

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

January 23, 1979

The eighth meeting of the State Administration Committee was called to order by Vice Chairman George Roskie at 10:00 A. M. in Room 442 of the State Capitol on the above date.

ROLL CALL: All members of the committee were present, with Sen. Pete Story being late due to a prior meeting schedule.

CONSIDERATION OF SENATE BILL No. 116: The Acting Chairman called on Sen. Greg Jergeson, Senate District 3, Chinook, sponsor of the Bill, to present his testimony.

Sen. Jergeson advised he introduced this Bill at the request of the Office of Budget and Program Planning. As the Bill was explained to him, he said it removed reference to the fertilizer board from the statutes, but did not affect the advisory commission. The title says it is an "Act to Abolish the Fertilizer Advisory Commission" which is the concern of many people; he then referred to Chapter 10 of the Codes. Sen. Jergeson suggested there should be a statement of intent from this Committee saying that it is the intent of the legislature that there would continue to be an advisory committee so it would clear up the confusion. He then called on George Bousliman, Director of the Office of Budget and Program Planning to explain it further.

George Bousliman explained that the reference in the present law is not consistent with the purpose of the advisory committee as it is presently set up. The main conflict is in the assessment provisions on selling fertilizer. In 1971, the procedure was set up so the advisory council administered this routinely and there were some local commissions which were not active. Later, the Board of Regents got into the picture on recommending this type of council, and then they wanted to change it to do it by executive action.

The Chair was assumed by Sen. Story at this time and opponents were called for.

Ross D. Peace, representing the Montana Agri-Business Association, opposing the Bill, testified he was very familiar with the program. At the present time, they feel they have some control over who is working with the administrative powers. A similar bill about 10 years ago put on a tax to study problems and to extension work and research. They have had a very strong program since that time. The tax is also imposed on users of fertilizer and, therefore, it is important to have someone who is a user on this advisory board. He also testified against the Bill on behalf of the membership of Montana Agri-Business Assoc. which is comprised of fertilizer representatives from manufacturers, distributors, dealers and chemical dealers; they recommend no changes in the present program. If this was taken out, this advisory committee would not be guided by the farmers and ranchers paying the tax. He then said that Mr. Osberg from Fairfield was present to answer any questions and is a member of the advisory board.

Jim Stephens, President, Montana Farmers Union, Montana Farm Bureau and Montana Grain Growers Association, in opposition to the Bill, stated they felt that when the time comes in the future when they have to put more effort into research, the present system can provide for this. They thought producer input is very important to this type of advisory board and, on behalf of the farm organizations, opposed Senate Bill No. 116.

Mons Teigen, Montana Stockgrowers Association, requested to be on record in opposition to the Bill, even though it does appear to clean up some language in the present law. However, as fertilizer is a high cost item and they have an excellent arrangement now, it should remain unchanged.

Trevor Mangold, representing the member dealers and research personnel, Northwest Plant Food Assoc., testified in opposition to the Bill that doing away with an advisory committee would be detrimental to the business. Without grass-roots input from the farmer and rancher, it would not be effective.

In closing, Sen. Jergeson added that it has been his goal to bring farm organizations together, but sometimes they are not on his side. He proposed a letter of intent and amendment to Section 2-15-1516, MCA, concerning how membership is chosen. He felt this is principally an advisory committee and not a law-making commission and that this Bill should be considered.

The hearing was opened for questions by the Committee.

Sen. Roskie asked Mr. Bousliman if, basically, there was no problem with the advisory committee, to which he responded that Sec. 2-15-122 spells out the procedure by which advisory committees are created. The Secretary of State would get a copy of the letter stating the creation of the advisory council and that it would be in existence for two years. Reason for this provision is that the creator should think about whether this type of council is really needed. If this Bill were to pass, the Regents could recreate the council identically. Explaining further, he mentioned the Board of Regents would be the appointing board, but they could be appointed by the governor.

Sen. Ryan questioned the tax on their own operations to keep this program going, to which Mr. Stephens responded that this part of the law provides 35¢ per ton tax on fertilizer sold in Montana goes to fund educational and experimental programs. The question is, will the advisory board continue as it was set up at the same time as the tax was imposed. It was recommended at that time that they have an advisory board to help make policy.

There being no further questions on Senate Bill No. 116, the hearing was closed.

CONSIDERATION OF HOUSE BILL No. 52: The Chairman called on Rep. Art Lund, House District 2, Scoby, to present his testimony as sponsor of the Bill.

Rep. Lund explained the two changes from the present law regarding supervision of construction of state buildings. The first change is on page 1, line 15, regarding construction of state buildings over a cost of \$10,000. This was raised to \$25,000 as, with the effects of inflation, all construction costs have steeply climbed to the point where \$10,000 does not allow much construction. He related an incident at the Pine Hills School where a wall was knocked out. In order to even put up a wire fence, if the cost was over \$3,000, they would have had to take the time to put out bids. This Bill's purpose is to eliminate the additional paperwork involved in small projects.

Further proponents were called for by the Chairman.

Tom O'Connell, Dept. of Administration, supporting the department bill, stated this was basically a housekeeping measure to streamline the method of their process on bid projects. Last session, they got changes raising this from \$3,000 up to \$10,000 for local bids, but if a project is over \$10,000, we have to go through a formal bidding process which means additional time and expense in going through the board. Inflation is then difficult to keep up with as the time tied up in the process may make a large dollar difference in the cost of the project.

There being no opponents, closing statement was called for.

Rep. Lund added that the Bill was self-explanatory in that a project of \$10,000 today does not build much of a building.

The hearing was then opened for questions by the Committee.

In response to Sen. Ryan's question, Mr. O'Connell said that the \$10,000 was not touched last session, but his office was given the authority to produce plans and specifications up to \$25,000.

There being no further questions, the hearing on House Bill No. 52 was closed.

CONSIDERATION OF SENATE BILL No. 114: The Chairman explained that Sen. Larry Fasbender, sponsor of this Bill, had talked to him in order to be excused and provided for the testimony on the Bill to be given by the Director of the Office of Budget and Program Planning at whose request the Bill was introduced.

George Bousliman, testifying for the Bill, explained that this has been established by executive order of the governor and it was recommended they have a central place for data processing equipment. He felt that an executive order should have some foundation and offered an amendment for which he distributed copies to the members of the Committee. Original amendment proposal is attached hereto and to which reference is hereby made for further particulars.

There being no further proponents and no opponents, the hearing was opened for questions from the Committee.

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Sen. Jergeson questioned the need to put language in a statute which they could do by executive order instead, to which Mr. Bousliman replied they were expending in excess of \$11 million a year in data processing. It is a big job and he felt it is important enough that the legislature should consider this because of the money involved.

Sen. Ryan asked if they had a large number of computers sitting around, to which Mr. Bousliman replied there was in the various state agencies now because they have not been under control. Continuing to explain, he added that the state is purchasing \$25,000 a working day of data processing equipment and they want to be sure these items are coordinated so they are compatible to other units. Presently, there are two units at the university system which are compatible, but they want to consolidate some computer systems in the state departments so they are not so scattered. In reply to Sen. Ryan's question on receiving federal grants in order to finance computer operation, he stated they had received some federal money, but not much on the state agency level.

Mr. Lou Lucke from the MSU Computing Center added that there was some wording in the Bill which bothered him, such as the definition of "data procession equipment". The language which this rule would supersede from 1968 does not clear up the definition, and modern technology has come a long way since then. It is important to be clear on what this is referring to as "data processing" equipment has many connotations.

Sen. Roskie and Sen. Story questioned the amount of money spent per year on this equipment or if it was leased, to which Mr. Lucke replied most of it is lease-purchase since the life expectancy is only about 34 to 38 months; modern equipment in this field becomes obsolete very quickly.

In response to Sen. Story's inquiry, Mr. Meldahl stated the other state agencies do not pay them, they pay the vendors. His position was to co-ordinate this equipment.

Further questions relating to the Office of Budget & Planning's handling of data processing were answered by Mike Meldahl, Data Processing Coordinator, and answering Sen. Rasmussen's question, he was working under the executive order, but with some difficulty.

Sen. Ryan commented that the Dept. of Administration is charged with the purchase and location of this equipment now and asked how that department felt. Dave Lewis, Director of the Department of Administration, responded that this was requested because of the executive order changing the responsibility and placing funding of the position in the Budget Office. The Dept. of Administration is the major user and has to meet its own needs, as well as supplying other agencies, so, it was agreed an outside manager was needed for the program.

Replying to Sen. Ryan's question, Mr. Meldahl stated the training of personnel on the systems is handled by his office. The Bill

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reads exactly as the executive order in the Budget Office.

Answering Sen. Roskie's question on how this would affect the Legislative Council, Mr. Meldahl replied it would not change anything. They are the sixth largest user of the system.

There being no further questions, the hearing on Senate Bill No. 114 was closed.

CONSIDERATION OF SENATE BILL No. 115: Sen. Fasbender also being the sponsor of this Bill, in his absence, the Chairman called on George Bousliman to present testimony as this was also a Bill requested by the Office of Budget and Program Planning.

George Bousliman responded that a 1975 law gave one state agency total authority over certain functions concerning federal assistance management, except for Sec. 17-3-103, MCA. He was asking to have this repealed as the duties which this calls for have never been executed by the Budget Office. This information review is on the state computer system, and he felt this would be redundant. With less than 30 persons employed in the Budget Office, they do not have the time to handle this, nor the experts who work with government grants as the other agency does.

There being no further proponents and no opponents appearing to testify, the hearing was opened for questions by the Committee.

In answer to Sen. Jergeson's inquiry, Mr. Bousliman stated his office would still approve the budget amendments which would be required.

Sen. Story commented that in 1975 there were very few who understood how to apply for these grants and often studies were set up which they really didn't intend and questioned if Mr. Bousliman was getting this under control. He responded that they were clearing up some processes and that if an agency is going to apply for a grant now, they are required to notify the Budget Office of their intent, and there is some duty to let anyone who might have an interest know about this grant. However, he felt it was unappropriate that one agency should pass on a grant application, when Keith Kolbo's office has a bureau set up to review these federal grants on a regular basis.

Sen. Roskie commented that this is a major problem with state agencies who are supposed to operate on a set budget which they ask for, and then they are able to apply for additional funds from the federal government, and asked if there were any restraints. Mr. Mousliman replied that there is certain criteria they must meet such as that no previous rejection for federal money was received, there is no obligation to bind general funds in the future, and provisions on how the funds are to be used. He felt the state can stretch the general fund if some of these grants are applied for and the Legislative Fiscal Analyst does review them on occasion.

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Dick Franz, Office of Budget and Program Planning, commented that this does not apply to 100% federal grants. A-95 proceeds apply to local governments also and federal loans. All state agencies which apply for a grant under A-95 must come into our office. We assure all parties interested in the proposed project are notified and our comments are sent to the federal office for their review. The process is that when state agencies would put in a notice of intent to apply for a grant, we send out notices to all parties who might be interested. All of these parties would get a chance to comment, and at the same time, our office will review their budget and make its recommendations on whether the funds should be applied for. We gather all this information together and send it to the federal government for their decision on the grant. When the grant is received, they have to come to our office for spending authority. Then, we also review at the time we prepare their next budget.

In answer to Sen. Story's question on how many grants we are concerned with, Mr. Bousliman said he thought about several hundred budget amendments per year were reviewed.

There being no further questions, the hearing on Senate Bill No. 115 was closed.

CONSIDERATION OF SENATE BILL No. 138: Senator Bob Peterson, sponsor of this Bill, being excused, in his absence, the Chairman called on Leonard C. Larson, Chief Deputy Secretary of State, to present testimony.

Mr. Larson testified that this was requested by the Secretary of State and related to revising the filing fees charged certain associations.

At this point. Sen. Ryan objected to hearing bills without the sponsor being present.

Sen. Story then directed that the hearing on Senate Bill No. 138 would be rescheduled.

There was discussion on bill hearing process, with Sen. Jergeson mentioning that it was discussed in the Rules Committee that the time for hearings in Group A committees would be compressed down to less time, which might be a problem for scheduling hearings on all the bills.

Sen. Story suggested the Committee consider the governor's appointments. He advised the Committee that the names of the appointees would be assigned to certain people on the basis of personal knowledge or if they were from the member's district or area. After the members had time to review these names, a time will be set for going over them and making recommendations. If it is necessary, a hearing will be scheduled at a later date. Otherwise, there will be one hearing held, with the person responsible for the investigation making the motion to accept the appointment. They will

then be reported out all at the same time unless there is a problem with some person being objected to. However, if we have not heard anything to indicate any of these persons would be rejected, we will go ahead to confirm them without looking for reasons. In the cases of the department heads and justices, the sponsors may be called on to make a little speech.

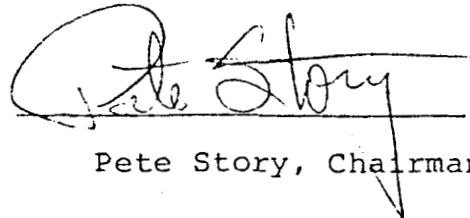
Chairman Story then directed that the secretary place a list of the board members to be confirmed at the request of the governor on every desk of the Senate at the time of confirming these appointments.

The Chairman reminded that the Committee member making the recommendation should be prepared to answer any questions on the floor. But it was not his intention to segregate a person just because he may be a controversial appointment on a particular board.

The Chairman also directed that a copy of the list of appointees be sent out to all Senators now so that they would have time to review these persons if they so desired.

ADJOURNMENT:

There being no further business to bring before the Committee, the Chairman adjourned the meeting at the hour of 12:10 P. M.

A handwritten signature in cursive script that reads "Pete Story". The signature is written in dark ink and is positioned above a horizontal line. A vertical line extends downwards from the end of the signature, passing through the printed name below.

Pete Story, Chairman

Date Jan 23 1979

ROLL CALL

STATE ADMINISTRATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

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NAME	PRESENT	ABSENT	EXCUSED
Senator Pete Story, Chairman	✓		
Senator George F. Roskie, V. Chmn.	✓		
Senator Bob Brown	✓		
Senator A. T. (Tom) Rasmussen	✓		
Senator Patrick L. Ryan	✓		
Senator Greg Jergeson	✓		
Senator William F. Hafferman	✓		

Each Day Attach to Minutes.



DATE January 23, 1979

COMMITTEE ON SENATE STATE ADMINISTRATION

SENATE BILLS 114, 115, 116 & 138; HOUSE BILL 52  
VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
ROSS D. PEACE	SELF MONTANA AGRI BUSINESS ASSO	SB 116		✓
Trevor Mangold	Northwest Plant Food Assoc	SB 116		✓
Joni Stephens	MFD. - MFB - MABA	SB 116		✓
Lou Lucke	MSU - Computing Center	SB 114		✓
Amy Crawford	Secretary of State - UCC	SB 138	<del>FBF</del>	—
Leonard C. Larson	Sec. of State	SB 138	—	—
Thomas Tucker	Secretary of State	SB 138	—	—
Emmett W. Brown	Sec. of State	SB 138	—	—
Mike Trevor	DoA Computer Services	SB 114	✓	
Mike Meldahl	OBPP	SB 114	✓	
GEORGE BOUSLIMAN	OBPP	SB 114 - 115 - 116	✓	
Dick Draney	OBPP	SB 115	✓	
Dave Lewis	DoA	SB 114		
Tom Cornell	DoA	HB 52		
Paul Dunham	University System	SB 114		
Rick Boyer	ASSOCIATED STUDENTS OF MONTANA STATE UNIVERSITY			
Morris Teigen	Mont. State Students Assn	SB 116		X
Jeff Kirkland	Mont. Credit Unions League	SB 138		



STATE OF MONTANA

Office of the Governor  
**Budget and Program Planning**

Thomas L. Judge  
Governor

George L. Bouslimas  
Director

Capitol Building - Helena, Montana 59601

January 22, 1979

MEMORANDUM

TO: Senator Larry Fasbender

FROM: Michael J. Meldahl, Data Processing Coordinator *MJM*

SUBJECT: Amendment to Senate Bill No. 114

1. Page 1, lines 20 and 21

Strike: "the location and staffing level of all data processing services"

Insert: "the addition of data processing staff"