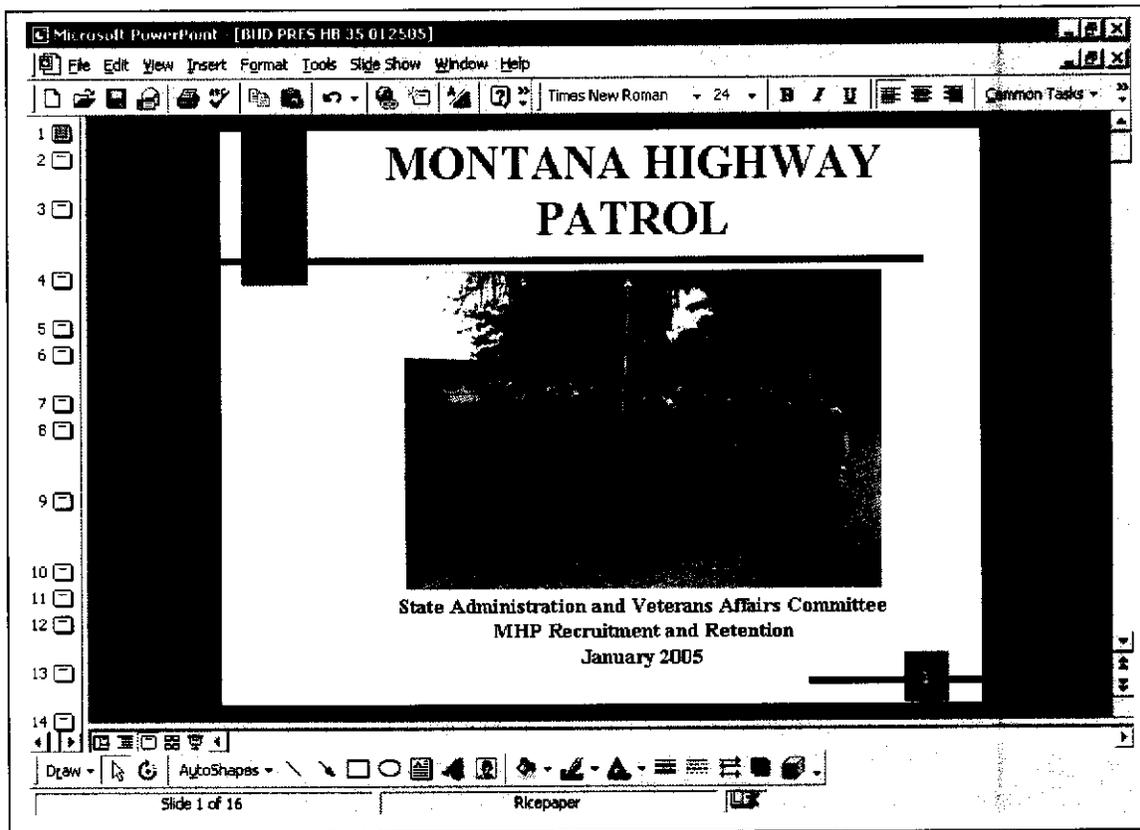


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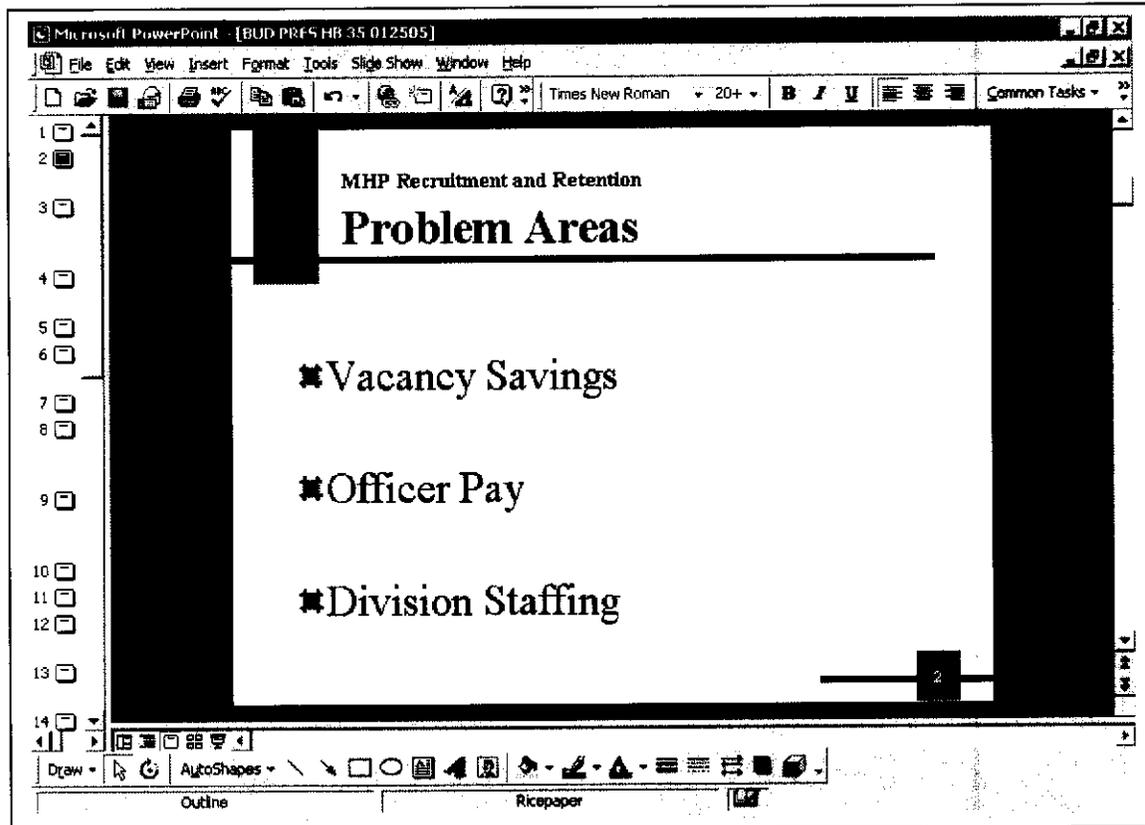
Testimony on HB 35 MHP Recruitment and Retention

Mr. Chairman, members of the committee, for the record my name is Colonel Paul Grimstad. I am currently Chief of the Montana Highway Patrol. I am here in support of HB 35 that addresses recruitment and retention issues for the Patrol.

As you are well aware, the Montana Highway Patrol has been experiencing problems in recruitment and retention over the past several years. Currently, we are down 23 officers

statewide. Three of these are serving the military in Iraq.

(Mr. Chairman, members of the committee, please refer to page 2 of the handout).



This recruiting and retention problem can be traced to three fundamental areas: Vacancy Savings, Pay and Staffing. These are the areas I would like to address today, and HB 35 provides the solution to each.

- 1. Vacancy Savings**
- 2. Officer Pay**
- 3. Division Staffing**

I would like to start off with the simplest issue of the three, Vacancy Savings. (Mr. Chairman, members of the committee, please refer to page 3 of the handout).

The image is a screenshot of a Microsoft PowerPoint presentation. The window title is "Microsoft PowerPoint - [BUD PRLS HB 35 012505]". The menu bar includes "File", "Edit", "View", "Insert", "Format", "Tools", "Slide Show", "Window", and "Help". The toolbar shows various icons for editing and presentation control. The slide content is as follows:

MHP Recruitment and Retention
Vacancy Savings

- * Legislatively mandated
- * \$566,650 per year
- * Requires 14.7 positions to be left vacant
- * Results
 - Troopers spend more time on call-outs
 - Troopers must work more overtime
 - Response time to emergencies is affected
- * Solution
 - HB 35 Removes the vacancy savings requirement for the Montana Highway Patrol Division

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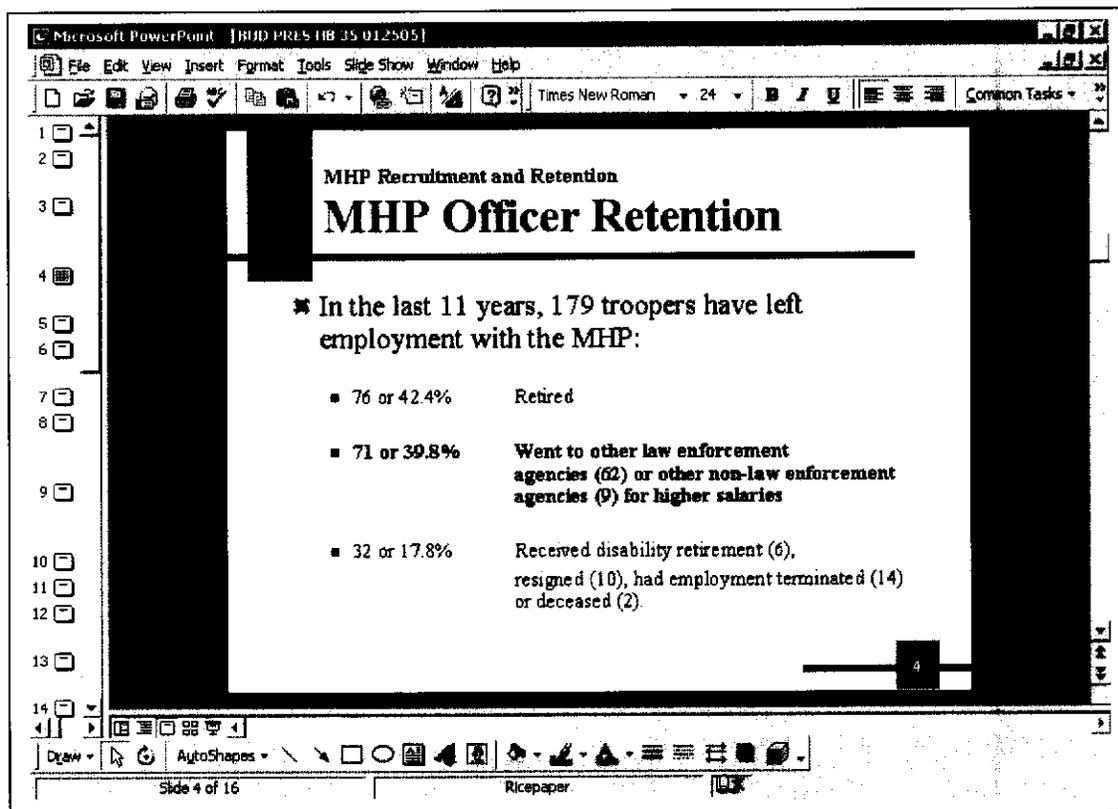
Currently, the Patrol operates under legislatively mandated vacancy savings. This vacancy savings mandate causes the patrol to hold 14.7 positions open throughout the year. To clarify vacancy savings, instead of funding salaries at 100% in our budget, the legislature funds 96% of our salaries. The 4% difference is the \$566,000.

By eliminating this mandate, the patrol could effectively increase staffing by these 14.7 positions. In areas currently facing huge increases in calls for service, the benefit would be immediate to both the Patrol and the public. Exemption from vacancy savings would allow the Patrol to better meet mission demands without initially increasing FTE.

For example, last year 11 positions were opened due to vacancy savings. The Patrol had six recruits from the academy that were prevented from being hired for a period of six months, due to the vacancy savings mandate. Five positions remained opened even after the six were hired. On a personal note, it took a little over 2 years for me to go from beginning the recruit school to getting a position as an officer. In addition, the Patrol lost seven officers to overseas deployments with the military, so we were operating 18 officers short for six months. This truly taxes the remaining officers who must adjust schedules, spend more time on call outs, and generally work harder just to meet the basic tasks and demands. It also adversely impacts our overtime budget with more time and money spent on call outs, overtime, and response time to incidents.

A simple exemption granted by the legislature in HB 35 for the Highway Patrol Division would go a long way to beginning to solve these problems.

(Mr. Chairman, members of the committee, please refer to Page 4 of the handout).



The next area of grave concern has to do with the Patrol's inability to offer competitive wages. We are having problems attracting quality individuals to a career with the Patrol and are losing valuable, trained officers to other higher paying, law enforcement agencies, most of these right here in Montana. As you can see from the chart,

roughly 40 percent or 71 officers we have trained in the last 11 years have left for higher salaries at either other law enforcement agencies or private sector jobs. We are losing qualified trained officers because of the Patrol's inability to offer competitive wages.

(Mr. Chairman, members of the committee, please refer to Page 5 of the handout).

MHP Recruitment and Retention		
Salary Comparison - (Fall 2003)		
* Gallatin	\$18.29	* Avg. County Salary
* Yellowstone	\$18.19	\$16.52
* Missoula	\$18.03	
* Lewis & Clark	\$17.18	* MHP Salary
* Butte-Silver Bow	\$12.48	\$12.90
* Flathead	\$16.65	
* Dawson	\$16.52	* Difference
* Cascade	\$14.80	\$3.62
* MHP	\$12.90	

In the past, the Patrol provided information comparing the Montana Highway Patrol starting salary to the average starting salary of eight county Sheriffs Offices in Montana. These

counties include: Missoula, Gallatin, Flathead, Yellowstone, Lewis and Clark, Silver Bow, Cascade, and Dawson. These eight counties were picked for several reasons.

First, they represent the areas with the greatest population concentrations. Second, they are the areas where the predominate number of Patrol officers live. Third, these are the agencies taking the lion's share of our officers.

A salary survey conducted in the Fall of 2003, showed the Patrol was behind these agencies in starting officer pay by about \$3.62 per hour on average or \$7,530 per year.

(Mr. Chairman, members of the committee, please refer to Page 6 of the handout).

MHP Recruitment and Retention
Salary Comparison (August 2004)

* Yellowstone	\$18.45	* Avg. County Salary	\$17.40
* Missoula	\$18.63		
* Lewis & Clark	\$17.92		
* Butte-Silver Bow*	\$15.22	* MHP Salary	\$12.90
* Flathead	\$18.73		
* Dawson	\$16.52		
* Gallatin	\$18.91		
* Cascade	\$14.80	* Difference	\$4.50
* MHP	\$12.90		

*after probationary period

A more recent survey conducted in August 2004 shows that the disparity in salaries continues to increase. This survey shows that the amount the Patrol is behind these agencies in starting officer pay is now \$4.50 per hour on average or \$9,360 per year. With some degree of variation, this disparity in pay continues throughout an officer's career. Simply stated, a highway patrol officer with varying years of service can leave the patrol and go to work for any of these agencies at a comparable level, making anywhere from \$5000.00 to \$9000.00 per year more.

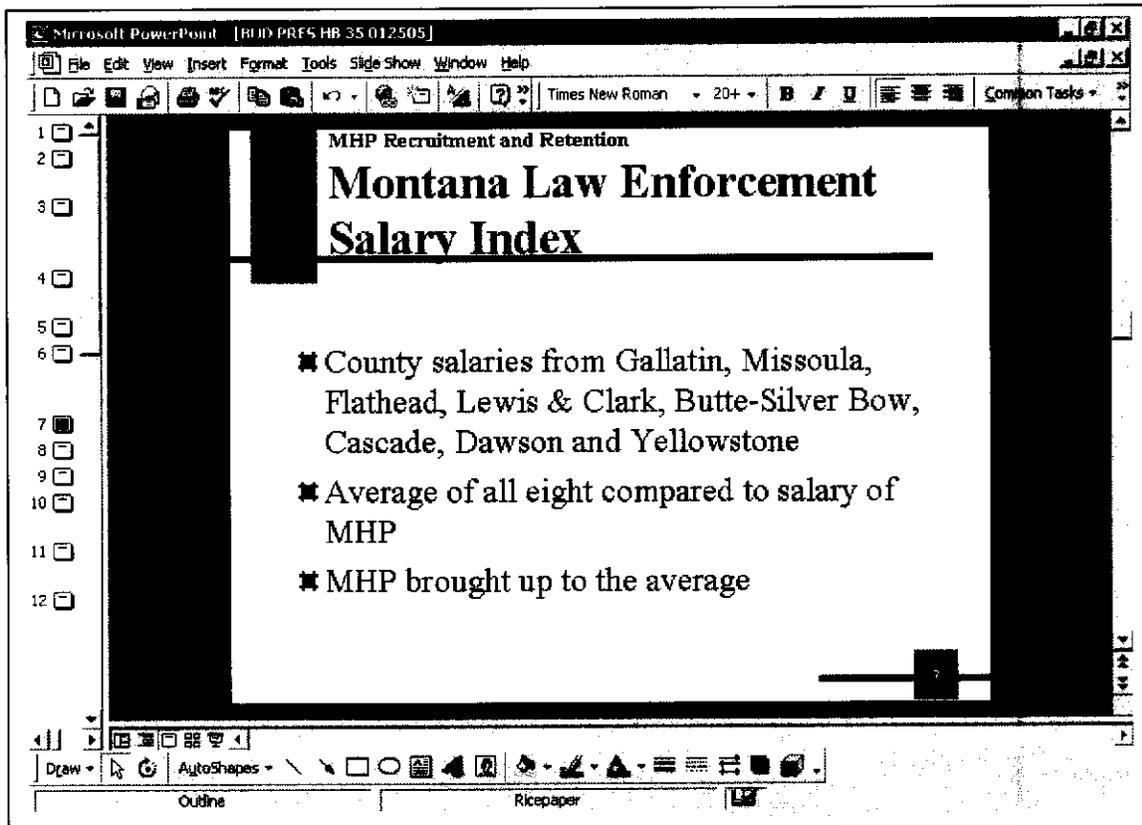
This was not always the case. For many years the Patrol was the premier law enforcement agency of the state and, indeed the region. In 1978, at the entry level, our officers were the seventh highest paid in the nation and the highest paid in the inter-mountain region. Applications numbered in the hundreds for a few select positions. In 1983, there were over 400 applicants for 7 positions. The selection process was extremely competitive and people aggressively sought a career with the Patrol, which possessed both great pay and a wonderful reputation.

Something must be done to correct the pay disparity to allow the Patrol to be competitive

once again. I think our reputation remains strong, but that does not pay the bills. Currently, a Patrol officer can resign from our agency and begin work with another law enforcement agency in the same city or county for a substantial pay increase. Their duties may change slightly, but they are still in Montana law enforcement, facing the same risks, for significantly better pay. On a personal note, I had a reporter ask me about the feeling that city/county officers face a more dangerous job. I would like to relate a story of one of our officers, Jason Hildenstab. We see more violent death situations than most other law enforcement agencies.

Additionally, law enforcement nationwide is struggling to attract quality individuals to this career field. Quality people looking at a career in law enforcement see the risks, responsibilities, and difficult schedules and ask what does an agency offer in return. Good pay has to be present to attract the quality. If not, they will simply look elsewhere.

(Mr. Chairman, members of the committee, please refer to Page 7)



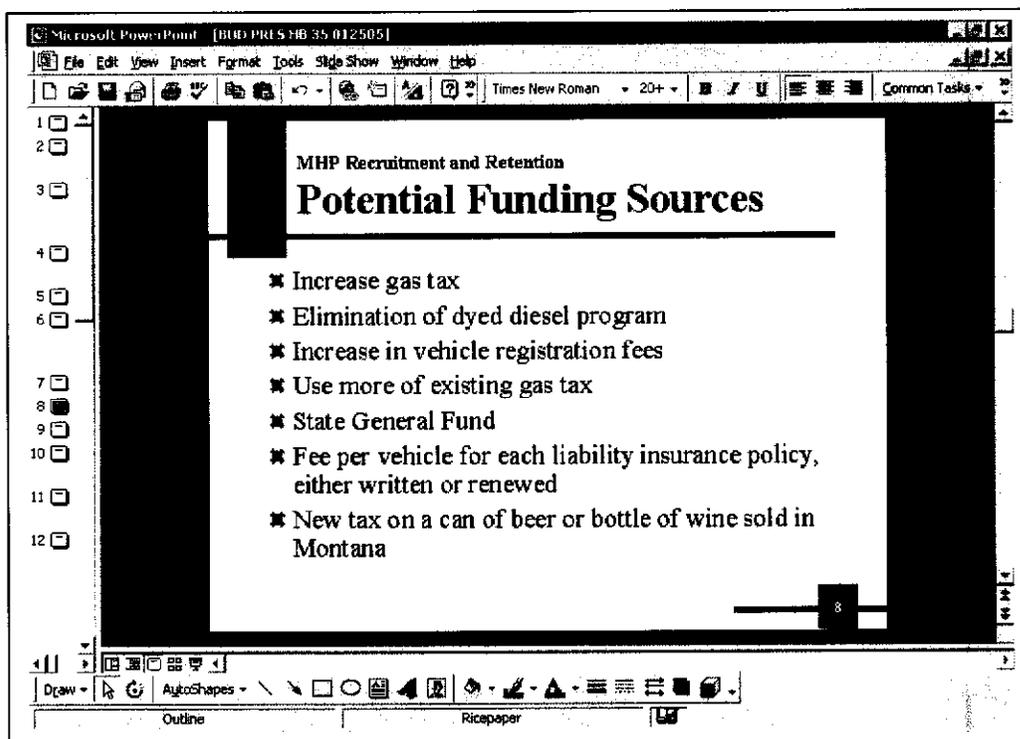
HB 35 corrects this disparity:

FIRST, HB 35 implements the “Montana Law Enforcement Salary Index”. The index takes an average of the entry-level salary paid by these eight counties every two years, prior to the legislative session, to determine where the Patrol salaries are in comparison. The Department of Administration would work with us to determine the average. We would then determine what would be required to fund the Patrol based on the average determined by the index.

With this index in place, the Patrol would be able to compete with other law enforcement agencies. Several important issues must be clarified at this time. The Patrol is not trying to become the highest paid law enforcement organization. With the index in place, it would make the Patrol competitive and draws the salary to the average of the eight counties. This would be the only salary/pay raise mechanism available to Patrol officers. Pay raises provided to other state employees after FY 2006 would not be provided to officers if this index were utilized.

SECOND, HB 35 provides, and this is the greatest area of concern, a legitimate, continuing source of funding to support the index.

(Mr. Chairman, members of the committee, please refer to page 8 of the handout).



The image shows a screenshot of a Microsoft PowerPoint presentation. The title bar indicates the file name is "[BUD PRES HB 35 012505]". The slide content is as follows:

MHP Recruitment and Retention
Potential Funding Sources

- * Increase gas tax
- * Elimination of dyed diesel program
- * Increase in vehicle registration fees
- * Use more of existing gas tax
- * State General Fund
- * Fee per vehicle for each liability insurance policy, either written or renewed
- * New tax on a can of beer or bottle of wine sold in Montana

The slide is displayed in a window with a standard Windows interface, including a menu bar (File, Edit, View, Insert, Format, Tools, Slide Show, Window, Help), a toolbar, and a status bar at the bottom showing "Outline" and "Ricepaper".

In the development of HB 35, numerous sources for this funding were discussed, including:

An increase in the gas tax

An elimination of the dyed diesel program

An increase in vehicle registration fees

Using more of the existing gas tax

The State General fund

A Fee per vehicle for each motor vehicle liability insurance policy, either written or renewed.

A new tax on each can of beer and bottle of wine sold in Montana.

Some of these are obviously better than others as far as being attainable and sustainable. In presenting our proposal to the Interim State Administration and Veterans Affairs Committee, the committee decided to endorse the fee per motor vehicle liability insurance policy, either written or renewed. By amendment as previously

mentioned, HB 35 includes a funding source based on a \$5.00 per vehicle registration fee.

(Mr. Chairman, members of the committee, please refer to page 9 of the handout)

Microsoft PowerPoint [HB 0035 Final 012505]

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MHP Recruitment and Retention
HB 35 Funding Source

- ✦ 1,313,483 vehicles will be registered in Montana in FY 2005
- ✦ 1,313,483 vehicles x \$5.00 registration fee equals \$6,567,416
- ✦ This is approximately the same amount as would have been raised under the insurance fee option

Slide 9 of 12 Ricepaper

I believe the most suitable funding source for supporting a salary index is a \$5.00 fee for each vehicle registered in the state. This secures a long-term stable funding source to address the recruitment and retention issues facing the Patrol. Each vehicle registered in the state would be assessed a \$5.00 fee which would raise roughly \$6.5 million annually. This is approximately the

same amount that would have been raised with the insurance premium fee.

This proposal would have NO fiscal impact to either the state special gas tax and state general fund.

Based on the current difference between the Patrol salary and county average, to make the existing Patrol officer force competitive in FY 2007 would require approximately \$2.5 million. To maintain this level of salary, the fund would have to generate \$2.5 million during the first year, and then increase each year based on the index to remain viable.

Our projections show this would not only occur, but a substantial positive balance would result. This positive balance leads us to the third part of the Patrol's dilemma, staffing shortages.

(Mr. Chairman, members of the committee, please refer to page 10 of the handout)

Microsoft PowerPoint - [HB 0035 Final 012505]

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MHP Recruitment and Retention
Staffing Levels

	Actual FTE	Minimum FTE	Optimum FTE
Division Total	274.55	399	495
Officers Only	206	296	380

Slide 10 of 12

Ricepaper

Even with the elimination of vacancy savings, as mentioned earlier, the Patrol is estimated to be 90 officers below the minimum and 174 officers below the optimum recommended for our state. This recommendation came through a study completed in 1979 by the International Association of Chiefs of Police. This study recommended, at that time, a minimum division-strength of 399 people with an optimum strength of 495 people. These numbers include both officer and civilian positions. Currently, the Patrol has 274.55 positions, unchanged from when the study was conducted 25 years ago.

(Mr. Chairman, members of the committee, please refer to page 11 of the handout)

MHP Recruitment and Retention
Thirty Year Differences

Year	1973	2003	Percent Difference
Miles Driven	5.6 billion	10.7 billion	+91.1%
Vehicles Registered	668,717	1,059,565	+58.5%
Population	694,409	917,621	+32.2%
Economic Loss	\$106.6 million	\$780 million	+731.8%
Officer Strength	220	206	-6.4%

Obviously a lot has changed over 30 years. Miles driven per year by the public in Montana has increased from 5.6 billion to 10.7 billion! The number of vehicles registered has increased from 688,000 to 1,060,000...a 58 percent increase. Population in Montana has increased by 32 percent, almost one quarter of a million people. The economic loss sustained through traffic crashes has increased by 731 percent, A SEVEN FOLD INCREASE! But during this same period,

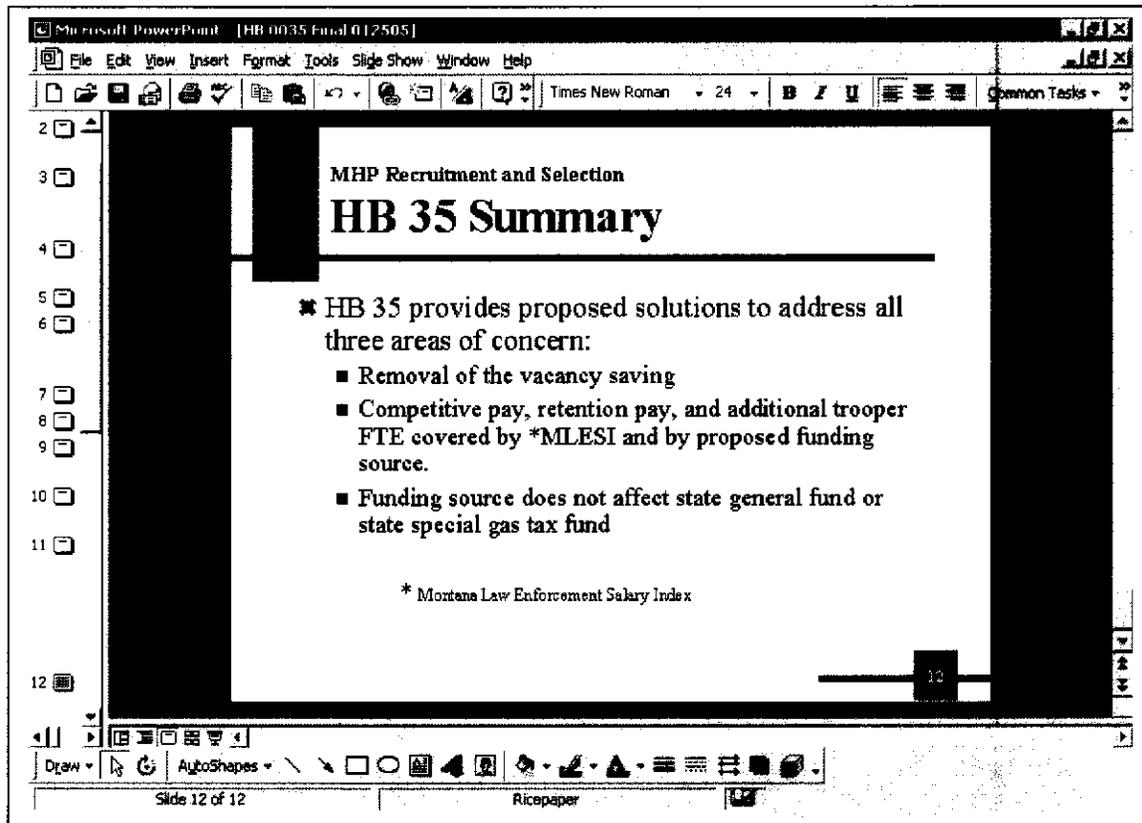
officer strength has gone from 220 to 206, a 6.4 percent decrease.

Over the past thirty years, the mission of the Patrol and required duties have become much more complex and time consuming. Demands from the courts, the insurance industry and the legal system have required our officers to become far more expert in the conduct of investigations than was required thirty years ago. We have risen to this challenge, but without an increase in officers (manpower), less time can be spent on the highway performing enforcement duties. As a result, without an effective enforcement presence, crashes increase in number and severity. This causes the Patrol to become reactive to the traffic problems, versus being proactive. We end up picking up the pieces instead of stopping the crash to begin with. For the Patrol to be effective, we need a real presence on the roads of Montana.

To place 90 to 174 new officers on the road at once is a staggering proposition. The cost is significant and the impact to the Patrol regarding recruiting, hiring, training, equipping and sustaining this many new officers would be very difficult. The cost of a 120-officer increase is estimated at 7 million dollars per year. This increase in people

must be done incrementally, over at least ten years. The positive balance from the account established to address these concerns in HB 35 could be used to provide the money required to incrementally increase the size of the Patrol to the needed levels. Projections show that over a seven-year period, the fund could sustain the needed pay increases to keep apace of the index and provide funding for new officers, equipment and training. To address the retention salary index increase, we have used a 3% per year increase in developing our projections. It is imperative that the positive balance from one year rolls over to the next year and from one biennium to the next. With that assurance, projections show that the Patrol could increase staff between 40 and 60 officers. Again, this increase would be revenue neutral to the state special gas tax and state general fund.

(Mr. Chairman, members of the committee, please refer to page 12 of the handout)



In summary, Mr. Chairman, members of the Committee, HB 35 addresses the major recruitment and retention issues for the Patrol.

First, HB 35 relieves the Patrol from the vacancy savings requirement.

Second, HB 35 implements a retention salary index for Highway Patrol officers.

Third, HB 35 establishes a legitimate funding source to fund the retention salary index and provides a funding source for future addition of new officers.

In addition, HB 35 establishes a state special account for the funding source. The positive balance in the fund, after salary obligations are met, rolls from one year to the next and one biennium to the next. This is a consistent fund source for the addition of staff.

As you can see from the fiscal note, it is our intention to make the first pay adjustment in FY 2007 and add 20 officers to the Patrol. No expenditures will be made from the fund in FY 2006 as it will require the fund to build to support the expenses in future years.

Mr. Chairman, members of the committee, I ask your support of HB 35. I thank you for your attention today, and during the last year as we worked together to address the needs of the Patrol. My staff and I would be happy to answer your questions.