

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on March 30, 1995, at
8:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Marjorie I. Fisher (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Marjorie Peterson, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 55, SB 221, SB 357
Executive Action: SB 55 TABLED, SB 221 BE CONCURRED IN,
SB 357 BE CONCURRED IN

HEARING ON SB 357Opening Statement by Sponsor:

SEN. FRED VAN VALKENBURG, SD 32, Missoula, opened the hearing on SB 357 which would give firefighters a retirement benefit after 20 years of service, regardless of age. This bill had been heard in the State Administration committee and was re-referred to Appropriations. This is a retirement bill that would put firefighters on essentially the same retirement system as municipal police officers, the sheriff department and highway patrolmen. It is a stressful occupation that takes a toll on people after 20 years. This bill provides retirement after 20 years of service and is endorsed by PERD (Public Employees Retirement Division). The fiscal note indicates costs of about \$125,000 a year from the general fund. The money would come from 10% of the insurance premium fund, leaving 90% still available for the general fund. If the firefighters are allowed to retire at a slightly earlier age, that could decrease workers compensation costs that might occur. The cities have not opposed this bill.

Proponents' Testimony:

Dean Riggin, Captain, Fire Department of Great Falls, stated that firefighting has become more difficult over the years. A growing danger is the widespread use of synthetic materials in newer building construction, which creates more hazardous fires. Another problem is the transportation of hazardous substances through cities and towns all across the state. Also, the firefighters are providing more emergency medical services than ever before and sometimes are the first personnel to arrive at the scene. This bill received 34-16 vote on the Senate floor and is supported by Senators Beck and Hertel, who were members of the interim study. EXHIBIT 1.

Questions From Committee Members and Responses:

REP. BEVERLY BARNHART, HD 29, Bozeman, asked how this bill had been received by the interim committee. SEN. VAN VALKENBURG said they had endorsed it.

Linda King, Public Employee Retirement Division, Helena, said the original proposal had some problems and this revised version included all their concerns and PERD agrees with it.

REP. EDWARD GRADY, HD 55, Canyon Creek, referred to the fiscal note which said that the fiscal impact of this bill might be different if combined with HB 268 and SB 363. Ms. King said that if combined with the GABA bill, the effects of this bill would increase benefits and add about \$20,000 a year.

REP. BETTY LOU KASTEN, HD 99, Brockway, asked if the payments were received immediately after 20 years of service or if the firefighter has to be a certain age before receiving the benefits. Ms. King said they receive their payments regardless of age.

REP. ROYAL JOHNSON, HD 10, Billings, remarked that at 40 years of age a retired firefighter would be able to go out and get another job. Mr. Rigglin said that it was a very stressful job as he stated earlier in his testimony. They are not covered by social security or medicare benefits. He doesn't think there would be a mass exodus as many firefighters are not hired at 20 years of age; many stay on the job until they are 57 or 60 years old.

REP. ROGER DEBRUYCKER, HD 89, Floweree, said the bill would have an impact on 14 different cities across Montana. He wondered how the cities felt about the bill. Mr. Rigglin said they met with city personnel; they don't necessarily like the idea of having to spend the extra money, but do see the advantages and there was no opposition by the cities.

REP. KASTEN asked if the part requiring a person to be 50 years of age was deleted from the original bill. Mr. Rigglin said yes, that would make them the same as police and highway patrol. REP. KASTEN asked Ms. King if this would bring them up to other systems. Yes, and this would increase from 1% to 2% for each year over 20 years. They only receive one-half their last salary.

{Tape: 1; Side: A; Approx. Counter: 19.4.}

Closing by Sponsor:

SEN. VAN VALKENBURG clarified that the bill regarding the sheriff retirement system had passed both House and Senate. He knows there is particular concern at the end of the session on how legislation will affect the budgets. He said this bill has a relatively minimal cost -- just a matter of equity by placing the firefighters on the same level with police, sheriff deputies and the highway patrol.

HEARING ON SB 55

Opening Statement by Sponsor:

SEN. DOROTHY ECK, SD 15, Bozeman, opened the hearing on SB 55, which clarifies the responsibility of the Department of Family Services (DFS) to Pay for Protective Services. DFS staff have used office space, telephones, copiers, and office materials in

the counties' offices. DFS has signed contracts with the counties and this bill will appropriate money to pay those costs. The Governor fully supports this bill and would like the issue settled.

Proponents' Testimony:

Gordon Morris, Director, Montana Association of Counties, said this bill is what the counties need to end this issue. It has been unresolved since 1994.

Questions From Committee Members and Responses:

REP. MARJORIE FISHER, HD 80, Whitefish, asked why DFS hasn't paid these costs in the past. **Hank Hudson, Director, Department of Family Services, Helena**, said they had interpreted the statutes to require the counties to pay these administrative costs. In 1994, the Attorney General wrote an opinion that said the counties should be required to pay for their share of costs for protective services, including rent, adequate equipment and office supplies. A large number of counties decided that they wanted the issue resolved, so they chose not to pay. DFS was going to initiate collection actions, thereby deteriorating the relationships between DFS and the counties. They then agreed to pursue a final resolution; in exchange the counties would pay what they owed on accounts receivables. **Mr. Hudson** said that DFS has not been funded for these costs and the current budgets are stretched so thin there was no flexibility to use it for this purpose. They were worried that this bill would pass without any appropriations and that could only make things worse. DFS would have to pay but would not have the money.

REP. GRADY asked about the fiscal note where it said this bill would conflict with other statutes if it passed. **Mr. Hudson** said the only technical issue that arose was that two sections needed amending, but that is resolved. **REP. GRADY** asked if it passed, would it open the door to other administrative costs to other counties. **Mr. Hudson** assured him that it was only what was addressed here.

REP. JOHN COBB, HD 50, Augusta, asked how much money the counties owed the state. Currently, they owe \$160,000; some counties have paid in-kind contributions. The counties have signed agreements to pay the state back, so that is why this bill was introduced. They are hoping the money will be paid to the state. **REP. COBB** then asked if the \$320,000 would be paid by July 1. **Mr. Morris** told him that the counties have to close their budgets out at the end of the year and haven't encumbered the money for this. **REP. COBB** reminded him that DFS needs the money or they will have to change the way the department operates. He wondered if the Department of Administration could loan DFS the money. **Jack Ellery, Management Support Services, DFS, Helena**, said the money

in accounts receivables has to match the expenses where they occurred; any money they collect in 1994 has to be applied to services in 1994, that FY 94 would not help FY 95. The \$320,000 is a combination of FY 94 and FY 95.

REP. MIKE KADAS, HD 66, Missoula, thought this could be an incentive for the counties to move their offices out of the courthouses and have the state pay the expenses. **Mr. Hudson** assured him that the human services offices are usually in courthouses. **REP. KADAS** also mentioned that the other issue is disparity between counties. Some counties receive services in excess of the 9 mills they collect. He then asked what would happen if the bill was killed. **Mr. Hudson** said they would have no choice but to pursue collections since the Attorney General has decided for them to take that route. He feels this would exacerbate a bad situation between counties and DFS employees. They would have to file in District Court and that would certainly detract from the important missions of the department. It would probably make them change the way they currently operate.

CHAIRMAN ZOOK asked **Mr. Hudson** to summarize to the committee how the situation arose in the first place and why the Attorney General's wrote an opinion. **Mr. Hudson** said when DFS was created, they needed to "unwind" human services programs from the traditional county level. The county welfare director of Gallatin County said he didn't want to be responsible for a decision someone else made. The counties didn't want to pay for costs that the state should pay for (i.e., telephones, copiers, office supplies). When DFS was created, counties were told they wouldn't have to pay the costs. So that created a somewhat unstable relationship. If DFS had to make the counties pay, they wanted the Attorney General's office to check the laws and see if that was the proper decision. It was decided the costs were legitimate. In the meantime, **Mr. Hudson** has negotiated with the counties to reduce the costs as much as possible to get the issue resolved and the Governor supports the decision. **CHAIRMAN ZOOK** mentioned that his county was concerned there was no cap to the administrative costs and there was a possibility that the state could bill the counties for whatever they wanted. **Mr. Hudson** also said that the reason this issue wasn't in the department's budget is because it was still being negotiated right before the session started and the budgets had already been finalized.

REP. BEVERLY BARNHART, HD 29, Bozeman, asked if the estimate in previous years had been much higher than current estimates. **Mr. Hudson** said yes, the proposal has been before many legislative sessions.

REP. COBB asked how much time the counties will have to pay the bills. **Mr. Hudson** said they discussed that and decided to give them one full budget cycle to pay the bills. **REP. COBB** asked if they would pay with in-kind services. **Mr. Hudson** said there were few in-kind services, that the bills would be paid. He

reiterated that if the department didn't receive any money, they might have to change the way they operate.

Closing by Sponsor:

SEN. ECK said this has been a long-standing discussion. A lot of counties feel they don't have enough money in their budgets; major services are available only in some counties and people needing those services tend to migrate there, leaving those counties with a greater burden. Protective services for children and adults have grown tremendously and will continue to grow. The state should stand by their agreements and nurture good relations between the counties and the Department of Family Services.

{Tape: 1; Side: A; Approx. Counter: 60.6.}

HEARING ON SB 221

Opening Statement by Sponsor:

SEN. STEVE DOHERTY, SD 24, Cascade, opened the hearing on SB 221 which provides a one-time increase in retirement benefits for police officers above sergeant. There are about 330 retirees affected by this bill. It would close the gap in differential of retirement pay and was recommended by an interim committee on retirement systems. This bill would be funded by the insurance premium tax and the cities and towns will contribute a certain percentage.

Proponents' Testimony:

Bill Steele, Retired Police Officer, Great Falls, handed out a chart which showed the pay stays the same after 11 years. He said their pay actually decreases as the costs of benefits increase. Sergeants and above retire at one-half their base pay. So they came up with this alternate plan. It is a one-time increase.

{Tape: 1; Side: B; Approx. Counter: 0.1.}

This bill would be coordinated with the GABA bill, HB 268.
EXHIBIT 2.

Questions From Committee Members and Responses:

REP. GRADY asked Ms. King, PERD, what this bill would do to GABA (HB 268). She said it increases the general fund \$300,000 the

first year and \$309,000 the second. Employer and state contributions would be increased for 30 years to pay these benefits. **REP. GRADY** said the fiscal note refers to an increased cost to the cities. **SEN. DOHERTY** said the fiscal note represented the bill as introduced and since then, they took the cities out of the bill, on page 2, lines 1-4. It would be fully funded by the Insurance Premium Tax.

Closing by Sponsor:

SEN. DOHERTY said this was a matter of fairness for the police officers who have put in their time and moved up through the ranks only to find this anomaly by not benefitting in pay.

{Tape: 1; Side: B; Approx. Counter: 7.4.}

EXECUTIVE ACTION ON SB 357

Motion: **REP. JOHN JOHNSON** MOVED SB 357 BE CONCURRED IN.

Discussion: **REP. GRADY** said this indicated it was an unfunded mandate on cities and he opposes the motion. **REP. QUILICI** said he supports it. A year ago he had a fire in one of his structures at 2 a.m. and the way the firefighters worked at getting the fire out, he feels they deserve to retire after 20 years. **REP. KADAS** said he agrees there is a problem.

Vote: Motion that SB 357 Be Concurred In failed 7 - 9 on a roll call vote, with REPS. BARNHART, COBB, FISHER, JOHN JOHNSON, KADAS, MENAHAN and QUILICI voting yes.

Motion\Vote: **REP. KADAS** MOVED SB 357 BE TABLED. Motion carried 9 - 7, with REPS. BARNHART, COBB, FISHER, JOHN JOHNSON, KADAS, MENAHAN and QUILICI voting no.

{Tape: 1; Side: B; Approx. Counter: 12.2.}

EXECUTIVE ACTION ON SB 55

Motion: **REP. BARNHART** MOVED SB 55 BE CONCURRED IN.

Discussion: **REP. GRADY** said he sees problems with this bill and doesn't want to "open a can of worms." He doesn't think this is the way the state should bill the counties. There is currently a

reorganization being discussed between some of the state agencies and maybe offices will be combined. **CHAIRMAN ZOOK** said that there may be money in the department's budget after the reorganization; HB 2 would have to fund this bill if it is passed. There is no funding in the bill as it now stands. **REP. KASTEN** suggested for the counties and DFS could agree on a 50/50 split, and certainly put a cap on this practice. **REP. BARNHART** added that the department had come to an agreement with the counties and the costs are much less than originally thought.

Vote: Motion that SB 55 Be Concurred In failed 5 - 11 on a roll call vote, with REPS. BARNHART, BERGSAGEL, JOHN JOHNSON, MENAHAN and QUILICI voting yes.

Motion/Vote: **REP. KADAS** MOVED SB 55 BE TABLED. Motion carried 11 - 5, with REPS. BARNHART, BERGSAGEL, JOHN JOHNSON, MENAHAN and QUILICI voting no.

{Tape: 1; Side: B; Approx. Counter: 17.2.}

EXECUTIVE ACTION ON SB 221

Motion: **REP. GRADY** MOVED SB 221 BE TABLED.

Discussion: **REP. GRADY** said that this bill would take about \$200,000 from the GABA bill. **REP. KADAS** said the additional cost, if GABA passes, would be \$27,000 the first year and \$28,000 the second year. If GABA passes, the total cost would be about \$300,000 a year. All the law enforcement people are forced to come down to patrolmen retirement - no inflationary increases and it doesn't seem fair. **REP. QUILICI** agreed with **REP. KADAS**. There isn't any incentive to go up through the ranks to captain. **CHAIRMAN ZOOK** was concerned that this bill was giving the cities unfunded mandates. **REP. KADAS** said as the bill is amended, the state picks up the whole increase. **REP. KASTEN** said that this was a local government problem and should be worked out from the "bottom-up." **REP. MENAHAN** said a number of years ago a lot of pensions were consolidated into the state and PERS took control of them. Since the bill has been through the Senate and the cities didn't protest, there isn't any reason not to pass it. **CHAIRMAN ZOOK** also mentioned that in many cases, the police negotiate with the cities for their salaries. **REP. GRADY** said the legislature shouldn't have to pick up the slack that the cities got themselves into.

Vote: Motion that SB 221 Be Tabled failed 5 - 11 on a roll call vote, with REPS. GRADY, DEBRUYCKER, FELAND, KASTEN and VICK voting yes.

Discussion: REP. KADAS agrees that the cities should pay the retirement benefits. We could mandate for a 50/50 split. REP. KASTEN would only support this if they get an indication from local governments that they would agree.

Motion/Vote: REP. QUILICI SB 221 BE CONCURRED IN. Motion carried 11 - 5, with REPS. GRADY, DEBRUYCKER, FELAND, KASTEN and VICK voting no.

Discussion: REP. DEBRUYCKER asked why they only passed one of the bills as they were both retirement bills. REP. WISEMAN said the difference was the retirement plan for the police department was awful. He said the police have a very stressful job, they have to put on bullet-proof vests just to go through the day and the situations are getting worse. He also feels that they can't recruit young officers without a good retirement plan in place.

EXECUTIVE ACTION ON SB 357

Motion: REP. QUILICI MOVED TO RECONSIDER SB 357.

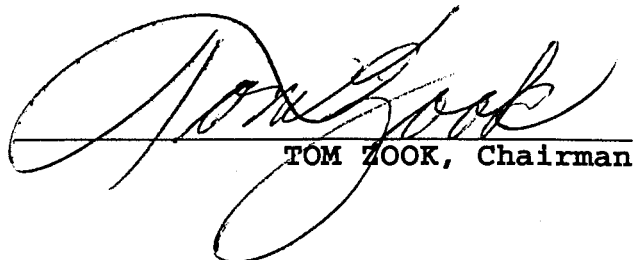
Discussion: REP. GRADY says this is an unfunded mandate to the cities and he doesn't think the committee should pass the bill. He thinks the firefighters do have a lot of risks, but he isn't going to weigh the risks -- he supports both the police and firemen. But, it is a fairness issue, how it will be funded and where it fits into the whole picture. REP. VICK is concerned that they could be getting into problems with all different benefit packages they are passing. REP. MENAHAN said that pensions have other sources of funding and that, in the past, we have put money into the general fund which comes from homeowners fire insurance to finance the insurance fund. We've spent a lot of their money. REP. VICK asked where the money was coming from. REP. MENAHAN said when someone pays fire insurance, a percentage of that goes into the firemen's insurance fund. REP. QUILICI reminded the committee to take another look at the bar chart that they handed out. It would make the benefits fair.

Vote: Motion that SB 357 Be Reconsidered carried 9 - 7 on a roll call vote, with REPS. GRADY, BERGSAGEL, FELAND, KASTEN, VICK, WISEMAN and ZOOK voting no.

Motion/Vote: REP. QUILICI MOVED SB 357 BE CONCURRED IN. Motion carried 9 - 7 on a roll call vote, with REPS. GRADY, BERGSAGEL, FELAND, KASTEN, VICK, WISEMAN and ZOOK voting no.

ADJOURNMENT

Adjournment: 10:30 a.m.



TOM ZOOK, Chairman



MARJORIE PETERSON, Secretary

TZ/mp

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL

DATE 3-30-95

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---------|--------|---------|
| Rep. Tom Zook, Chairman | ✓ | | |
| Rep. Ed Grady, Vice Chairman, Majority | ✓ | | |
| Rep. Joe Quilici, Vice Chairman, Minority | ✓ | | |
| Rep. Beverly Barnhart | ✓ | | |
| Rep. Ernest Bergsagel | ✓ | | |
| Rep. John Cobb | ✓ | | |
| Rep. Roger DeBruycker | ✓ | | |
| Rep. Gary Feland | ✓ | | |
| Rep. Marj Fisher | ✓ | | |
| Rep. Don Holland | ✓ | | |
| Rep. John Johnson | ✓ | | |
| Rep. Royal Johnson | ✓ | | |
| Rep. Mike Kadas | ✓ | | |
| Rep. Betty Lou Kasten | ✓ | | |
| Rep. Matt McCann | ✓ | | |
| Rep. Red Menahan | ✓ | | |
| Rep. Steve Vick | ✓ | | |
| Rep. Bill Wiseman | ✓ | | |



HOUSE STANDING COMMITTEE REPORT

April 3, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 221 (third reading copy -- blue) be concurred in.

Signed: _____

Tom Zook
Tom Zook, Chair

Carried by: Rep. Wiseman

Committee Vote:
Yes 11, No 5.

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HOUSE STANDING COMMITTEE REPORT

April 3, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that **Senate Bill 357** (third reading copy -- blue) be concurred in.

Signed: _____

Tom Zook
Tom Zook, Chair

Carried by: Rep. Simpkins

Committee Vote:
Yes 9, No 1.

761353SC.Hbk

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-30-95 BILL NO. SB 55

MOTION Rep. Barnhart moved SB 55

Be Concurred In. motion failed 5-11.

| NAME | AYE | NO |
|---|-----|----|
| Rep. Ed Grady, VICE CHAIRMAN, MAJORITY | | ✓ |
| Rep. Beverly Barnhart | ✓ | |
| Rep. Ernest Bergsagel | ✓ | |
| Rep. John Cobb | | ✓ |
| Rep. Roger DeBruycker | | ✓ |
| Rep. Gary Feland | | ✓ |
| Rep. Marjorie Fisher | | ✓ |
| Rep. Don Holland | | |
| Rep. John Johnson | ✓ | |
| Rep. Royal Johnson | | |
| Rep. Mike Kadas | | ✓ |
| Rep. Betty Lou Kasten | | ✓ |
| Rep. Matt McCann | | ✓ |
| Rep. Red Menahan | ✓ | |
| Rep. Joe Quilici, VICE CHAIRMAN, MINORITY | ✓ | |
| Rep. Steve Vick | | ✓ |
| Rep. Bill Wiseman | | ✓ |
| Rep. Tom Zook, CHAIRMAN | | ✓ |

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-30-95 BILL NO. SB 221

MOTION Rep. Grady moved SB 221 Be Tabled.
motion failed 5-11.

| NAME | AYE | NO |
|---|-----|----|
| Rep. Ed Grady, VICE CHAIRMAN, MAJORITY | ✓ | |
| Rep. Beverly Barnhart | | ✓ |
| Rep. Ernest Bergsagel | | ✓ |
| Rep. John Cobb | | ✓ |
| Rep. Roger DeBruycker | ✓ | |
| Rep. Gary Feland | ✓ | |
| Rep. Marjorie Fisher | | ✓ |
| Rep. Don Holland | | |
| Rep. John Johnson | | ✓ |
| Rep. Royal Johnson | | |
| Rep. Mike Kadas | | ✓ |
| Rep. Betty Lou Kasten | ✓ | |
| Rep. Matt McCann | | ✓ |
| Rep. Red Menahan | | ✓ |
| Rep. Joe Quilici, VICE CHAIRMAN, MINORITY | | ✓ |
| Rep. Steve Vick | ✓ | |
| Rep. Bill Wiseman | | ✓ |
| Rep. Tom Zook, CHAIRMAN | | ✓ |

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-30-95 BILL NO. SB 221

MOTION Rep. Quilici moved SB 221 Be
Concurred In. motion passed 11-5.

| NAME | AYE | NO |
|---|-----|----|
| Rep. Ed Grady, VICE CHAIRMAN, MAJORITY | | ✓ |
| Rep. Beverly Barnhart | ✓ | |
| Rep. Ernest Bergsagel | ✓ | |
| Rep. John Cobb | ✓ | |
| Rep. Roger DeBruycker | | ✓ |
| Rep. Gary Feland | | ✓ |
| Rep. Marjorie Fisher | ✓ | |
| Rep. Don Holland | | |
| Rep. John Johnson | ✓ | |
| Rep. Royal Johnson | | |
| Rep. Mike Kadas | ✓ | |
| Rep. Betty Lou Kasten | | ✓ |
| Rep. Matt McCann | ✓ | |
| Rep. Red Menahan | ✓ | |
| Rep. Joe Quilici, VICE CHAIRMAN, MINORITY | ✓ | |
| Rep. Steve Vick | | ✓ |
| Rep. Bill Wiseman | ✓ | |
| Rep. Tom Zook, CHAIRMAN | ✓ | |

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-30-95 BILL NO. SB 357

MOTION Rep. John Johnson moved SB 357 Be
Concurred In. motion failed 7-9.

| NAME | AYE | NO |
|---|-----|----|
| Rep. Ed Grady, VICE CHAIRMAN, MAJORITY | | ✓ |
| Rep. Beverly Barnhart | ✓ | |
| Rep. Ernest Bergsagel | | ✓ |
| Rep. John Cobb | ✓ | |
| Rep. Roger DeBruycker | | ✓ |
| Rep. Gary Feland | | ✓ |
| Rep. Marjorie Fisher | ✓ | |
| Rep. Don Holland | | |
| Rep. John Johnson | ✓ | |
| Rep. Royal Johnson | | |
| Rep. Mike Kadas | ✓ | |
| Rep. Betty Lou Kasten | | ✓ |
| Rep. Matt McCann | | ✓ |
| Rep. Red Menahan | ✓ | |
| Rep. Joe Quilici, VICE CHAIRMAN, MINORITY | ✓ | |
| Rep. Steve Vick | | ✓ |
| Rep. Bill Wiseman | | ✓ |
| Rep. Tom Zook, CHAIRMAN | | ✓ |

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-30-95 BILL NO. SB 357

MOTION Rep. Quilici moved SB 357 Be
Reconsidered motion passed 9-7.

| NAME | AYE | NO |
|---|-----|----|
| Rep. Ed Grady, VICE CHAIRMAN, MAJORITY | | ✓ |
| Rep. Beverly Barnhart | ✓ | |
| Rep. Ernest Bergsagel | | ✓ |
| Rep. John Cobb | ✓ | |
| Rep. Roger DeBruycker | ✓ | |
| Rep. Gary Feland | | ✓ |
| Rep. Marjorie Fisher | ✓ | |
| Rep. Don Holland | | |
| Rep. John Johnson | ✓ | |
| Rep. Royal Johnson | | |
| Rep. Mike Kadas | ✓ | |
| Rep. Betty Lou Kasten | | ✓ |
| Rep. Matt McCann | ✓ | |
| Rep. Red Menahan | ✓ | |
| Rep. Joe Quilici, VICE CHAIRMAN, MINORITY | ✓ | |
| Rep. Steve Vick | | ✓ |
| Rep. Bill Wiseman | | ✓ |
| Rep. Tom Zook, CHAIRMAN | | ✓ |

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-30-95 BILL NO. SB 357

MOTION Rep. Guilici moved SB 357 Be Concurred
In. motion carried 9-7.

| NAME | AYE | NO |
|---|-----|----|
| Rep. Ed Grady, VICE CHAIRMAN, MAJORITY | | ✓ |
| Rep. Beverly Barnhart | ✓ | |
| Rep. Ernest Bergsagel | | ✓ |
| Rep. John Cobb | ✓ | |
| Rep. Roger DeBruycker | ✓ | |
| Rep. Gary Feland | | ✓ |
| Rep. Marjorie Fisher | ✓ | |
| Rep. Don Holland | | |
| Rep. John Johnson | ✓ | |
| Rep. Royal Johnson | | |
| Rep. Mike Kadas | ✓ | |
| Rep. Betty Lou Kasten | | ✓ |
| Rep. Matt McCann | ✓ | |
| Rep. Red Menahan | ✓ | |
| Rep. Joe Quilici, VICE CHAIRMAN, MINORITY | ✓ | |
| Rep. Steve Vick | | ✓ |
| Rep. Bill Wiseman | | ✓ |
| Rep. Tom Zook, CHAIRMAN | | ✓ |

S.B. 357

EXHIBIT 1
DATE 3-30-95
SB 357

FURS Pension Benefit Revision

The role of the modern professional firefighter is a unique and challenging one, requiring far greater knowledge, training and commitment than needed in the past. This in turn asks much more of the men and women who perform this job, both in terms of the physical demands and the emotional stresses placed upon them over their careers in the performance of their duties. The reasons for this are many, but four prominently stand out.

First, firefighting itself has become more difficult. An especially significant and growing danger is the widespread use of synthetic materials in newer building construction, which creates fire environments far more hazardous than those known in the past. In addition, despite constant urban growth, local government cutbacks have led to reduced fire department manning levels, leaving fewer personnel to protect many more buildings and people, which greatly increases the risk of injury for individual firefighters.

Second, fire departments must deal with an ever-growing number of hazardous substances which move through our cities and towns every day, or lie in storage throughout the state. Thousands of such substances already exist, and the number of new ones has increased almost geometrically in recent years. Since hazardous material incidents involving these substances will certainly occur, firefighters must learn, through constant training, the correct incident response for each of them.

Third, and most significant, the role of fire departments in providing emergency medical services to their communities has

grown enormously in the past decade. Nearly 80% of fire department responses in Montana cities are now emergency medical in nature, numbering over twelve thousand responses each year, and as a result three out of four Montana professional firefighters have also become emergency medical technicians. If you ask any firefighter with twenty years or more of service what the greatest difference is between their job today and the job when they were hired, they will tell you, "All the medical calls we go on now." And if you ask any firefighter what part of their job is the most demanding and stressful, their reply will be the same: "All the medical calls we go on now."

Fourth, recognizing these increased demands being placed upon individual firefighters and wishing to minimize time lost to sickness and injury, municipalities are justifiably requiring ever higher physical and mental standards of personnel within fire departments. This, of course, places a premium on fitness and youth, and often means changes in lifestyle for firefighters to meet the goals.

As all these reasons indicate, changes in the firefighting profession over recent decades have served to heighten rather than lessen the physical and mental stresses facing firefighters, and they also emphasize the need for younger members within fire departments. This is clearly not a job to be done by aging men. It is equally clear that it would be beneficial to have a retirement structure in place which would encourage retirement at an earlier age and thereby reap the benefit of bringing in more youthful employees. The other public safety organizations within

the state, police, highway patrol, and sheriffs, have recognized this fact and have gotten or are acquiring provisions within their retirement systems to allow retirement after 20 years of service. Every argument advanced by these organizations to support the need for allowing earlier retirement applies equally, if not more so, to the profession of firefighting.

In addition, one more point must be made. Montana's firefighters, police officers, and highway patrol officers are members of public safety professions which are not covered by the Social Security Act, and therefore whose members upon reaching age 65 do not receive social security benefits. In the police and highway patrol retirement systems, it has been realized that to compensate for the lack of social security benefits and still allow for the possibility of retirement at a reasonably youthful age, there should be an increase in the benefit allowance per year of service past 20 years, and both systems have been changed to allow this increase. The firefighters' system does not at present enjoy this benefit, yet comparison with these other two similar systems will show that it is certainly justified.

Therefore, there are two major provisions to the bill we are proposing today. First, the bill will allow retirement for firefighters after 20 years of service. Second, it will provide an increased benefit per year of service, to 2% per year of service after 20 years, for those members who now accrue only 1% of salary for each year of service after 20 years, and remove the existing 60% of salary limit upon the monthly benefit a retiree may receive. It is our firm belief that both provisions will

encourage retirement and promote the hiring of younger firefighters, and with the proposed distribution of costs will neither compromise the solvency of the firefighter's retirement system nor impose unreasonable and unjustified expense upon the taxpayers. Although there are increases in contribution rates proposed in the bill for the cities and the state, they are not large, and the increases will be offset to a great degree by savings the cities and state will realize in several areas. Since older firefighters receive higher salaries than younger ones, there will be savings to the cities and the state in overall contribution amounts because of smaller payrolls. Secondly, a younger workforce imposes less cost upon the Worker's Compensation System, both in terms of reduced Work Comp rates for the cities and fewer claims to be paid by the state, especially in a profession such as firefighting. Finally, the cities will enjoy the benefit of lower unemployment insurance rates, and, perhaps foremost, significantly reduced health insurance costs as a consequence of employing younger workers.

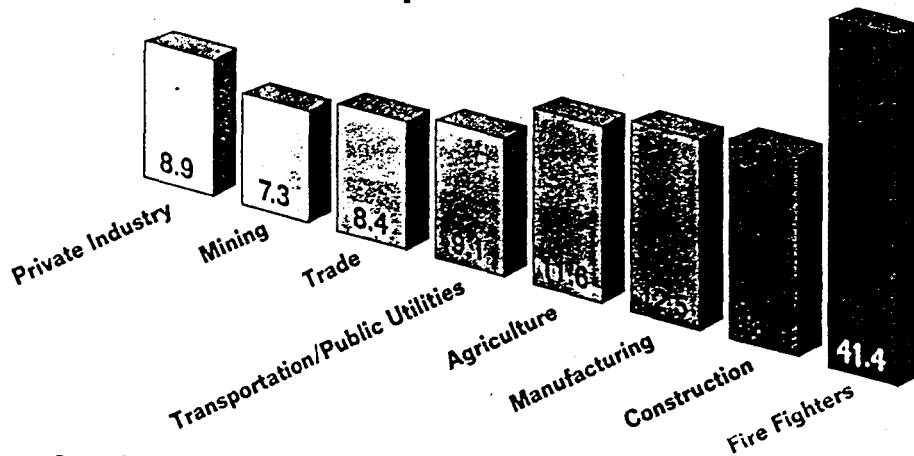
This bill gained broad bipartisan support in the Senate. It passed the Senate State Administration Committee unanimously, and received a 34-16 do pass vote on the Senate floor, a better than 2 to 1 margin, with majorities of both parties recommending passage. The proposal is also supported by Senators Tom Beck and John Hertel, who were members of the 1993-1994 Interim Study Committee on Pension Systems, and by Linda King, Administrator of the Public Employees' Retirement Division. The bill is as follows.

II. Fire Fighter Injuries

Fire departments responding to the 1993 survey reported that 93,786 fire fighters sustained 35,485 line-of-duty injuries either at the emergency scene or while performing other job related tasks. Consequently, more than one out of every three fire fighters was injured in the line of duty.

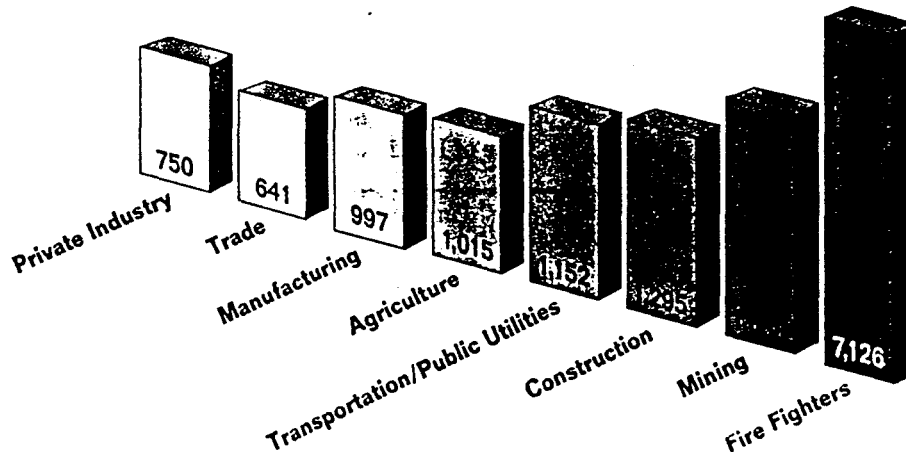
When compared to data compiled for private industry by the U.S. Bureau of Labor Statistics, the 1993 Fire Fighter Death and Injury Survey indicates that "incidence" or frequency of fire fighter job related injury is 4.7 times that of workers in private industry. In other words, 41.4 percent of fire fighters were injured in 1993 compared to only 8.9 percent of private industry workers. In terms of severity, fire fighter injuries caused 7,126 lost work hours per 100 workers — a rate 9.5 times the 750 hours lost per 100 workers in private industry.

**Number of Job Related Injuries/
Illnesses per 100 Workers**



Source: Occupational Injuries and Illnesses in the United States by Industry, 1992, Summary 94-3, U.S. Bureau of Labor Statistics; and IAFF 1993 Death and Injury Survey.

**Lost Work Hours* from Job Related
Injuries/Illnesses per 100 Workers**



Source: Unpublished data, U.S. Bureau of Labor Statistics; and IAFF 1993 Death and Injury Survey.

*For fire fighters, data is based on number of work shifts lost multiplied by the length of shift worked by each responding department. For all other industries, lost work hours are derived by multiplying the number of lost workdays reported by BLS by 8 hours.

YEARS

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

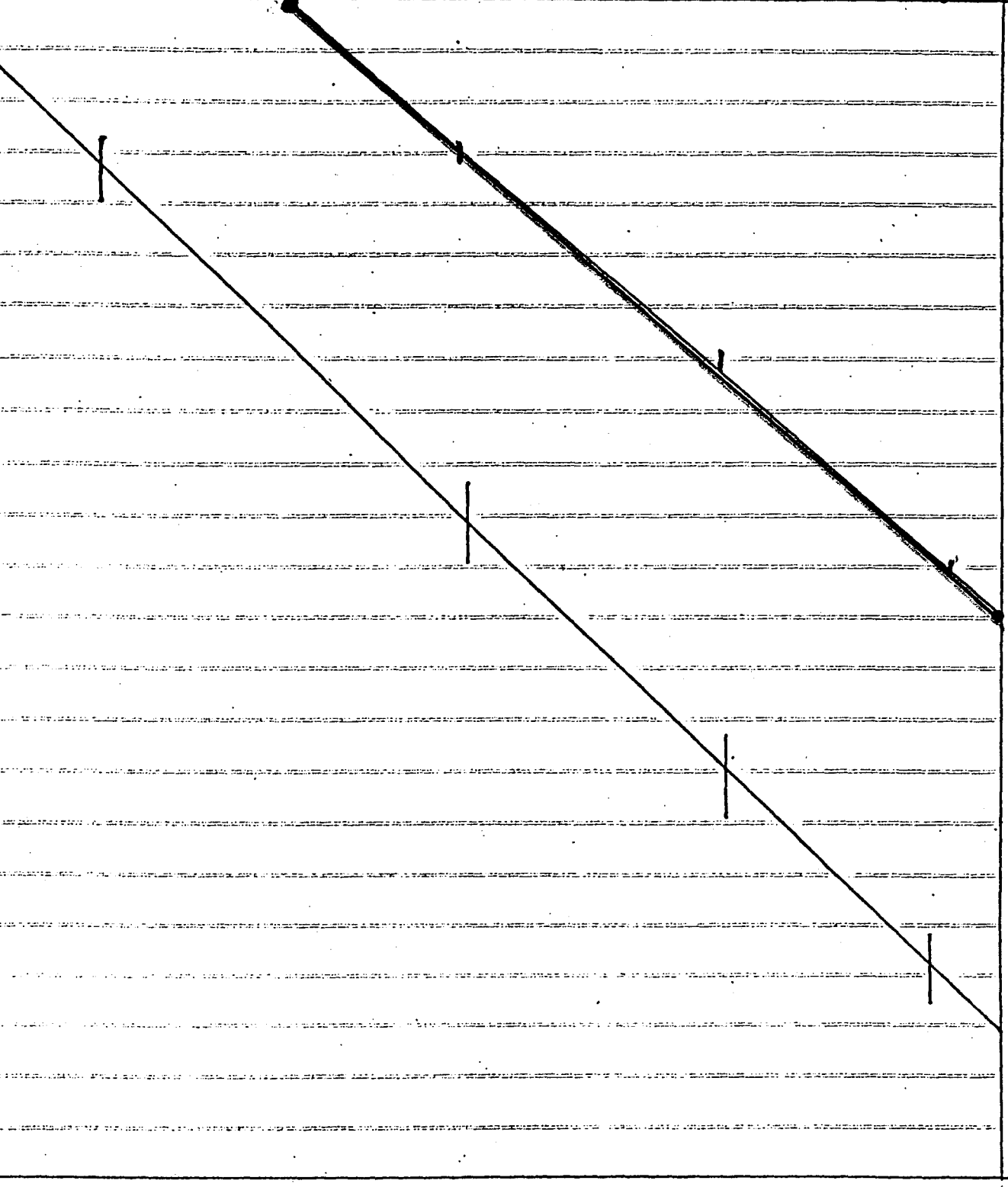
CAPT. 1400⁰⁰

L.T. 1300⁰⁰

SGT. 1200⁰⁰

BASE SGT. 1100⁰⁰

EN/GR PTL 1000⁰⁰



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|--------------------|--------------------------------|------|--------|---------|
| Gordon Morris | MHCo | 55 | | ✓ |
| Charles L. Bussick | Retired Police Assoc. | 221 | | ✓ |
| Beef Kelmier | Ret Police Assoc | 221 | | ✓ |
| Bill Steele | Retired Police Assoc | 221 | | ✓ |
| Ed Aftman | Ret. Police | 221 | | ✓ |
| Jack Oswater | " " | 221 | | ✓ |
| Lloyd S. Porter | Retired Police | 221 | | ✓ |
| Don Horan | Ret. Police | 221 | | ✓ |
| DEAN RIGGIN | FIRE FIGHTER | 357 | | ✓ |
| Kathy McGowan | Mt. Co. Welf. Div. | 55 | | ✓ |
| Helen Cole | Retired Police | 221 | | ✓ |
| Jim Berstrom | BILLINGS FIRE FIGHTERS | 357 | | ✓ |
| Jerry Williams | Montana Police Protective Assn | 221 | | ✓ |

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|------------------|--------------------------------|------|--------|---------|
| Terry Williams | Montana Police Protective Assn | 357 | | ✓ |
| James J. Cole | Police | 221 | | ✓ |
| Frankie Cole | Police | 221 | | ✓ |
| John L. Erickson | Fire Fighters | 357 | | ✓ |
| " " | " " | 221 | | ✓ |
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