

MINUTES

**MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By **CHAIRMAN THOMAS F. KEATING**, on March 6, 1997,
at 3:12 P.M., in Room 413/415

ROLL CALL

Members Present:

Sen. Thomas F. Keating, Chairman (R)
Sen. James H. "Jim" Burnett, Vice Chairman (R)
Sen. Sue Bartlett (D)
Sen. Steve Benedict (R)
Sen. C.A. Casey Emerson (R)
Sen. Dale Mahlum (R)
Sen. Debbie Bowman Shea (D)
Sen. Fred Thomas (R)
Sen. Bill Wilson (D)

Members Excused: None

Members Absent: None

Staff Present: Eddy McClure, Legislative Services Division
Gilda Clancy, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 101, 3-6-97
Executive Action: HB 172, DO CONCUR AS AMENDED
HB 367, DO CONCUR
HB 407, DO CONCUR
HJR 10, DO CONCUR

HEARING ON HB 101

Sponsor: REPRESENTATIVE ERNEST BERGSAGEL, HD 95, Malta

Proponents: Bob Anderson, Department of Corrections
Ross Swanson, Department of Corrections
Tom O'Connell, Department of Administration

Opponents: Jerry Driscoll, Montana Building Trades Industry
Carl Schweitzer, Montana Contractors' Association
Don Judge, Montana State AFL/CIO

Opening Statement by Sponsor:

REP. ERNEST BERGSAGEL, HD 95, Malta, said he was asked to carry HB 101 by the Department of Corrections. The essence of the bill expands the Industries Program at the prison. They would like to do that with the existing funds, or funds made available through the Industries Program.

To help them out, we are trying to avoid some of the costs which are associated with the construction of that facility which houses 1,500 inmates. They would like to use some of the inmate labor in order to construct those facilities.

REP. BERGSAGEL requested that the numbers in the bill be left as they were. It states that any projects that are constructed at Montana State Prison, would be a negotiated amount with whomever the contractor and possibly the labor unions might agree to. There are projects on that campus which are of technical nature, that there is no way inmates can be used for the projects. There are, however, portions which can be completed by inmates.

He said rather than coming back to the sessions and fighting between unions and those who want the inmates to work, **REP. BERGSAGEL** thought it best to take the issue out of the political arena and move it into the administrative arena. Then it can be taken care of through contract negotiations on specific projects.

Proponents' Testimony:

Bob Anderson, Construction & Facility Manager, Department of Corrections, stated HB 101 accomplishes two things.

The first section of the bill has some changes. They would like to increase the aggregate value, which can be done with inmate labor at the prison, from the amount of \$25,000 to \$200,000. This is in conjunction with their industries program. The Industries Program now generates some funding. It is very difficult to expand any of the present buildings at the prison because of the \$25,000 limit.

The long-range building program has a tremendous amount of requests for funds and it is very unlikely to get any funding for these construction projects. This places them in a difficult spot.

They are limited with what they can do with the money received from the industries program because of the ceiling. For example, they want to expand the Motor Vehicle's Maintenance Facility, and that project costs about \$100,000. They cannot use inmate labor because of the cap. If they have to bid it out, it will cost twice that much, over \$200,000 and they do not have enough money to do that. Their hands are tied to expand those facilities.

Mr. Anderson said the second section of the bill is the new section which allows the Department of Administration the flexibility to include inmate labor when it bids a major construction project which has been approved by the Legislature. This would entail is the Department of Administration and the Department of Corrections, the labor unions and the contractors would have to meet before the bid is advertised, and negotiate a rate regarding how many inmates would be used, what kind of jobs they would be used in, what percentage of inmates to regular laborers. When they worked on the Honor Dorm there was one inmate per four non-inmate laborers. When that criteria is established, the contractors submit their bids, using those estimates. They saved approximately 8% on the Honor Dorm because they used inmate labor.

To do that on specific projects, they need project-by-project authority from the Legislature. The second part of the bill gives the ability to try to do that. If they are not successful in working out agreements with the contractors, they have to re-bid the job without inmate labor.

Ross Swanson, Accounting & Fiscal Manager, Montana Correctional Enterprises Division, Department of Corrections, said he is present to support HB 101, which requests the increase of the aggregate sum of construction projects using inmate labor from \$25,000 to \$200,000 per project.

The Correctional Enterprises Program has a long-range building request for around \$400,000 for appropriation authority only, to help overall operations. These projects are to be funded by proprietary funds. There is no General Fund or long-range building funds involved.

With the increasing costs of construction projects and the Department of Correction's experience to date, \$25,000 does not go very far if they undertake any sizeable project. This request allows them to use inmate labor up to the limit of \$200,000 to do the projects they requested through the long-range building program. Based on previous projects they have done at the prison location under the \$25,000, **Mr. Swanson** said the Department estimates they can save 30% to 50% on construction costs.

The emphasis of their Correctional Enterprises Programs are to provide work and training opportunities for inmates with little or no cost to the State's General Fund. They believe this proposal, to increase the authority limit for construction projects, has a number of positive aspects.

It reduces the cost to the Correctional Enterprises Programs to do projects. It may enable them to do a project that otherwise they would not be able to do, basically because there is little of no General Funding or long-range building funds available. These projects are done through proprietary funds. This adds viable training and skill development components to their

programs. This also provides additional work opportunities for inmates at the prison, and helps to improve services and products to the customers by allowing them to better run their operations.

In the past, the projects they have done **Mr. Swanson** believes they have done an incredible job and have saved money. Some of the completed projects in the past are a ranch shop building, a ranch machinery shed, supervisor housing, a laundry dispatch building, and numerous other projects.

Mr. Swanson requests the passage of this bill to allow them to do the construction projects outlined for 1998 and 1999 and to help their operations operate in a more efficient manner.

Tom O'Connell, Administrator, Architecture & Engineering Division, Department of Administration said his division would be involved in these projects, whether they are done with inmate labor or private sector contractors. It is his **Mr. O'Connell's** responsibility to administer the construction of state facilities.

When this process has been used in the past, it has been used very sparingly. Unit D, which is a low-security house, was a \$1.2 Million facility built several years ago entirely with inmate labor with supervisor involved who were employees from the Department. The Honor Dorm was built with a combination of private sector contractors utilizing some inmate labor. Both of those facilities are good facilities and the State got a good value for the dollar spent. **Mr. O'Connell** said they are getting facilities which are quality buildings and very serviceable for State uses.

Opponents' Testimony:

Jerry Driscoll, Montana Building Trades, said every session we have this type of bill.

This bill states the prison cannot interfere with private enterprise. **Mr. Driscoll** said on page 3, lines 15 through 16, it talks about furniture. He said they must sell that furniture through a licensed retailer or wholesaler. On the prison ranch, they sell their cows and calves in lots with the suggestion they are sold out of state. Until recently, in their dairy, the milk was shipped to Spokane. But when it comes to contractors and construction workers, the prison wants to take their job.

Mr. Driscoll stated the \$200,000 job in reality would have been a pretty substantial size building. In the testimonies of the Department, they said if they could not get the agreement for prison labor, they would just go without it.

Page 3, line 27, states the contract must have specifications to allow inmate labor. **Mr. Driscoll** said this is the same story every session, they want to use inmates, there is no

specifications to which crafts, and he does not believe there are any licensed plumbers or electricians in the prison right now.

Mr. Driscoll also said the Prison Industries Program has been training the inmates and making money for the state. In the '80s during a special session, he said we took \$60,000 in profits from the Prison Industries and put it in the General Fund. Over half of the Dairy Dorm was paid by profits from the Prison Industries and at one other special session \$900,000 was taken out of that fund and put into the General Fund. He stated that money should be used to pay contractors instead of just putting it in the General Fund.

Carl Schweitzer, Montana Contractors' Association, said they oppose the increase from \$25,000 to \$200,000 on the amount of work that can be done with inmate labor. There are a lot of smaller contractors who would enjoy getting the \$100,000 to \$200,000 contracts.

Also, in this bill approval is needed by the Legislature to use inmate labor. **Mr. Schweitzer** said he sees some potential problems with responsibility and liability. For example, if inmates are working on a project and one of them should happen to get injured, is there potential that they could sue the General Contractor for not providing a safe area? Or is the State totally responsible for that person getting hurt? What if one of the contractors gets hurt and that is caused by an inmate? Who is responsible. What if something does not get built properly, does the liability fall back on the inmates?

Mr. Schweitzer said this bill mixes public sector with private sector which leads to a lot of potential problems. He believes a General Contractor would want specifics in this matter and he is not sure all bases could be covered. They oppose this bill.

Don Judge, Montana State AFL/CIO said he understands the need to put prisoners to work or keep them productive and active, but the fact is we are taking a sector of the Montana work force and stating the inmates will do their job. They prefer this legislation not pass.

Questions From Committee Members and Responses:

SEN. SUE BARTLETT said she realized the amendments were added in the House, but on page 2, lines 8 through 11 asked **Bob Andersen** if the interest is in limiting those kinds of exemptions to just industries, construction projects, or if the intent is for it to apply to any construction project on the grounds?

Bob Anderson said the intent is to limit it to the Industries Project, but with the language it may apply to other areas in the State Prison.

SEN. BARTLETT said the Work Dorm which was built with inmates comprising on a one to four ratio was mentioned. As she reads that language, it would exempt the private sector contractor from not only not complying with Wage & Hour and Workers' Compensation and construction requirements elsewhere in the statutes to relation to the inmates, but also in relation to that contractor's employees as well. She asked if that is the intent.

Mr. Anderson said the intent of the language is to do smaller projects within the prison without the use of outside contractors. Those are projects that would be done solely using inmates and Montana State Prison staff. That would include projects up to \$200,000.

The use of private contractors using inmate labor would be larger projects which are approved by the Legislature which are put out for bid. The intent is to provide some flexibility to allow them to determine what inmate labor could be used. They were given the same language to build the Honor Dorm, they sat down with the contractors, worked out the criteria on what kinds of jobs inmates would be used for, specifically labor jobs, how many inmates would be used, the criteria in using the inmates, and then the contractors went back and submitted their bids using that criteria. Sharbono Construction got the bid and was very pleased with the way it worked out. The language on page 2 applies only to the new section. Section 2 only applies to the smaller projects in the prison they would do without bidding the project out.

SEN. BARTLETT said that may be the intent, but that is not what they see in the language. She does not think it is restricted to that.

Mr. Anderson said there is other law which restricts the construction, which state that anything over \$25,000 that you do has to go through a State bidding process. To do any kind of project, whether it be a \$200,000 or \$26,000, the law has to have this language in it. This language has to be in this bill to do that.

SEN. BARTLETT said she is trying to understand what they would really like to accomplish because she believes the language is far broader than what their true intent may be. She said **Mr. Anderson's** comments have proved that point. Her interest would be that the language is drawn so it limits things to what they truly want to accomplish in this bill and not opening it up any broader than that, which she believes the current language does.

Mr. Anderson said if it does that and we need better language to make this more specific, he is willing to work with that.

SEN. BARTLETT said the language she is questioning on page 2 gives the Department of Administration some pretty broad authority and there is no guidance from the Legislature in how

they are to exercise that authority. This seems to her to be a contradiction the Legislature's usual zest for giving specific instructions to Departments whenever and wherever they can. She asked **REP. BERGSAGEL** if that is anything they may have considered in this bill as it developed and was amended?

Mr. Anderson answered it was his intent to offer to the Department of Corrections the opportunity to build their industries projects, to offer to them the ability to use inmate labor for that function.

He also wanted the Department of Corrections and projects on the Montana State Prison campus to have the ability to use inmate labor for construction projects specifically on the MSP campus.

Currently, due to the result of HB 14 and HB 5, the Department of Corrections is going to have about \$11 Million in construction costs. If the same formula is used as on the Diary Dorm, the amount of money that could be used to potentially displace the project is approximately \$100. **REP. BERGSAGEL** said that amount is probably high, because on some of those facilities they will not want inmates doing the work. As **Mr. Driscoll** pointed out, there are people who are not qualified to do specific tasks, they will need to use skilled labor.

SEN. BARTLETT asked if there were language that provided clearly guidance in the bill to the Department of Administration about the types of projects they could exempt from all of these other statutory requirements, would he object to amending that?

REP. BERGSAGEL responded he would first like to see what type of projects she would like to exempt. He would like the Department of Corrections to have broad authority to be able to make a consideration and a determination, along with the contractors, for the most appropriate use for inmates on the campus.

He asked **SEN. BARTLETT** if she was talking about restrictions project by project or job description type restrictions.

SEN. BARTLETT said as she reads this bill she understands it to be a substantial grant of authority to the Department of Administration to exempt projects. That seems to her to be broader authority than Legislature is usually interested in granting any executive agency without some specific guidance about what types of projects the Legislature has in mind.

REP. BERGSAGEL stated this includes any project that is to be constructed anywhere in the State of Montana is going to require authorization by the Legislature. Essentially, he would like this bill to accomplish that the Montana State Prison campus does not have to go through the inmate labor problem every time.

The check and balance here is that any project over a certain amount of dollars, which he believes will meet \$150,000, is going to require Legislative authorization.

SEN. DEBBIE SHEA asked **REP. BERGSAGEL** who is liable in an accident on the job or in the event of the facility itself?

REP. BERGSAGEL responded those things would have to be worked out in the contract. This is not the first time this would be done. They did it on the Dairy Dorm. It is no different than working out a contract with any labor union or a private individual.

SEN. SHEA asked who was responsible for the Dairy Dorm?

Tom O'Connell responded to guess who was responsible is taking a big leap, because it would have to be determined what the problem was. In general, the insurance requirements would be written around the General Contractor, Sharbono Construction. The Department of Corrections has a Risk Management Division which reviews their insurance requirements for these kinds of projects and they work with them to do that.

He stated he could not say there would not be a case where it becomes a real issue whether it is the contractor or architect or whoever. The General Contractor, which was Sharbono in that case, submits their insurance affidavits to the Department of Corrections for the project.

CHAIRMAN KEATING stated regarding Section 1, 53-1-301, "Permitted institutional industries, powers of departments, and incentive to pay inmates". It states the Department of Corrections or Health and Human Services may establish industries and obtain federal certification, contract with private industry, dealing with prison industries. Almost everything in that section deals with the prison industries. And then it states on page 2, line 6, "provide for construction projects, up to \$200,000 for each project, performed by residents of institutions, the Department of Administration may exempt projects authorized by this section from the provisions of any applicable Montana law relating to construction, public bidding, contracts, Workers' Compensation coverage, or labor and wage requirements".

CHAIRMAN KEATING said it seems to him this section is dealing with prison industries and that their \$200,000 projects would be in-house projects in which you would use prison labor exclusively. He asked **Tom O'Connell** if that was the intention?

Mr. O'Connell responded that was the intention. There is a conflict with Title 18, Chapter 2, 102 which are the basic construction laws he would follow on any project. Those are the laws which require bidding, bonding, etc. for any project over \$25,000.

To have a section in the industries statutes which would allow a \$200,000 project, in his opinion, conflicted with that. So to let industries and the Department of Corrections raise this limit, it was their intention to exempt the projects from those requirements only when the inmate labor jobs were completed under the industries program.

CHAIRMAN KEATING stated the part about exempting Workers' Compensation coverage concerns him. When you use a prison laborer exclusively on these projects, is there Workers' Compensation coverage?

Ross Swanson responded that inmates who work on various projects at the prison are not considered employees of the state. As a result, there is no Workers' Compensation coverage. For all the various industries programs, ranch programs, vocational training programs, there is no Workers' Compensation coverage.

The only exception is that of a program which is certified by the Department of Justice which allows them to send goods across state lines. In order to do that program, they have to pay inmates a wage appropriate for that industry or a minimum wage. From that they deduct money for room and board, money for the Crime Victims' Fund, and there also has to be Workers' Compensation on those inmates. This is only in the case of this one federally certified program.

CHAIRMAN KEATING confirmed on a non-federal project, an in-house, 100% prison labor there is no Workers' Compensation. He asked if there is an injury, is the state responsible to take care of all the medical benefits involved with that injury?

Mr. Swanson responded if an injury occurred, whether it was during work or just within the unit, the State is obligated through the medical budget appropriated by the Legislature to cover those costs. If somebody was on a construction project and they were injured, the State's regular medical coverage for the inmates would apply.

CHAIRMAN KEATING asked if they were playing baseball that day or lifting dumb bells, would the same coverage apply?

Mr. Swanson replied it is the same.

CHAIRMAN KEATING asked in regard to a case in which a General Contractor may be used and the negotiations for partial prison labor by that General Contractor, do the inmates have Workers' Compensation coverage?

Mr. Swanson replied he was not involved with the contract on the Work Dorm so he can't answer that. To some degree, if the inmates were injured on that project, the prison's medical budget would cover a portion of that. That is what the wording in the

contract would determine what the end result would be. He is not aware those inmates were covered under Workers' Compensation.

CHAIRMAN KEATING stated if the General Contractor is used and he is covered with Workers' Compensation under self-insurance. He asked **Bob Anderson** if the inmate would have the right to sue the General Contractor in court for damages?

Mr. Anderson answered he wasn't involved in that contract, but it is his belief that the contractor was not responsible for Workers' Compensation but the state was responsible for the inmates medical costs under tort. He said he could get specific information on that.

CHAIRMAN KEATING said if the contractor would allow the inmates to be covered under Workers' Comp. and the state would pay the premiums, then that would take care of the liability to the State and the prisoner would be covered. Otherwise, he thinks the contractor might be at risk.

Mr. Anderson said he would get that information for him.

SEN. CASEY EMERSON commented said there is reference to that on page 3, but that just deals with the furniture business under the industries.

SEN. BARTLETT asked **Ross Swanson** if the Department of Corrections has ever calculated private sector labor in a one to four ratio, specifically, the amount of money which was not collected in income taxes because of private sector workers that were not hired and paid to do the work that was assigned to inmate labor.

Mr. Swanson responded as far as the work project goes, again, he was not directly involved with that. He said he does not believe a calculation was done on that.

SEN. BARTLETT said she would expect in the future that when they cite what their savings have been that they would reduce it by the amount of the tax dollars that were lost by displacing private sector workers.

REP. BERGSAGEL said he has carried an inmate labor bill almost every session he has been here and it has always been an ugly fight and they have always pitted contractors and laborers against taxpayers.

To put this back in perspective, the Department of Corrections is going to build approximately another 1,500 beds. He does not know how many public union employees that will add to the payroll but there will be a significant number to guard those inmates. He is suggesting the union people will gain more money from that type of employment than they will ever use on any construction project on Montana State Prison campus.

In regard to the level of taxation, **REP. BERGSAGEL** suggested that if the construction budget is approved, they will have to add another \$80 Million in operational costs by 2003 just to operate what is being proposed. The question is where is that money going to come from? We are talking about where we have lost money from taxes which might have been paid from employees, but where is the money from the taxpayer going to come from to pay for these facilities?

REP. BERGSAGEL said in the three years he has served on the Long-Range Planning Committee, they have built a lot. They have built to a point that there aren't enough contractors in the state to build the facilities that are proposed. There aren't enough laborers to do the work, so the projects are being delayed because of that. He said they are talking about a maximum potential of \$1 Million out of a \$270 Million budget proposed for this session alone. He stated this is insignificant in the scheme of things when we look at what we are doing this session. He asked the Committee to consider that when they deliberate these issues. He would like the opportunity to see any technical amendments if any are made so they can accomplish the tasks at hand. He asked for support of this bill.

{Tape: 1; Side: B; Approx. Time Count: 3:54 p.m.}

EXECUTIVE ACTION ON HB 172

Amendments: HB017208.AEM (EXHIBIT 1), HB017201.AEM (EXHIBIT 2)

Motion: **SEN. BENEDICT** made the motion to add amendment, (EXHIBIT 1) to HB 172.

Discussion: **SEN. BARTLETT** asked **Eddye McClure** to clarify why the teachers needed to be exempt in this situation.

Ms. McClure said she cannot recall the exact reason, other than it was something that should have been taken out in the re-draft of the bill. She believes that teachers in the Department of Corrections and Public Health & Human Services are covered elsewhere.

CHAIRMAN KEATING asked for suggestions from the committee. He stated they could amend the bill on the Floor after they get an explanation and then decided to take a vote on the amendment.

Vote: The motion to adopt amendment, (EXHIBIT 1), passed with a voice vote of five in favor and four opposing.

Motion: **SEN. WILSON** moved that amendment, (EXHIBIT 2), be added to HB 172, then asked to segregate #1 of the amendment and moved that #1 be added.

Vote: The motion failed with six opposing and three supporting by voice vote.

Discussion: SEN. BENEDICT asked SEN. WILSON if the sponsor has agreed to these amendments?

SEN. WILSON said the sponsor has not seen the amendments, they were offered to SEN. WILSON by Darrel Holzer. The first was fairly easy to understand but he and Ms. McClure have been talking about the second and he thinks it is an expansion of the definition of short-term worker.

SEN. BENEDICT said he would not feel comfortable amending REP. SOFT'S bill with something they do not know how it is going to affect it.

SEN. SHEA asked if there was any way they could come back to this issue?

SEN. WILSON withdrew the motion of that segregated section #2 of the amendment.

Motion: SEN. BENEDICT moved do-concur HB 172 as amended.

Discussion: SEN. EMERSON asked if there was a strong need for this bill?

SEN. KEATING said several of the proponents to this bill were having difficulty under current law having part-time help or short-term workers. The bill was requested by the Department of Administration to clarify the definition of short-term worker and purposes of having people work for less than 90 days as temporary workers. It helps get around the employer/employee situation with temporary help.

SEN. EMERSON said it seems to him they have been getting along okay with it. It wasn't too long ago they got caught paying Social Security and unemployment so he wonders what is going on with this. He didn't know if this was ever clear.

Vote: The motion DO CONCUR HB 172 AS AMENDED passed by voice vote with six in favor of and three opposing votes.

EXECUTIVE ACTION ON HB 367

Amendments: None.

Motion: SEN. SHEA moved do concur.

Discussion: None.

Vote: The motion DO CONCUR HB 367 passed unanimously by voice vote.

EXECUTIVE ACTION ON HB 407

Amendments: None.

Motion: SEN. BENEDICT moved do concur HB 407.

Motion: SEN. THOMAS made a motion on page 3, line 15, to raise the limit from \$25,000 to \$100,000.

Discussion: SEN. THOMAS said, for example, school districts should have the ability to do the project without going to prevailing wage.

SEN. EMERSON said he would like to see it raised to \$250,000.

SEN. BARTLETT asked SEN. THOMAS or SEN. EMERSON if either has spoken to the sponsor of the bill or anyone else on this working group about this.

SEN. THOMAS said he had not.

SEN. EMERSON said he had not.

SEN. BARTLETT asked Carl Schweitzer what he thought about changing this limit.

Mr. Schweitzer answered they did look at changing the limit and decided not to, so they specifically made the decision to leave it where it was. They felt people should comply with prevailing wage and it did not make sense to increase it.

SEN. BARTLETT asked Mr. Schweitzer to identify who he meant by "we".

Mr. Schweitzer answered SEN. MOHL was adamant about not increasing the limit.

SEN. BARTLETT asked who else was on that committee.

Mr. Schweitzer answered the Department of Labor, the Cities and Counties, as well as himself. There was a pretty broad representation.

SEN. SHEA said her suggestion is that they owe REP. EWER the same courtesy as REP. SOFT regarding not amending his bill without first consulting with him first.

SEN. THOMAS said in this case we are more aware of what this bill does and what this provision would do. Certainly, every bill is different.

SEN. EMERSON said he believes the committee is deciding on something that is reasonable in that they are not changing the meaning of the law, only this amount.

SEN. WILSON asked for clarification on what this would do.

SEN. THOMAS explained with this amendment prevailing wage would not apply to projects which are \$250,000 or less.

SEN. BENEDICT said he agrees with **SEN. THOMAS** and **SEN. EMERSON'S** efforts, but he will not support the motion because he believes the bill would end up in Conference Committee. **SEN. MOHL** and **REP. EWER** would be on the Conference Committee and we would probably end up losing the bill or putting it back the way it was.

SEN. BENEDICT said he would rather take another look at Little Davis Bacon and prevailing wage in a separate bill and not on this bill.

Motion/Vote: **SEN. EMERSON** moved a substitute amendment that on page 3, line 15 of HB 407, the limit be raised to \$250,000. The motion failed with seven opposing votes and two supporting votes by voice vote.

Discussion: **SEN. THOMAS** said he believes \$100,000 is a reasonable amount. He thinks that \$25,000 is nothing more than holding hands between big labor and big contractors in this State. If it is our position that we cannot put a reasonable level of project in here, we are dictating to our school districts and our taxpayers that they must pay wages that in many cases in the past have not been very well documented or held up to be verifiable in many cases.

This is taxpayers money and in the area he is from, they do not have the money to build big projects, let alone little projects. If the little projects in the school districts in his area can be afforded and funded locally, they maybe they can build and add on to their classrooms. But to have all this government and all this wage set, etc. no matter what the local climate is, **SEN. THOMAS** said he finds this amendment to be extremely reasonable and he hopes it will pass.

SEN. EMERSON said for instance, if the school district wanted to pour an outside basketball court in concrete, it should not be a very difficult thing to do. They would be over the \$25,000 limit right away. He thinks **SEN. THOMAS'** \$100,000 proposal is very reasonable.

SEN. BARTLETT said she would like to point out to the committee this is not a bill that was brought forward by one side or another side of any given issue but grew out of a cooperative work effort by people who crossed the range of interest in this particular issue. They were attempting to address some problems they have experienced under the current statute. She believes **SEN. BENEDICT** is correct that it ends up in Conference Committee and the whole bill dies just on the basis of this amendment or that all will go on and nothing will change in the end.

SEN. BARTLETT said she is somewhat offended by the slap in the face to the people who put a lot of work into resolving some problems before they came to the Legislature and tried to duke it out here and make them a part of their brawl. They did what they most often ask groups to do and that is to go work it out and come back with the solution that they have agreed to. She thinks this amendment is a real slap-in-the-face to all of those people.

Vote: The **motion** to raise the limit to \$100,000 **failed** with five opposing and four supporting by voice vote.

Vote: The **motion DO CONCUR HB 407 PASSED UNANIMOUSLY** by voice vote.

EXECUTIVE ACTION ON HJR 10

Amendments: None.

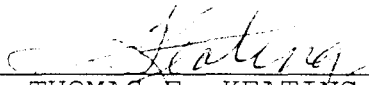
Motion: **SEN. BARTLETT** moved DO CONCUR HJR 10.

Discussion: None.

Vote: The **MOTION DO CONCUR PASSED UNANIMOUSLY** by voice vote.

ADJOURNMENT

Adjournment: 4:28 p.m.



SEN. THOMAS F. KEATING, Chairman



GILDA CLANCY, Secretary

TFK/GC