parents, providers and professionals, training staff, setting up of operations and appropriate interviewing of families.

The third stage includes operation, maintenance and service of the Trust.

What are some of the services of the Trust?

The Trust can provide the opportunity for families to plan for the future care and funding of services for the disabled population.

For the state, the Trust can function as a state-wide case management organization, endeavoring to locate services for families at no charge for this service. Secondly, the Trust develops for each state information on persons who are not currently in services, particularly in the area of special education. Through its database Disabled Population Profile System, the Trust links clinical service needs of each individual with a disability with potential state reimbursement services in the future. Dollar amounts identified for these services can then be used by the state legislature and administration as a precise planning tool, so that estimates for future costs can be made for budgeting purposes.

Third is the actual negotiation for service provision by the Trust. These may be in the areas of respite care, housing, day treatment services, guardianship and advocacy care.

What about provisions for low-income families?

The Trust has specifically designed a program to meet the needs of low-income families. First, low-income families are encouraged to financially participate in the Trust, specifically through life insurance policies, where the Trust may help to match a family's participation.

Secondly, for those low-income families where financial participation is not possible, individuals are identified to the state by the Trust as needing services.

Third, funds generated by families who are in the Trust, must also provide services for low-icome families with individuals with disabilities.

Fourth, a percentage of a family's contribution to the Trust will be retained upon termination of their contract and transferred to the Charitable Fund to make grants for low-income families. At the death of the individual with a disability, 50% of the principal is distributed to the Charitable Fund to make grants for low-income families. The remaining 50% flows back to the heirs of the donor.

And fifth, by bringing new resources into the system, the state has the opportunity of expanding services for low-income families.

What are the fees to families?

There are no direct fees to families active in the Trust. In Illinois the Trust currently anticipates a 1.4% cost for operations, which will be retained by the Trust for its earnings. This compares to an average Trust cost of 1.5% to 2.0% throughout Illinois.

Can the Trust help with the current growing housing shortage for the disabled?

The Trust database will facilitate in the identification of needed housing and potential residents allowing the state, providers, and parents to develop new housing with small group homes, condominiums, and integrated apartment environments. Also, the Trust database will identify parents who could join together to purchase a home for their disabled relatives who have similar needs.

In both these instances, a local provider would participate as necessary and appropriate in providing needed care and securing required licenses.

Parents of young children with disabilities may want to use this second concept of capital purchasing for investment purposes to achieve future care and service objectives for their son or daughter.

Can the Trust financially participate in the operating costs of the house?

Trust dollars may only be used to provide rehabilitation, training for employment, special assistance in the workplace, necessary help with personal care and other special help in coping with handicaps.

What are some additional advantages of the Self-Sufficiency Trust?

One advantage of the Self-Sufficiency Trust is that it functions on behalf of the family. This benefit of broadened advocacy on behalf of the family is of particular advantage to the individual with a disability once the parent or guardian has passed away.

Families who have relatives at various provider organizations may consider leaving their money to those organizations to continue care or services after the parent or guardian has passed away.

Unfortunately, many providers have limited service capability, and because of health needs or for other reasons, the individual with a disability may not actually live out his or her life within the pervue of a certain provider. The trust in encouraging parent planning may facilitate the provision of quality care even if the individual with a disability leaves a provider.

One of the primary programs needed by adult, mentally or physically disabled individuals is the training for continued education, employment or special work places so the individual can enjoy a more full and productive life.

Programs such as sheltered workshops, job and career training programs and supportive employment programs are utilized by individuals with disabilities to access employment and productivity. The Self-Sufficiency Trust provides the family with the opportunity to plan for and financially participate in these services and through the Trust provider mechanism, to ensure their availability and accessibility.

One of the most critical aspects of service includes the need for emergency in-home care. Often the serious illness of a spouse and/or sudden trauma in a family situation creates a substantial burden on the other parent. He or she is not only confronted with the problem relating to the spouse, but must also cope with the individual with a disability living at home. Through the Trust, families can make provisions and plan for such emergency respite care to preclude the burden of accessing this care at an unexpected time, and to realize the peace of mind that such care makes available.

For additional information call (312) 941-3498.

SELF-SUFFICIENCY TRUST

Transcript Manual #3
Revised 5-20-88

PJ 14 &25

by ***Paul Medlin***

When parents and families with children who are disabled ponder the future, they face concerns that parents of non-disabled children do not. They must provide a life-care legacy that will not render their disabled dependent vulnerable after the parent's death. Innovative research and development in nontraditional estate and future care planning has begun to replace the usual "catch 22" situations faced by these families with effective measures to assure the protective legacy their dependents need. The Self-Sufficiency Trust model removes the complications that have traditionally stymied effective estate planning efforts by parents; it includes the personalized life-care monitoring and guardianship services that significantly reduce future vulnerability.

Conceived in Illinois, the Self-Sufficiency Trust evolved from the research of the National Foundation for the Handicapped under the direction of Mr. James

The Self-Sufficiency Trust

Innovation in Life-Care Planning for the Disabled

H. DeOre, with funding in part from the Illinois Department of Mental Health. In September 1986, the Self-Sufficiency Trust was enacted into law (P.A. 84-1373) by unanimous vote of the Illinois Legislature.

The Trust model was seen as an "estate planning" option that would avoid conflict with existing rules that penalize families for providing direct services to their disabled dependents eligible for federal assistance under the Supplemental Security Income and Medicaid programs. Further, the Trust would encourage the flow of money from private sources, focusing on expanded supplemental services to the disabled. This new private-public initiative encourages parents, state government, and service providers to work together to plan now for a secure future for the disabled.

The Self-Sufficiency Trust model includes private and public trust components. It is governed by a volunteer Board of Trustees that works first with the family co-trustees to control the Private Fund to which families may contribute the assets (money, securities, property) designated by private trusts for life-care services of named disabled beneficiaries. Secondly, the Board of Trustees controls the Charitable Trust which accepts residual and donated assets for use in providing service to low-income and indigent persons with disabilities who are unable to participate in a private trust.

Further, the Board of Trustees controls the disbursement of funds as defined in each "life-care plan" of the named disabled beneficiaries, and ensures that necessary supplemental services are provided each beneficiary. Finally, the Board of Trustees works with the Illinois Department of Mental Health and Developmental Disabilities to ensure that the repository of donations from the Charitable Fund are used to expand existing governmental supported services to benefit people with disabilities where the greatest need exists.

What Are SST Life-Care Plans?

Each "private trust" within the Self-Sufficiency Trust is operationally based upon the individual "Life-Care Plans" developed by the parents or family and the knowledgeable trust staff. The Life-Care Plan becomes the document that governs the administration and disbursement of each "private" trust fund and identifies those supplemental services that the family or parent desires for their disabled dependent. Identifying future needs and costs is difficult. Therefore, a computerized data-base that assesses present need, projects changing future service needs, and correlates present and future costs of those services helps each family to plan realistically, based on their capacity to fund supplemental service needs through estate planning. Principal assets are individually calculated that will provide a flow of interest income sufficient to fund present and/or future supplemental service needs.

Initiation of private trusts will vary for families, depending on the assets required to fund their plan. Some families may establish a trust within the Self-Sufficiency Trust while they are living by depositing assets in a private trust at one time or over several years. Others may make provisions to deposit their disabled heir's share of the parent's estate into a Self-Sufficiency Trust via a trust clause in their will. Some may choose a combination, but regardless of the funding approach taken, families will have carefully constructed a "life-care plan," defined the supplemental services desired, and initiated estate planning for the benefit of their disabled dependent.

What Role Does Parent/Grantor Play in SST?

Upon the establishment of a Self-Sufficiency Trust account, the donor or grantor of the private trust may serve as co-trustee or may designate someone else. The co-trustee retains the right to disapprove or delay implementation of the disabled beneficiary's "life-care plan." Until disbursement for services is made from each representative beneficiary's Self-Sufficiency Private Trust Fund account, the grantor (parent or other) may withdraw from participation and recover his or her original contribution minus a penalty based on the number of years of participation in the SST Private Fund. The SST Private Trusts are considered irrevocable, meaning that the original intent of the grantor of the trust cannot be changed.

Additionally, the Self-Sufficiency Trust model provides that at least 50% of the principal remaining in the Private Trust at the death of the disabled beneficiary be left to the Charitable (Remainder) Trust, with the balance returned to the heirs of the Trust grantor. These residual assets, combined with private donations, allow the Board of Trustees to service the indigent.

How Are Funds Disbursed?

Once the individual SST Private Trust is established and funded, the disbursements that benefit each disabled beneficiary may be completed in one of two ways. First, monies (interest) may be "donated" by design in the Life-Care Plan to a counterpart SST State Fund operated by the

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Paul Medlin is involved in setting up the Self-Sufficiency Trust nationwide. For additional information about SST call (312) 941-3498, or write The National Foundation for the Handicapped, 340 W. Butterfield Rd., Elmhurst, IL 60126.

Department of Mental Health and controlled by the State Treasurer. This "donation" process transfers the assets required to purchase the needed supplemental services to an individual account maintained for each beneficiary entitled to benefits from that government department. Vouchers are then processed via the state treasurer to pay for the desired supplemental service. While many find this step in the process unsettling, it has the distinct advantages of preserving public entitlements and avoiding invasion of the trust. Disbursements by the Department of Mental Health via the state treasurer are made to regular service providers.

Monies deposited for this purpose may not revert back to a private trust or charitable trust account, unless it is determined by that department that the funds cannot be used to purchase the services for which they were designated in the agreement. At that point, funds may be returned.

The second disbursement process involves direct payments to private vendors, human service providers, advocates, or successor guardians who are monitoring the welfare and condition of the beneficiary. This service provision sets the Self-Sufficiency Trust apart from generic trusts devoid of life-care monitoring. Families may build into the life-care plan a personalized, non-profit organization or group to look out for the best interests of each disabled beneficiary and to act as either an "advisor" to the Board of Trustees, ensuring that Trust assets are meeting valid needs, or purchasing quality services. They may also seek a successor guardian to assume legal consent authority at some point in the future. The peace of mind that is desired by all families with dependents who are disabled is offered, not as an option, but as a major component of the Self-Sufficiency Trust model.

So far we have discussed the Self-Sufficiency Trust from the standpoint of its mechanics as a "pooled-income" trust. What does it contribute to the overall improvement of services for our nation's disabled? What makes it desirable to families with dependents who are disabled? How is it unique in its approach to estate planning?

Historically, government and the private sector have joined together to carry out the mandate of services to people with disabilities. Using its resources, each state has developed a system of services to fulfill its mandated responsibilities. The Self-Sufficiency Trust concept evolved from the realistic acknowledgement that a state's capacity to provide these needed services is diminished by increased demand, the changing economic climate, and national policies. The SST embodies the search for alternative service capabilities and the generation of resources necessary to provide them in the future.

The Self-Sufficiency Trust research found that most states face the following problems:

- Fluctuations in tax revenues have an impact upon services provided to people with disabilities. It is unreasonable to expect state tax revenues to support the increasing needs of the population.
- Unmet housing needs unfairly affect a segment of the disabled population.
- Increased life spans intensify chronic housing shortages.
- Reduced Federal program support further increases the stress on state treasuries.
- Deinstitutionalization places heavier demand on the private provider networks to supply services and housing to the disabled.
- Fluctuations in governmental grants place severe strain on the capacity to continue these services and to survive funding shortfalls.

All these factors add to the uncertainty of future services for the disabled and hinder effective estate planning by families that might supplement their disabled dependent's future care needs. Estate planning for the disabled had to be more than a trust that could withstand invasion. Rather, it had to address the real situations that could negatively effect future services and their fundng. The Self-Sufficiency Trust combined private (family) concern with public (state) financing needs into a legislatively-based mechanism that seeks to resolve problems confronting the service delivery system as a whole.

The Self-Sufficiency Trust has been enacted into law in Illinois and Maine. To date, an additional ten states have expressed interest. The potential benefit of a nationwide Trust network is, of course, economy of scale, resulting in trust management savings, larger principal investment and return, and most importantly, increased private sector (parent and family) voice in services and financing of those services for the disabled. However, several advantages accrue to each state in which it is enacted:

- New sources of private funding to expand services for disabled people.
- A computerized data collection system to identify type, scope, and time projection of need-specified services (i.e., residential) with which to plan future services for disabled people.
- Potentially reduced dependence upon federal support, which carries with it red tape and the expense of obtaining those federal funds.
- Private-public partnership which actively involves each in working toward improved/expanded services for disabled people.

For families, several major advantages are incorporated into the SST model. Several years and close to a million dollars of research have carefully evolved into a trust which encompasses the "state of the art" in estate planning for the disabled. Disincentives have been eliminated, specifically in the areas of safeguarding public entitlement benefits.

Medicaid Eligibility

The Health Care Financing Authority (HCFA) of the Department of Health and Human Services have ruled that neither principal nor interest held in a SST Private Trust will be counted in determining Medicaid eligibility. Many families fear the loss of the medical benefits or related state support of residential care if they contribute assets to their disabled adult children, or that assets they wish to set aside for future needs will have to be spent down before their children will become eligible again. Under this ruling, parents may establish a Self-Sufficiency Trust without affecting their disabled son or daughter's eligibility.

Similarly, the Council General's Office of the Social Security Administration for Region V (Illinois and upper Mid-West) has determined that SST principal and interest will not be counted as resources in determining eligibility under the Supplemental Security Income (SSI) program.

For most persons with disabilities who depend upon public entitlement support, these rulings will ensure that parental estate planning efforts become supplemental to, and not replacement of, public benefits. Additionally families participating in a Self-Sufficiency Trust will not face the requirement of spending down or exhausting private assets in order to regain eligibility for public benefits. ways

SELF-SUFFICIENCY TRUST
Supplemental Service Funding Process

Exhibit # 1 SB 311
2/9/89

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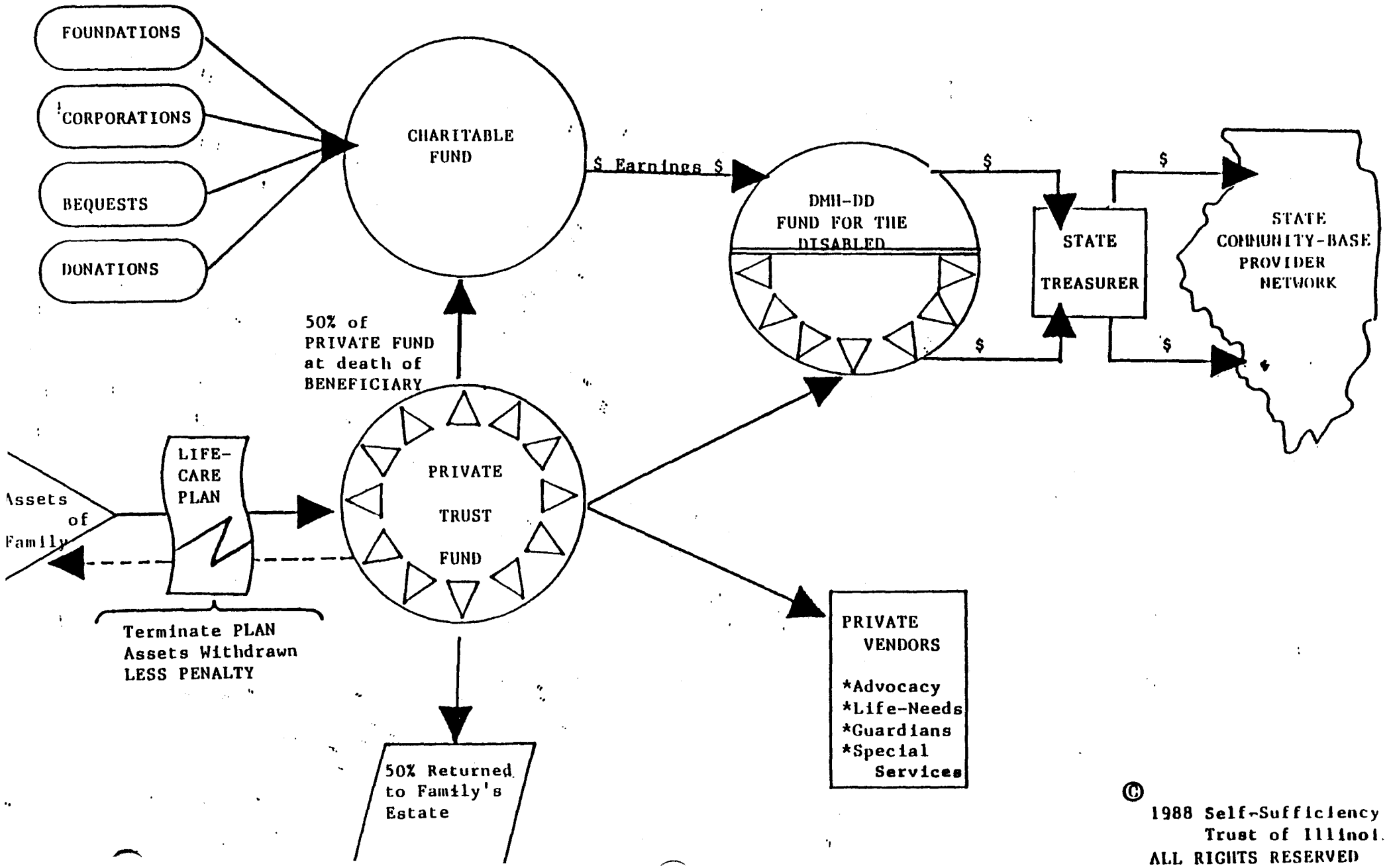

SELF-SUFFICIENCY TRUST

PRIVATE SECTOR

* Governed by a Volunteer Board of Trustees
- Selected for individual commitment to and understanding of the needs of PEOPLE with DISABILITIES and THEIR FAMILIES.

- Appointed by the National Foundation for the Handicapped.

** The Board of Trustees:
- Set policy for the operating of the Private and Charitable Trust Funds.

- Select and contract with Corporate Fiduciary Agent (Bank) to invest and manage all trust assets.

- Select and contract with a Social Service Agent to complete all necessary intake processes, including the development of each Life-Care Plan.

- Approve each Life-Care Plan and vote on participation of each family Trust/ Life-Care Plan.

- Use discretionary trustee powers in cooperation with the Special Trustee to modify or approve expenditures within the guidelines of each Life-Care Plan.

*** The Board of Trustees must comply with the TRUST and TRUSTEES ACT of Illinois (Ill. Rev. Stat. Ch. 17, Par. 1651-1690).

PUBLIC SECTOR

2/9/89

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* 1986 passaged into law of Public Act 84-1373 creating a mechanism to receive private trust assets to expand, enhance and supplement services for disabled eligible for services under the Illinois Department of Mental Health and Developmental Disabilities.
- Established Chapter 91 1/2 Sections 5-118 and 5-119 of the "Mental Health and Developmental Disabilities Code".

- Enpowers the State Treasurer as ex-officio and custodian of the public sector fund.

- Provides for the Comptroller to direct payments from each account within the "fund" upon receipt of certified vouchers approved by the Director of DMH-DD.

- Requires DMH-DD to adopt rules and regulations for the administration of the public sector "fund".

- Monies shall be spent pursuant to existing department rules governing expenditures for services and based upon the individual trust agreements (Life-Care Plan) for each eligible Beneficiary.

- If Director determines monies cannot be expended pursuant to department rules or service availability, funds and accrued interest will be returned to the beneficiary's Private Trust Fund.

** The receipt of monies from the Self-Sufficiency Trust (Private Fund) will not in any way reduce, impair or diminish the benefits each beneficiary would otherwise be entitled to under law.

*** Establishes a "Fund" for the Disabled to accept monies from any source which, subject to appropriations, will be used for services to low-income disabled eligible for DMH-DD services.

AN ACT to amend certain Acts in relation to funds for the developmentally disabled.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Sections 5-118 and 5-119 are added to the "Mental Health and Developmental Disabilities Code", approved September 5, 1978, as amended, the added Sections to read as follows:

(Ch. 91 1/2, new par. 5-118)

Sec. 5-118. There is hereby created the Self-Sufficiency Trust Fund. The State Treasurer, ex officio, shall be custodian of the Trust Fund, and the Comptroller shall direct payments from the Trust Fund upon vouchers properly certified by the Director of Mental Health and Developmental Disabilities. The Treasurer shall credit interest on the Trust Fund to the Trust Fund, and the Director shall allocate such interest pro rata to the respective accounts of the named beneficiaries of the Trust Fund.

The Department of Mental Health and Developmental Disabilities may accept moneys from a self-sufficiency trust for deposit in the Trust Fund pursuant to an agreement with the trust naming one or more beneficiaries who are developmentally disabled persons or persons otherwise eligible for Department services residing in this State and specifying the care, support or treatment to be provided for them. The Department shall maintain a separate account in the Trust Fund for each named beneficiary. The moneys in such accounts shall be spent by the Department, pursuant to its rules, only to provide care, support and treatment for the named beneficiaries in accordance with the terms of the agreement. In the event that the Director determines that the moneys in the account of a named beneficiary cannot be used for the care, support or treatment of that beneficiary

Clerk of the House

Originated in the House of Representatives

in a manner consistent with the rules of the Department and the agreement, or upon request of the self-sufficiency trust, the remaining moneys in such account, together with any accumulated interest thereon, shall be promptly returned to the self-sufficiency trust which deposited such moneys in the Trust Fund.

The Department shall adopt such rules and procedures as may be necessary or useful for the administration of the Trust Fund.

The receipt by a beneficiary of money from the Trust Fund, or of care, treatment or support provided with such money, shall not in any way reduce, impair or diminish the benefits to which such beneficiary is otherwise entitled by law.

For the purposes of this Section, the term "self-sufficiency trust" means a trust created by a not for profit corporation which is a 501-C-3 organization under the Federal Internal Revenue Code of 1954 and which was organized under the General Not for Profit Corporation Act for the purpose of providing for the care, support or treatment of one or more developmentally disabled persons or persons otherwise eligible for Department services.

(Ch. 91 1/2, new par. 5-119)

Sec. 5-119. The Fund for the Developmentally Disabled is hereby created as a special fund in the State Treasury. The Director may accept moneys from any source for deposit into the Fund. The moneys in the Fund shall be used by the Department, subject to appropriation, for the purpose of providing for the care, support and treatment of low-income developmentally disabled persons, or low-income persons otherwise eligible for Department services, as defined by the Department.

Section 2. Section 5.195 is added to "An Act in relation to State finance", approved June 10, 1919, as amended, the added Section to read as follows:

(Ch. 127, new par. 141.195)

Sec. 5.195: The Fund for the Developmentally Disabled. Notwithstanding the provisions of Section 5, this Fund shall not be automatically terminated by operation of law due to inactivity, unless such inactivity exceeds 60 months.

Section 3. This Act shall take effect upon becoming law.

Richard J. Madigan
Speaker, House of Representatives

Philip J. Rock
President of the Senate

APPROVED

this 11th day of September, 19 86 A.D.

James R. Thompson
GOVERNOR

APPENDIX A

Exhibit # 1 SB 311
2/9/89
PG 22 of 25

DEPARTMENT OF HEALTH & HUMAN SERVICES

Social S

Office of the Regional Commissioner
300 South Wacker Drive
Chicago, Illinois 60606

June 29, 1987

Terrence M. Sheen
Daniels & Sheen LTD
180 West Park Avenue
Elmhurst, Illinois 60125

Dear Mr. Sheen:

This is in final response to your letter of April 8, 1987. The Office of General Counsel (OGC) reviewed the material and determined that, based on current regulations, the trust assets will not count as resources in determining eligibility under the Supplemental Security Income (SSI) program.

As for the income, as we have advised you in the past, if the individual does not receive cash, but receives in-kind support or maintenance (i.e., food clothing, or shelter, income is charged only up to a presumed maximum value (PMV) (currently $133.33 for an eligible individual, the PMV increases with each cost of living increase). Medical and/or social services provided an individual are not income for SSI purposes.

If further changes are made in the Self-Sufficiency Trust, it may be necessary to reevaluate the effect on SSI eligibility and payments. An additional OGC review would be necessary at that time. If you have further questions, please contact Jo Ellen Luscombe, Director of the Chicago SSA Region's SSI Branch at 353-9835.

Sincerely,

Marlene M. Moleski

Marlene M. Moleski
Regional Commissioner

cc: James DeOre

APPENDIX B

Exhibit # 1 SB 311
2/9/89

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

PJ 23 86
25

The Administrator
Washington, D.C. 20201

JAN 6 1988

James H. DeOre
President
National Foundation for the Handicapped
340 W. Butterfield Road
Elmhurst, Illinois 60126

Dear Mr. DeOre:

Thank you for the additional information you sent on November 14, further clarifying the design of the Self-Sufficiency Trust (SST) of Illinois in relationship to cash assistance programs for the mentally and physically disabled. The intent of the National Foundation, to conduct a cooperative program to augment such benefits with private funding in order to assist the disabled population in Illinois, is commendable.

You asked two questions; one related to Medicaid eligibility and the other to Federal financing. In regard to your questions, we have determined that in most cases SST principal and interest will not count in determining Medicaid eligibility. However, we must advise you that under the following circumstances, the principal and interest could be counted in determining Medicaid eligibility. This would occur if the trust is set up by the disabled individual or his spouse using his or the spouse's funds (or with his funds by an individual who is acting on his behalf in the capacity of his guardian or legal representative). This should not be a problem because your literature notes that the donors are usually the parents of the participating beneficiaries (rather than the beneficiaries themselves).

We are still reviewing the information previously provided, along with the supplemental information you sent, to resolve issues regarding reimbursement and claims for federal financial participation (FFP). We must ensure that any potential conflicts between Medicaid requirements and the Self-Sufficiency Trust are identified. I expect to respond on those remaining matters in the near future. If conflicts are identified, you will have our fullest cooperation in trying to resolve them.

Sincerely,

Bill Roper

William L. Roper, M.D.
Administrator

SELF SUFFICIENCY TRUST

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DISABLED POPULATION PROFILE SYSTEM

OVERVIEW

There are two purposes for the Disabled Population Profile System:

1) It is the first step in forming a life-care plan for a disabled individual;

2) It is a planning tool which provides a system to collect information on the needs of the disabled population that are in need of services now and those needing services in the future. This information can be compiled state-wide and eventually nation-wide. Until now, there has been no successful system to accurately show these needs.

The service application will give the following information:

1) Parent demographic information;

2) Disabled person demographic information;

3) Functional disabilties of the disabled person - very basic "yes - no" function not an in-depth clinical review;

4) Scales for level determination - these scales will be used later to determine what level of residential care and day programming is needed by the disabled person. All costs associated with the level are also calculated (current year or future year costs). The system then takes these costs and produces an Income Earnings Projection which is the starting point for the financial planning for a parent for the needs of their son or daughter;

5) Current living arrangements and services;

6) Immediate needs of the disabled person;

7) Future needs - This is when the system takes the Life-Care needs, matches them to the level determination and costs for those needs, in any given year.

SELF-SUFFI NCY TRUST

Supplemental Service Funding Process

Exhibit # 1 SB 311
2/9/89

PRIVATE SECTOR

PUBLIC SECTOR

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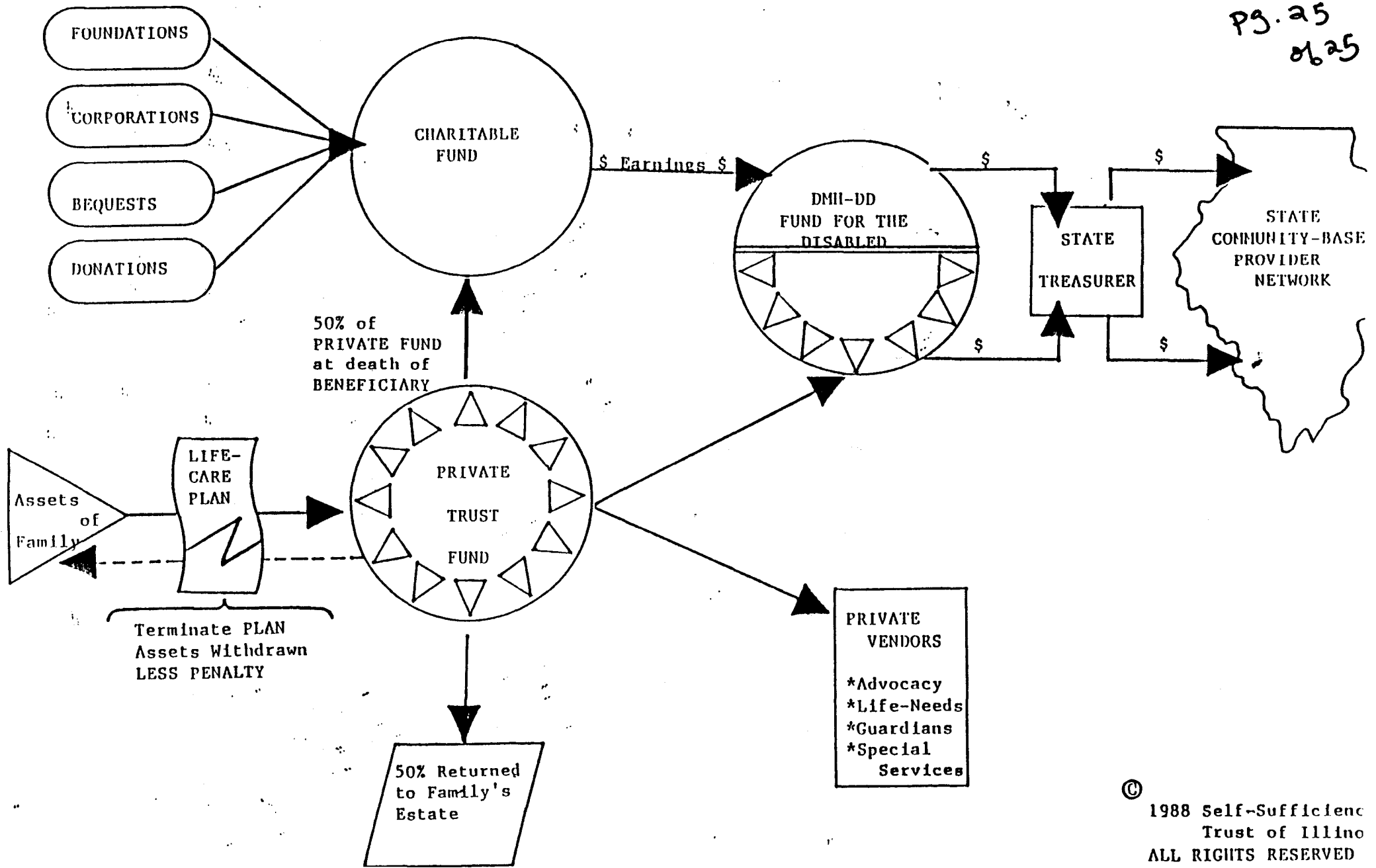

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. SB 311
DATE 2-9-89
BILL NO. SB311

CITIZEN TESTIMONY

SELF SUFFICIENCY TRUST

I am Pat Conant from Bozeman. I am the parent of an eight year old daughter with the spastic form of cerebral palsy. In preparing this testimony, I have spoken to other parents of handicapped children in order to get information on what the passage of this bill could mean to their families.

One of the difficult things for parents of handicapped children to deal with is thinking about what will happen to their child when they are no longer around to look out for he or she. Like all parents we want our children to live as full a life as possible and to continue enjoy a comfortable standard of living when we are not around to provide it. Disabled children do not have the same opportunities to create their own full lives as do typical children. Many of them are dependent on government assistance for basic necessities. Obviously, the government is not able to provide for many of things which are personally important to these children. At this time, except for the very rich, parents do not have a vehicle for improving their child's quality of life. When I talked with parents about what kinds of things they would be able to do for their child, their responses talked about providing some pretty basic services. In one instance, the family had a child who was very involved in 4-H. The main focus of this child's life is taking care of her animals. The family felt that with the trust they might be able to provide their daughter a living situation where she could continue to keep her animals. Another Mom talked about being able to insure that her child had a travel allowance so that she could visit relatives without burdening the rest of the family with the cost. She also talked about setting up money so that someone could take her daughter to music concerts which she loves. As for myself, I would like to be able to assist my daughter in living as independently as possible. In many cases, this would requires substantial modification to her living quarters so that things are readily acessible. If she is able to learn to drive, it means modifying a vehicle to meet her needs.

I urge you to pass the Self Sufficiency Trust Bill so that parents of disabled children may begin working for a fuller life for their children.

Patricia M Conant
2/9/89

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 3 Page 1 of 3
DATE Feb 9, 1989
BILL NO. SB 343

Greg Willowby

STATEMENT IN SUPPORT OF ARBITRATION OF UNRESOLVED MATTERS OF COLLECTIVE BARGAINING BETWEEN CITIES AND MUNICIPAL POLICE BARGAINING UNITS

Arbitration as an institution is not new, having been in use many centuries before the beginning of the English common law.(1). Indeed, one court has called arbitration "the oldest known method of settlement of disputes between men.(2).

King Solomon was an arbitrator, and it is interesting to note that the procedure used by him was in many respects similar to that used by arbitrators today. Phillip II of Macedon, the father of Alexander the Great, in his treaty of peace with the city-states of southern Greece circa 338-337 B.C., specified the use of arbitration in disputes "between members over vexed territory."(3). Another great man of history, George Washington, was a staunch believer in arbitration. Although he exercised all possible caution in writing his last will and testament, he did not overlook the possibility of disputes as to its intent. For this eventuality he specified arbitration: "...my will and direction expressly is, that all disputes (if unhappily any should arise) shall be decided by three impartial and intelligent men, known for their probity and good understanding; two to be chosen by the disputants, each having the choice of one, and the third by those two.-which three men thus chosen, shall be unfettered by Law, or legal constructions, declare their sense of the Testator's intention; and such decision si, to all intents and purposes to be as binding on the Parties as if it had been given in the Supreme Court of the United States."(4).

Commercial arbitration has long been used as a substitute for court action in the settlement of disputes between businessmen. International arbitration has been used for the settlement of differences between nations, differences which, if not removed, might lead to war. Development of labor arbitration in the United States began in the latter part of the nineteenth century, and its most rapid advance has been made since the United States became involved in World War II.(5).

The development of labor-management arbitration generally followed the development of collective bargaining. One of the more recent examples is professional athletics, where use of arbitration quickly followed the introduction of collective bargaining.(5).

The United States had to turn to arbitration during World War II in order to maintain the flow of necessary raw materials and resources and finished goods to sustain the war effort. Labor was being forced to produce greater and greater quantities of goods, work increasingly longer days, and all with no change in income, for the monetary benefit of business and factory owners holding lucrative government contracts. In order to avoid work interruptions at a very critical time of our history, arbitration was used to resolve these disputes and the war effort was maintained.

Modern police work cannot be compared to the magnitude of the problems faced during a time of war. But, the same need for continuing an uninterrupted system is the same. Citizens have the right to expect, even demand, the protection of a professional police force. They, the citizens, should not have to worry about a labor action to resolve collective bargaining disputes. Police officers, sworn to protect and to serve, need

to have at their disposal an alternative to strikes or other job action.

Strikes or work slowdowns hurt everyone involved. The citizen loses the protection he deserves, as well as the confidence he had in his police force. Police officers, as employees, lose income which can never be recovered, usually at a time when that is what they are trying the hardest to improve. Employers, cities, are set up for unnecessary liability, and probable hostility from constituents of elected officials. The end result of such actions is hard feelings from all sides.

In principle, police officers should not ever strike. It seems to be contrary to the purpose they are sworn to uphold. Sometimes, though, there is no other means to rectify a wrong or dangerous situation. As it now exists in Montana, the only means available is a labor action of some sort.

Because of my involvement in the collective bargaining process in Missoula I have come to the conclusion that arbitration is the only logical alternative to resolve disputes in collective bargaining. I have represented the Missoula Police Association as a negotiator for the past five years. The Missoula Police Association is the recognized bargaining unit for the sworn police officers of the Missoula Police Department.

During the time that I have been a negotiator, I have faced the frustration of public sector collective bargaining. I have negotiated with individuals in city government who are not directly involved in the control of revenues or the final disposition of a budget. In effect, negotiating for wages with executive members of city government is a waste of time because the conclusion is always at or below what has previously been established in budget by the legislative members of city government, which members I am prevented from negotiating with or lobbying.

The cost of arbitration is insignificant. The actual cost is shared by the involved parties. The savings through arbitration, on the other hand, is very significant. Arbitration is not just the impartial settlement of disputes, it is also the incentive to resolve the dispute at the negotiating level. In order to prevent a time consuming process of arbitration, each party has incentive to come to a resolution through negotiation.

In conclusion, it has been said that the "most important difference between civilization and savagery is the habitual willingness of civilized men and nations to submit their differences of opinion to a factual test."(6)

Your support of this measure and the time spent for consideration is appreciated.

Gregg J. Willoughby, Secretary
Missoula Police Association

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(2)McAmis v. Panhandle Pipe Line Co., 23 LA 570, 574 (Kan.City Ct. of App., 1954.
(3)Fox, The Search for Alexander, 113-114 (Little, Brown and Co., 1980)
(4)AAA, Arbitration News, No. 2 (1963)
(5)Elkouri, "How Arbitration Works", Arbitration Defined-Historical Background, 2-3 (The Bureau of National Affairs, Inc. 1985)
(6)Elkouri, "How Arbitration Works", Arbitration as a Substitute for Work Stoppages, 4 (The Bureau of National Affairs 1985)

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 4 page 1 of 1
DATE 2-9-89
BILL NO. SB 343

TESTIMONY FOR SENATE BILL 343

I am Jim Van Arsdale, Mayor of the City of Billings. SB 343 would require binding arbitration for police officers. This means that police officers would give up their right to strike, and that if they and the City could not agree on a contract, they would turn to a paid arbitrator to make the decision for them.

The City of Billings is strongly opposed to this legislation. What problem are we trying to fix here? Have there been any bitter and destructive police strikes? I don't know of any.

The heart of the collective bargaining process is that employees have the right to withhold their services if there is no contract agreement. We support this fundamental right. The right to strike is a powerful incentive for both sides to work out their differences and come to agreement. If you take away this right, you take away the incentive to agree.

Turning over decision to a third party would be an abdication to relinquish of our responsibilities as public officials and labor leaders. Arbitration is an expensive, time consuming process which cuts the heart out of collective bargaining. collective It is incompatible with representative government because it relinquishes our responsibilities for public decision making to a disinterested third party.

The City of Billings has had only one police strike in recent memory. The City was able to serve the public adequately by using supervisory personnel. Right now, we feel that labor relations with our police department are excellent and we are proud of the job they do.

The firefighters presently have binding arbitration and we believe that it is a significant hindrance to good labor relations and ~~will be a~~ is a time consuming and expensive ~~process~~ process.

Please don't take away our and our employees' most powerful incentive for keeping good labor relations. Please don't destroy the collective bargaining process. The Citizens ~~The City~~ of Billings elect us to manage our affairs There is nothing broken here. So let's not fix it.

Thank you.

not an arbitrator and we elected officials know our Cities financial position the arbitrator does not.

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EXHIBIT 5 page 1 of 1
DATE 2-9-89
BILL NO. SB 343

SB 343

Mr. Chairman, Committee Members
I am Hal Million, Assistant City Manager - Great Falls

The City of Great Falls strongly opposes this bill for the following reasons:

First - It takes a critical management decision out of the hands of those most knowledgeable of local circumstances and conditions.

Second - It takes budgetary control of our single largest General Fund expense from the locally elected City Commissioners.

Third - The collective bargaining process has been working reasonably well - not having binding arbitration as a state requirement has not harmed the employees and

Lastly - We feel that each city should be allowed to make its own decision on binding arbitration through the collective bargaining process.

We would urge you to carefully consider the statewide effects of this bill.

Thank you.

City of Helena

City-County
Administration Building
316 North Park
Helena, MT 59623
Phone: 406/442-9920

Mr. Chairman/Members of the Committee:

My name is Shelly Laine and I represent the City of Helena. The City strongly opposes SB 343!

The City is opposed to binding arbitration. Having a provision such as this reduces the likelihood of settling bargaining disputes prior to arbitration.

During negotiations now, both sides may start out far from where they actually intend to settle. However, the Cities, especially in light of I-105, have only so much to give. We have been very straight forward in our negotiations and have been able to work out differences.

Typically what will happen in arbitration is that the difference between the two sides will be split. If the City has offered what they can afford, and the union is still asking for more, a split of the difference will hand down a mandated, unaffordable solution.

It has been pointed out, however, that one of the other positions will be adopted under this bill. (or the adoption of the union position)

Knowing that arbitration is eminent provides an incentive for the union to ask for several times what they would actually settle for and for the City to offer little or nothing. Neither side would have any reason to compromise as any concessions made now would lessen the final settlement reached by the arbitrator.

Although strikes are a very unfortunate thing and the City hates to see them occur, they are a valuable tool in the negotiation process. Both sides lose in a strike situation. The possibility of a strike provides an incentive for both sides to bargain in good faith and compromise as much as possible.

In summary, binding arbitration would render the present negotiation process useless. The present process may not always be easy, but it works and results in fair and equitable settlements. The City of Helena would encourage the Committee to give a Do Not Pass recommendation on SB 343.

Thank you

THE CITY OF BOZEMAN
411 E. MAIN ST. P.O. BOX 640 PHONE (406) 586-3321
BOZEMAN, MONTANA 59771-0640

February 9, 1989 Submitted by Alex Hanson

Senator Gary Aklestad
Chairman

Senate Labor and Employment Relations Committee:

I am writing in opposition to SB 343 which would provide for mandatory binding arbitration.

We oppose the bill for several reasons as listed below.

1. The mere fact that binding arbitration exists, would have adverse effects on the collective bargaining process. In fact, binding arbitration would discourage settlement at the table since negotiators and union and association representatives would rely on the binding arbitration process to settle disputes rather than resolving differences with management at the table. Binding arbitration would cause more labor management problems and would take policy decisions away from local elected representatives and place the policy decisions in the hands of disinterested third parties.

2. Of the 30 to 32 resumes of qualified arbitrators currently on file with the Montana Department of Labor, approximately 25 are not even residents of the State of Montana. The D.O.L. has only one member of the National Arbitrator's Academy who is a Montana state resident. We don't want decisions involving 10's of thousands of Montana Local Government tax dollars in the hands of these people.

3. The bill states that the arbitrator would consider such factors as wages in similar organizations and cost-of-living indices. Often times these factors have very little or no bearing on the financial condition and individual circumstances of the local community. While the bill does provide for considerations of the public employer's ability to pay, it is impossible for an arbitrator to adequately assess the financial condition of our local government. This is a complex process and takes trained professionals months, if not years, to be able to comprehend and be knowledgeable of the City's financial structure, its operation and condition. This cannot be done by a disinterested arbitrator after a superficial review.

4. The bill would take away local control over the collective bargaining process. We, as locally elected representatives of the community, are charged with the responsibility of managing our government's operations--and most importantly our financial operations. This bill would significantly

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restrict our ability to manage our own financial operations in a prudent manner. The bill would place our major financial decisions in the hands of third parties who are not accountable for the financial impact of their decisions.

5. The bill would give to an arbitrator, the power to obligate the local government for funds it simply does not have and cannot raise. Local governments are severely restricted in the amount of funds it can raise. We are limited by Section 15-7-122 MCA as to the amount of general fund property taxes we can levy. We are restricted by I-105 in our overall tax levy. We are currently restricted in the increase in utility rates we can impose. And, proposed SB 290 would limit increases in utility rates to the consumer price index. With all these restrictions, local governments would simply not be able to raise the revenues required by decisions of an arbitrator.

We urge you to defeat SB 343.

Sincerely,

Alfred M. Stiff

Alfred Stiff
Mayor

File: Legislative Session 1989
L89-88

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 8 1 of 2
DATE 2-9-89
BILL NO. SB 315

NFIB Montana

National Federation of Independent Business

TESTIMONY ON SB-315

PRESENTED BY:

J. RILEY JOHNSON

NATIONAL FEDERATION OF INDEPENDENT BUSINESS

FEBRUARY 9, 1989

SENATE LABOR COMMITTEE - MONTANA LEGISLATURE

Workers' compensation laws in every state require that those injured or made ill as a result of their employment be compensated for their medical expenses and some fraction of their lost earnings. The employers of these workers are held liable for such compensation regardless of who is at fault in causing the injury or disease. The National Federation of Independent Business (NFIB), representing over 570,000 small and independent business owners throughout the country and over 6,000 of those members residing in Montana, recognize the good and the need for a workers' compensation form of business insurance.

State Office
534 N. Last Chance Gulch #202
Helena, MT 59601
(406) 443-3797

But, NFIB/Montana also recognizes the good and the need to keep such a system on a fiscally sound and affordable basis, particularly for the small business person. This obviously has

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DATE 2-9-89
BILL NO. SB 315

not been the case with Montana's workers' compensation program. But we are not here this afternoon to discuss the fiscal problems of workers' compensation. We gather to discuss the affordability of the program.

SB-315 represents a wave of new thinking about affordable workers' compensation insurance. NFIB does not consider "deductable" or as it is more commonly referred to "co-insurance" as the total answer to affordability. But it is a step in the right direction. A step we feel Montana should take.

In 1987, NFIB commissioned the National Foundation on Unemployment Comensation and Workers' Compensation to research the funding of workers' compensation issues. The result was a document called "Small Business and the Financing of Workers' Compensation: Issues, Evidence, and Options". Permit me to read a small section of that report that addresses the issue of co-insurance:

"Another approach that has been suggested would remove many injuries from the "umbrella" of insurance. This removal would force the parties who can avoid injuries - workers and firms - to directly bear at least some of the cost of each injury. The costs they would have to bear, unlike those under experience rating, would be immediate, be easy to calculate, and fall on those most closely involved with the accident.

"This form of partial self-insurance, or co-insurance, is widespread outside the workers' compensation field in the form of policies written with deductibles. Under these types of policies the insured must pay the first X dollars of any loss and the insurer pays all or part of the excess.

"Why co-insurance clauses are not widely used in workers' compensation is not obvious, but it may be because firms want more stability in their workers' compensation costs or because states want guarantees that injured workers will be compensated. There are, however, two crucial facts underlying the merits of co-insurance. First, 90 percent of all compensable cases of on-the-job injury involve costs of about $3,500 or less."

In other words, to divert from the report a minute, most cases of injury are not very expensive, but these numerous inexpensive cases amount to a lion's share of the administrative costs of worker' compensation.

I return to the report now.

"Second, it is widely believed by researchers and insurance people alike that the probability of injury is more subject to control than is the severity of injury.

"Writing workers' compensation policies with deductibles of $3,500, for example, would remove 90 percent of all injuries from the insurance system - forcing either workers or firms to pay the full costs of injury for the vast majority of cases. Since the chances would become 90 percent that a given injury would not be covered by insurance, firms would have immediate incentives to invest in risk-avoidance. These stronger safety incentives, however, would come at the expense of only a 10-15 percent reduction in benefits paid out by insurance companies. In other words, the catastrophic cases that account for the majority of workers' compensation costs would still be covered by insurance (after deductables were met)."

Again, leaving the report.

Hawaii implemented a co-incurance workers' compensation system in 1985. It started small with deductables from $100 to $500. The results have been excellent, gaining premium reductions of 3% to 5% for insurance costs. Right today, the Hawaii Legislature is considering a bill that would raise the deductable option to $2,500 and experts predict a savings on premiums of 8% or better. Co-insurance is something that works and should be working here in Montana.

Permit me to read one more passage from the NFIB report on funding workers' compensation systems.

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In the conclusions of the report, the authors wrote:

"...we recommend exploring the use of deductibles as a means of bringing an element of self-insurance to the small business sector...".

Ladies and gentelmen of the committee, NFIB believe that SB-315 is that means of exploring the use of deductibles in Montana's workers' compensation insurance.

Let's look at what would happen if SB-315 were enacted. By the Division of Workers' Compensation's own figures, there were approximately 18,000 medical claims filed in 1987 in Montana. If we had a $500 deductable on each of these claims, the costs to the workers' compensation fund would have been reduced by some $9 million...of course there would still be some administration costs, but certainly they would not amount to $9 million.

Is there is opportunity to reduce costs? To reduce premiums? I submit there is; a very good opportunity.

I also submit there is a very good opportunity to directly get the employer involved with accident prevention and safety.

An example of "employer awareness" under a deductable plan is cited by the Division itself. As stated to me, the Division believes that on minor accidents...splinters, minor burns, etc...

the employer under a deductable plan would be more apt to send the injured worker to a doctors' office or handle the injury under certified first-aid programs at the job site rather than automatically sending the injured worker to the emergency room of the local hospital at 3 to 4 times the cost.

In conclusion, NFIB/Montana supports the idea of co-insurance in workers' compensation. Under SB-315 there is no loss of responsibility on the employer...no loss of security to the worker...and certainly no loss of benefits to the beleagued workers' compensation program of Montana.

If NFIB were to make any change in SB-315, it would be to leave off the $500 deductable limit and permit the insurers to set a graduated series of deductables to those employers who qualify. The insurers have the ultimate risk, anyway. Let their experts in the insurance business design deductables that will benefit the employers best.

At the least, however, let's take the first step toward innovative solutions to our workers' compensation problems and pass SB-315.

Thank you.

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 9 1 of 2
DATE 3-9-89
BILL NO. SB 235

SENATE BILL 235

SENATE BILL 235 WILL MAKE MONTANA'S LAW CONSISTENT WITH FEDERAL LAW IN THE PAYMENT OF FRINGE BENEFITS TO EMPLOYEES FOR CONSTRUCTION WORK. THIS BILL WILL NOT AFFECT THE HOURLY WAGES REQUIRED UNDER FEDERAL OR MONTANA DAVIS-BACON LAWS. IT DOES NOT APPLY TO WORKERS COVERED BY COLLECTIVE BARGAINING AGREEMENTS.

THE FEDERAL LAW ALLOWS A CONTRACTOR THREE OPTIONS OF PAYMENT OF PRE-DETERMINED FRINGE BENEFITS. THEY ARE:

1) PAYMENT OF THE FRINGE BENEFITS IN CASH, OR,
2) PAYMENT OF THE FRINGE BENEFITS TO AN APPROVED PLAN WHICH PROVIDES FOR HEALTH CARE AND RETIREMENT PROGRAMS, OR,
3) ANY COMBINATION OF 1 AND 2 WHICH ARE AT LEAST EQUAL TO FRINGE BENEFITS PRE-DETERMINED IN THE CONTRACT.

MONTANA'S PREVAILING WAGE LAW [SECTION 18-2-405, MCA] REQUIRES FRINGE BENEFITS BE PAID IN CASH UNLESS THE CONTRACTOR IS SIGNATORY TO A LABOR AGREEMENT.

MONTANA'S LAW, PENALIZES BOTH THE EMPLOYEE AND THE EMPLOYER BECAUSE THEY ARE NOT PARTICIPANTS IN A COLLECTIVE BARGAINING AGREEMENT.

WHEN THE FRINGE BENEFITS ARE PAID IN CASH: THEY ARE SUBJECT TO THE FOLLOWING:

THE EMPLOYER MUST PAY:
1) WORKMAN'S COMPENSATION
2) UNEMPLOYMENT INSURANCE STATE
3) UNEMPLOYMENT INSURANCE FEDERAL
4) EMPLOYER F.I.C.A. CONTRIBUTION
5) LIABILITY INSURANCE

THE EMPLOYEE MUST PAY:
1) STATE INCOME TAX ON THE AMOUNT
2) FEDERAL INCOME TAX
3) EMPLOYEE F.I.C.A. CONTRIBUTION

If the Fringe Benefits are paid into an approved plan they are tax exempt benefits and not subject to any of these costs.

THE WAGE BURDEN IS THE TOTAL PAYMENT AN EMPLOYER MUST MAKE FOR THESE ITEMS. WHEN FRINGE BENEFITS ARE PAID IN CASH, THE WAGE BURDEN MUST INCLUDE THE TAXES FOR FRINGE BENEFITS AND IS THEREFORE HIGHER THAN WHEN THE FRINGES ARE PAID INTO AN APPROVED PLAN.

AN EXAMPLE SHOULD ILLUSTRATE THE PROBLEM. ON ANY STATE FUNDED PROJECT, NOT COVERED BY FEDERAL LAW SUCH AS A COUNTY OR SCHOOL DISTRICT PROJECT, THE ADVANTAGE TO THE CONTRACTOR COVERED BY A UNION AGREEMENT OR FEDERAL LAW BECOMES CLEAR.

UNION CONTRACTOR		NON-UNION CONTRACTOR	
CARPENTER WAGE	12.55	CARPENTER WAGE	12.55
FRINGE BENEFIT (PAID TO AN APPROVED PLAN AND NOT SUBJECT TO WAGE BURDENS	2.45	FRINGE BENEFIT PAID IN CASH AND SUBJECT TO WAGE BURDENS.	2.45
WAGE BURDEN 40% (ON WAGES ONLY)	5.02	WAGE BURDEN 40% ON TOTAL	6.00
TOTAL	20.02/HOUR	TOTAL	21.00/HOUR

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 9 2 of 2
DATE 3-9-89
BILL NO. SB 235

THE APPROXIMATE $1.00 PER HOUR EQUALS $40.00 PER WEEK PER EMPLOYEE OR ABOUT $2,000 PER EMPLOYEE PER YEAR BASED UPON 50 WEEKS OF WORK. SINCE NON-UNION CONTRACTORS ARE NOT ON AN EQUAL FOOTING WHEN BIDDING, FEWER CONTRACTORS BID ON STATE JOBS. WITH LESS COMPETITION, COSTS FOR STATE AND LOCAL GOVERNMENTS WILL BE HIGHER.

THE EMPLOYEE MUST PAY TAXES ON CASH BENEFITS AND IS DENIED THE OPPORTUNITY TO PARTICIPATE IN AN EMPLOYER SPONSORED BENEFIT PROGRAM.

THE MONTANA CONTRACTORS' ASSOCIATION PROGRAM FOR NON-UNION FEDERAL JOBS HAS SET UP A PROGRAM WHERE EMPLOYEES RECEIVE HEALTH BENEFITS AND A RETIREMENT PROGRAM. BOTH ARE WELL DESIGNED, FEDERALLY APPROVED PLANS THAT PROVIDE RESPONSIBLE HEALTH CARE PLANS AND A GOOD RETIREMENT PROGRAM. IN THE PENSION PLAN FOR INSTANCE, THE EMPLOYEE IS IMMEDIATELY VESTED AND HAS A RIGHT TO THE EMPLOYER'S CONTRIBUTION PLUS EARNING WHEN HE/SHE RETIRES, TERMINATES EMPLOYMENT, DIES OR IS DISABLED.

SINCE THE NON-UNION EMPLOYER UNDER MONTANA LAW MUST PAY IN CASH, HE/SHE CANNOT AFFORD A BENEFIT PACKAGE IN ADDITION TO THE CASH PAYMENTS.

SINCE THE EMPLOYEE HAS TO PURCHASE HIS OWN HEALTH INSURANCE, HE CANNOT TAKE ADVANTAGE OF GROUP RATES.

PASSAGE OF SENATE BILL 235 WOULD ELIMINATE DISCRIMINATION AGAINST THE NON-UNION EMPLOYER IN COMPETITIVE BIDDING AND ALLOW THE EMPLOYER TO OFFER A SOLID HEALTH CARE AND PENSION PLAN TO THE NON-UNION MONTANA EMPLOYEE.

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 10 1 of 3
DATE 2-9-89
BILL NO. SB 235

Testimony of Gene Fenderson before the ~~Montana~~ Senate Labor and Employment Relations Committee, February 9, 1989 on Senate Bill 235.

For the record, my name is Gene Fenderson, Lobbyist for the Montana State Building and Construction Trades Council . I want to take this opportunity to express my concerns about Senate Bill 235.

On the surface Senate Bill 235 appears to allow non-union contractors to establish health & welfare and pension plans for their workers, an admirable idea. Yet the bill itself contains no protections for those workers who would be covered by these plans, and there are several troubling aspects to this legislation apparent to those of us who are familiar with the construction industry in Montana.

This first problem with this legislation is the lack of any evaluation or control mechanism to insure that the health & welfare programs are properly established and managed. Senate Bill 235 does require approval from either the United States Department of Labor or the Internal Revenue Service. Health and welfare programs do not fall under the authority of the U.S. Department of Labor unless they are established for a federal project. Senate Bill 235 would have no effect on this existing federal requirement. The only approval procedure used by the Internal Revenue Service is to evaluate the non-profit status of the entity. The IRS cannot evaluate the program for any other defect. A simple confirmation of non-profit status offers no protection to workers at all. In addition, these programs do not fall under the authority of the State Auditor to regulate. Unless the project is federal, workers have absolutely no assurances that their assets are properly managed and will be available to them when needed.

The second potential problem with this bill involves the establishment of pension programs. All too often defined contribution plans, which are tax-deferred plans, are purchased by construction firms. Any profits realized by the plans can be used to offset contribution rates the following year. Should the company find itself in financial difficulties, creditors are free to seize the profits of these plans and the worker is again left out in the cold.

The third area of concern is over collections of the employer's obligations. Union-employer trust funds utilize a system of auditing and legal council in order to ensure that these obligations are collected and deposited properly. No mechanism within the state is prepared to oversee this important responsibility. Neither the State Auditor nor the Department of Labor and Industry have the funds or FTEs necessary to ensure compliance. It is only fair that workers can expect some entity to oversee the management of their funds.

Another area of objection to this bill is the lack of worker input required by this legislation. Through collective bargaining agreements, workers are assured that their priorities and concerns are heard and incorporated into the various benefit plans. The plans envisioned by this legislature contain no avenue for worker involvement. After all, workers should have a strong voice in the management of their own assets.

Finally, if contractors are truly interested in the welfare of their workers in this important area, they would be equally concerned for those workers when employed on private sector projects. Senate Bill 235 only covers contractors and their employees on public sector projects. Governor Ted Schwinden vetoed very similar legislation in 1987 for this reason - if contractors desire to provide these plans to their workers on public sector projects it should be attributable to the fact that they provide the same plans to those workers when employed on

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 10 3 of 3
DATE 2-9-89
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private sector projects.

I appreciate this opportunity to inform you of my objections to Senate Bill 235 and urge you to vote against this legislation and to support the interests of working men and women in Montana.

Presented By Steve Swanson

SENATE EXHIBIT 11 1 of 1
DATE February 9, 1989
BILL NO. SB 235

Audit Services: Montana not-for-profit corporation established in 1970. A "clearinghouse" for auditing and legal services for the purpose of collecting fringe benefit contributions payable to several Montana union-employer trusts: Laborers, Carpenters, Operating Engineers, Ironworkers, Teamsters, Pipe Trades (Billings Trust).

I. **May 1, 1970 to July 31, 1988**

A. Fringe benefit contributions owed for unreported hours worked, including liquidated damages and interest: **$4,235,768.94**

B. Monies collected, including liquidated damages, interest, audit and legal fees: **$5,720,583.15**

C. Net income to all Trusts: **$3,649.593.76**

The following figures are approximations:

Laborers - **1,300,000.00**

Operating Engineers - **1,100,000.00**

Carpenters - **750,000.00**

Teamsters - **200,000.00**

Ironworkers - **121,000.00**

Pipe Trades - **50,000.00**

II. **January through July, 1988**

A. Fringe benefit contributions owed for unreported hours hours worked:

$ 684,395.44

B. Fringe benefit contributions owed for unreported hours worked, including liquidated damages and interest: **$1,044.021.83**

III. **January through November, 1987**

A. Fringe benefit contributions owed for unreported hours worked:

$ 670,213.72

B. Fringe benefit contributions owed, including liquidated damages and interest: **$1,011,099.14**

LABOR COMMITTEE

WITNESS STATEMENT

51st LEGISLATIVE SESSION

DATE: 2-9-89

****

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY !

****

NAME: James W. Murry Date: 2-9-89

ADDRESS: Helena, Mont.

PHONE: 442-1708

REPRESENTING WHOM: Mont. State AFL-CIO

APPEARING ON WHICH PROPOSAL: SB 235

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: see Exhibit 12

SENATE LABOR & EMPLOYMENT
EXHIBIT 12 1989
DATE 2-9-89
BILL NO. SB 235

JAMES W. MURRY
EXECUTIVE SECRETARY

110 WEST 13TH STREET
P.O. BOX 1176
HELENA, MONTANA 59624

(406) 442-1708

Testimony by Jim Murry on Senate Bill 235 before the Senate Labor and Employment Relations Committee, February 9, 1989.

Mr. Chairman and members of the Senate Labor and Employment Relations Committee, for the record, I am Jim Murry, Executive Secretary of the Montana State AFL-CIO. We are here today to express our strong opposition to Senate Bill 235 which would allow contractors and sub-contractors to establish and manage their own health insurance, retirement benefits, life and disability insurance and other fringe benefits when working on public projects.

Our main objection comes down to a very simple, but important, fact. This legislation does not provide any protection for workers. Absolutely none. The fringe benefits which are required to be paid to workers while employed on public projects are, after all, their rightful assets. They should be established and managed for the benefit of the workers, not for the benefit of the employers. Senate Bill 235 has no provisions to insure that the interests of the workers are protected on state, county or municipal projects.

There is no provision to require that a competent entity, like the State Auditor or the Department of Labor and Industry, review, evaluate or oversee the health insurance plans which this bill authorizes.

Depending upon how the individual pension plan is written, there may not be a provision to require that the pension plans are owned by the workers.

There is no provision for worker participation in the development or management of the plans.

There is no provision to assure collection of the employers' obligations for the plans.

This is plain and simply an anti-worker bill. The proponents of this legislation have told you that their primary concern is for their workers, but, I ask you, how can that be the case without these minimum protections? If the proponents of this legislation are so concerned for the welfare of their workers, why haven't all of these contractors established plans for workers on private sector projects? I believe that you will find the answers to these questions in the traditional profit motive. The contractors are more interested in how to get around the requirements to pay fringe benefits than they are in assisting their workers, if this bill is any indication.

Abuses and mismanagement of benefit funds, plans and programs has become a national nightmare. Senate Bill 235 would extend those nightmares to the State of Montana. This bill deserves to be defeated for the good of Montana's working men and women.

LABOR COMMITTEE

VISITORS' REGISTER

51st LEGISLATIVE SESSION

DATE: ~~February 9, 1989~~

LEAVE PREPARED STATEMENTS WITH SECRETARY! PLEASE!!!

PRINT: NAME	REPRESENTING	Check One: Support	Check One: Oppos
Nadine Jenson	AFSCME		343 ✓
JAMES TUTWILER	MT CHAMBER COM SB 235	✓	
HAL Million	City of Great Falls		343 ✓
Jim Van Arsdale	City of Billings		343
JOHN N LAWYER	LAWYER NURSERY INC PLAINS MONTANA	315	
Shelly LAine	City of Helena		343 ✓
Lloyd Lockrem	Mont. Cont. Assoc.	235	
F.H. LARSON	Computer Claims Admin	235	
Robert Brown	MCA Contract	235	
JACK MORGENSTERN	MCA	235	
Pat Conant	Self -	✓	
Vern Eriksen	MT State Firemans assoc	343	
Riley Johnson	NFIB	315	
Tim BERGSTROM	MT. STATE COUNCIL PROFESSIONAL FIREFIGHTERS	✓ 343	
Chris Venkatay	DD	✓ 311	
Alicia Pigutte	Self	✓ 311	
John Forkan	SW. MONT. B & CTC		✓ 235
[illegible]	Teamsters Joint Council #2		6000
John C Ball	St. Building Trades		235
Kathy Anderson	Ind. Ins Agents Assn	315	

LABOR COMMITTEE

VISITORS' REGISTER

51st LEGISLATIVE SESSION

DATE: ~~February~~ 9, 1989

LEAVE PREPARED STATEMENTS WITH SECRETARY! PLEASE!!!

PRINT: NAME	REPRESENTING	Check One: Support	Check One: Oppose
Eugene Henderson	Mt State Bldg Trades		235
Lars Ericson	Montana Carpenters		235
Paddy Donnelly	Butte Carpenters Union #112		235
Dick VanHaeske	SRS/DDD	✓	
Paul L. Mellin	Nat'l Fnd for Handicapped	✓	
MIKE HANSHEW	SRS/DDD	✓	
Dennis M. Taylor	SRS/DDD		
Gary Wicks	United Industry SB235	✓	
Tom Hagen	Senate Dist 46	235	
Jim Shanks	GT Falls		
Mary Lou	Great Falls		
Scott MIRANTI	BOZEMAN	343	
FRANK GARNER	KALISPELL	343	
M. Willoughby	Missoula	343	
Jim Murry	Mont. State AFL-CIO		235

LABOR COMMITTEE

VISITORS' REGISTER

51st LEGISLATIVE SESSION

DATE: ~~Feb. 9. 1989~~ readjournment

LEAVE PREPARED STATEMENTS WITH SECRETARY! PLEASE!!!

PRINT: NAME	REPRESENTING	Check One	
		Support	Oppos
Lars Ericson	Montana Carpenters		235
Robert Brown	MCA Health Care Trust	235	
JACK MORGENSTERN	Contractors Assoc & MCA	235	
Sonny Lockner	Mont. Const. Association	235	
Bob Jensen	Dept. of Labor & Ind.		
Jim Murry	Mont AFL-CIO		23
Greg Jepsen	Mt & Wyo. Bldg trades		235
& Wicks	United Contractors	235	