

MINUTES OF THE MEETING
SENATE STATE ADMINISTRATION COMMITTEE
JANUARY 19, 1977

The meeting was called to order by Senator Towe, Chairman, at 11:12 a.m. in Room 410 of the Capitol Building. Senators present were Senators Towe, Brown, Rasmussen, Roskie, Story, Jergeson, Devine and Blaylock.

The following bill was discussed: SB 71.

SB 71 Dr. W. F. Bennett, Columbia Falls, Chairman of the Salary Commission, stated the bill reflects the unanimous vote of the members of the commission. He noted Section 1 reflects basically only recodification changes and a cost of living increase for the Commissioner of Campaign Finance and Practices. Dr. Bennett reviewed the projected salary increases with the committee. The commission felt the Supreme Court Justices were grossly underpaid and should be receiving at least what they could be making if in private practice. They stressed this is the only way to get the highest and best qualified men for the job. Several judges have recently left the judiciary mainly because of the low salary. Dr. Bennett stated the Attorney General's salary was increased for the same reason - to attract the best qualified person for the job. The Superintendent of Public Instruction is currently receiving \$20,000 while her assistant is receiving \$27,500 and it was hoped that inequity could be corrected.

There being no proponents or opponents, Senator Towe asked for comments.

Mr. Pat McKittrick, representing the Montana Judges Association, stated the prime concern of the Judges Association is the quality of the judges in the judicial branch. He stressed the importance of the judiciary functioning as a separate branch of government. He recommended striking all reference to the judiciary in the bill as they have introduced an appropriation bill which will cover the whole judiciary budget. Currently, 1/4 of 1% of the entire general fund budget is spent on the judiciary. The bill also includes a provision to increase court fees from the current \$10 to \$35. At present, 5% of the population uses the courts which results in 2 1/2% paying the costs. At the assessment of \$35 per case, there will be an estimated \$600,000 return. The judiciary budget will be \$538,000.

Mr. John Cavin, also representing the Montana Judges Association, stated careful consideration should be given to the duties, responsibilities, and power of the judiciary. No one but possibly the Governor makes more decisions affecting every facet and quality of life of all Montanans. The money spent will certainly be justifiably spent if we can attract top quality trained and experienced men for the job. He noted the difficulty of returning to practice once on the bench.

Dr. Bennett asked the Committee to make a definite decision on the bill rather than to pass it out of committee without recommendation.

There being no further testimony, the hearing was closed and questions from the committee followed.

Senator Roskie asked if all the members of the Commission voted for the recommendations or were there abstentions. Dr. Bennett stated all the members voted. Senator Roskie noted that it is not necessary that the Governor's salary be the highest in the state as other advantages of the office may increase it. Dr. Bennett stated that at present, with all the prerequisites of the office, the Governor's salary is probably equal to \$72,000. Senator Roskie stated that Montana's salary schedule must reflect what is right for Montana in light of the duties and responsibilities in Montana rather than based on a comparison with other states which could be totally invalid.

There being no further testimony, the hearing was closed.

Senator Towe asked the committee to consider a request by Senator Ed Smith to subpoena Billings Gazette reporter Richard Geissler to testify at the hearing on Kent Kleinkopf's appointment as Director of Business Regulation.

Senator Ed Smith, District 1, assured the committee that his opposition is not politically motivated as he has only voted against one appointment previously and he does not know either Kleinkopf or Geissler personally. He referred to an article written by Geissler in the January 9, 1977, Billings Gazette and stated he felt it should be discussed and now is the time to do it. He stated it must be determined if the statements in the article are true and base a decision on that. He felt there has been a lack of comment from regulated businesses due to fear of retaliation. He gave two examples of retaliation he had experienced due to opposition and/or investigation he had initiated in other matters pertaining to state government. He presented his letter to the committee re the subpoena request. (see attached)

Senator Murray, District 50, stated he supports Senator Smith's request and felt it only fair to explore this matter for all the people in the state.

Senator Devine asked if the reporter will take the "5th" or declare himself immune if certain questions are asked. Senator Smith didn't know but felt we should try.

Senator Blaylock stated the committee can question Kleinkopf in relation to the allegations in the article; if he doesn't answer to the satisfaction of the committee, the Senate can confirm or deny the appointment.

Senator Towe said Mr. Kleinkopf does admit he was involved in a business venture in Billings and did lose some money. He admits the business was unsuccessful and Senator Towe assumes he will so state.

Senator Towe asked if there are other things in the article which could be revealed which are relevant to the appointment. Senator Smith asked Senator Towe if Kleinkopf had admitted to the involvement in the business. Senator Towe answered that he had but that he can't see that there is anything else in the article that Geissler could reveal that could have any bearing on this appointment.

Senator Story stated he feels there is a question as to whether the man is qualified or simply a crony of the Governor. The Governor has declared this to be an open Administration, does this association reflect on the administration because of Kleinkopf's possible association with unsavory characters --he felt this information would determine his suitability.

Senator Smith replied he feels Geissler can shed light on these associations and he does feel a certain suspicion exists.

Senator Brown stated he felt if Mr. Geissler could possibly shed any light on the subject we should hear what he has to say - either way.

Senator Roskie stated his concern that Mr. Kleinkopf's reputation is on the line and he should have the opportunity to refute any and all charges.

Senator Blaylock stated he felt Mr. Geissler should be invited to attend but not subpoenaed. The public has been invited to testify and it is his duty to appear if he has pertinent information. He felt Senator Towe should express a very warm invitation to Mr. Geissler to attend.

Senator Story stated that Mr. Geissler doesn't want to appear to favor either party or oppose or support Mr. Kleinkopf. He has indicated he will come if subpoenaed but not without. It is the duty of the committee to satisfy themselves that Kleinkopf is the right man for the job and all doubt must be erased now so it doesn't come up in the future.

Senator Brown asked how he (Senator Story) knew Geissler would not come without a subpoena.

Senator Towe replied that Mr. Geissler had indicated to him and Senator Smith that it is the policy of his newspaper (Billings Gazette) not to let him appear without a subpoena. He further remarked that he personally opposed the subpoena as he feels Geissler doesn't know any more than Kleinkopf is willing to admit. Mr. Geissler has been investigating other individuals involved as well as Mr. Kleinkopf. Perhaps an awareness of that investigation is necessary.

but he felt Kleinkopf could be questioned and if the Committee is not satisfied with the answers and Geissler indicates he has more to add then he could be questioned.

Senator Story referred to the Carden appointment and stated in retrospect the committee failed because they did not thoroughly investigate when rumors were rampant. The public is better served if this committee is more thorough than in the past.

Senator Devine stated he felt the main thing that would be accomplished if we subpoena would be to sell more Billings Gazettes.

Senator Smith, in a closing statement, said because of executive reorganization, we are obligated to thoroughly investigate all appointments. If costs for the subpoena and travel can't be paid he will pay them. He felt if Mr. Geissler would come by invitation, fine; if not, he should be subpoenaed.

SENATOR STORY MOVED THE CHAIRMAN TAKE THE NECESSARY STEPS TO ISSUE A SUBPOENA FOR RICHARD GEISSLER TO APPEAR BEFORE THE SENATE STATE ADMINISTRATION COMMITTEE TO PRESENT ANY INFORMATION BEARING ON THE QUALIFICATIONS OF MR. KLEINKOPF TO SERVE AS DIRECTOR OF BUSINESS REGULATION.

SENATOR RASMUSSEN MADE A SUBSTITUTE MOTION THAT RICHARD GEISSLER BE INVITED TO APPEAR BEFORE THE COMMITTEE. IF HE WILL NOT RESPOND BY INVITATION HE SHOULD THEN BE SUBPOENED.

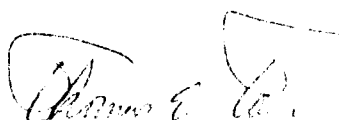
SENATOR BLAYLOCK MADE A SUBSTITUTE MOTION FOR ALL MOTIONS PENDING TO HAVE SENATOR TOWE ESPECIALLY INVITE MR. GEISSLER TO ATTEND THE HEARING FRIDAY, JANUARY 21. IF HE DOES NOT ATTEND, QUESTION MR. KLEINKOPF AND IF THE COMMITTEE IS NOT SATISFIED FOLLOWING THE HEARING, THEN CONSIDER SUBPOENING MR. GEISSLER TO APPEAR AT A LATER DATE. THE MOTION FAILED ON A ROLL CALL VOTE.

A vote was then taken on Senator Rasmussen's motion and failed on a roll call vote.

A vote was then taken on Senator Story's original motion and failed on a roll call vote.

SENATOR STORY MOVED TO HAVE SENATOR TOWE ASK MR. GEISSLER APPEAR BEFORE THE COMMITTEE FRIDAY, JANUARY 21, AT 11:00 A.M. IN REGARD TO THE HEARING OF MR. KLEINKOPF TO BE THE DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION. THE MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting adjourned to reconvene Thursday, January 20, upon adjournment of the Senate.



Thomas E. Towe, Chairman

State Administration COMMITTEE

Date 11/19/77

[illegible]

SENATE *State Administration* COMMITTEE

BILL 7

VISITORS' REGISTER

DATE 4/19/77

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

NAME: Dr. W. F. Bennett DATE: 1/19/77

ADDRESS: Columbia Falls

PHONE: _____

REPRESENTING WHOM? State Salary Commission

APPEARING ON WHICH PROPOSAL: SB 71

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

COMMENTS: _____

NAME: Ray Mc Kirtick DATE: 1/19/77

ADDRESS: Great Falls

PHONE: _____

REPRESENTING WHOM? Mr. Judge Ross.

APPEARING ON WHICH PROPOSAL: SB 71

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

COMMENTS: delete entire judicial section

[illegible]

PLEASE LEAVE ANY DEDUCED STATEMENTS WITH THE COMMITTEE SECRETARY

NAME: John Barvin DATE: 1/19/77

ADDRESS: Bellings

PHONE: _____

REPRESENTING WHOM? mt. Judges Assoc.

APPEARING ON WHICH PROPOSAL: SB 71

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

COMMENTS: Delete entire judicial section



The Big Sky Country

MONTANA STATE SENATE

January 17, 1977

Senator Thomas Towe
Chairman, State Administration Committee
State Capitol Building
Helena, Montana

Dear Senator Towe:

I feel that it is very important that Richard Geissler be present at the hearing when Kent Klienkopf is interviewed in regards to his appointment to the Department of Business Regulation.

I also feel he should be asked to bring documented proof to prove his statement made in the January 8th article of the Billings Gazette.

This is the only way that one can be sure that Mr. Kleinkopf has an opportunity to answer the questions raised, and I can be sure those statements are true.

For these and other reasons I request the appearance of Mr. Geissler.

Yours sincerely,

Sen Ed Smith

Senator Ed Smith
District #1

ES/lS

SENATE COMMITTEE STATE ADMINISTRATION

Date January 19, 1977 Kleinkopf Bill No hearing Time 12:33

NAME	YES	NO
Senator Tom Towe, Chairman	x	
Senator Pete Story, Vice Chairman		x
Senator Bob Brown		x
Senator Tom Rasmussen		x
Senator George Roskie		x
Senator John Devine	x	
Senator Greg Jergeson	x	
Senator Chet Blaylock	x	

Jill Robinson
Secretary

Thomas E. Blaylock
Chairman

Motion: by Senator Blaylock to have the Chairman especially invite
Richard Geissler to attend the hearing on Kent Kleinkopf. If he
will not come, then question Kleinkopf, if the committee is not
satisfied after questioning Kleinkopf, then consider subpoenaing
Geissler to appear later.
 (include enough information on motion--put with yellow copy of
 committee report.)

SENATE COMMITTEE STATE ADMINISTRATION

Date Jan. 19 1977 Bill No. Kleinkopf Hearing Time 12:34

NAME	YES	NO
Senator Tom Towe, Chairman		x
Senator Pete Story, Vice Chairman		x
Senator Bob Brown	x	
Senator Tom Rasmussen	x	
Senator George Roskie		x
Senator John Devine		x
Senator Greg Jergeson		x
Senator Chet Blaylock		x

Jill Ryans
Secretary

Thomas B. Towe
Chairman

Motion: by Senator Rasmussen to invite Richard Geissler to appear
before the committee and if he refuses, then subpoena him.

(include enough information on motion--put with yellow copy of committee report.)

SENATE COMMITTEE STATE ADMINISTRATION

Date January 19, 1977 Kleinkopf
Bill No. hearing Time 12:36

NAME	YES	NO
Senator Tom Towe, Chairman		x
Senator Pete Story, Vice Chairman	x	
Senator Bob Brown	x	
Senator Tom Rasmussen	x	
Senator George Roskie	x	
Senator John Devine		x
Senator Greg Jergeson		x
Senator Chet Blaylock		x

Jill Ryans
 Secretary

Thomas E. Law
 Chairman

Motion: by Senator Story that the Chairman take the steps necessary
to subpoena Richard Geissler to appear before the State Administration
committee to present information bearing on the qualifications of
Kent Kleinkopf to be Director of the Department of Business Regulation
 (include enough information on motion--put with yellow copy of
 committee report.)