

STATE ADMINISTRATION
MARCH 12, 1981
RM 436

The meeting of the House State Administration Committee was called to order at 8:00 a.m. on March 12, 1981, with Chairman Jerry Feda presiding. All members were present except Representatives Azzara and O'Connell.

Chairman Feda opened the meeting to a hearing on SB 308.

SENATE BILL 308-SPONSOR, Senator Himsl, introduced this bill requested by the Legislative Audit Committee which clarifies the disposition of fees collected by the clerk of the Montana Supreme Court. Except as otherwise provided by law, three-fourths of all fees are deposited in the state general fund; the remaining one-fourth is paid to the Judges' Retirement System. A copy of Senator Himsl's prepared testimony is attached and is EXHIBIT 1 of the minutes.

PROPOSERS

There were no proposers.

OPPOSERS

There were no opposers.

QUESTIONS BY THE COMMITTEE:

There were no questions.

Senator Himsl closed the hearing on SB 308.

SENATE BILL 481-SPONSOR, Senator Story, introduced this bill requested by the Senate State Administration Committee. This bill abolishes the Employment Security Division and its bureaus within the Department of Labor and Industry and transfers the functions of the division and bureaus to the Department. It also amends certain sections of the law to reflect this change.

PROPOSERS

DAVID HUNTER, Department of Labor, stated that the purpose of this bill is to provide flexibility within the department in order that centralized services may be combined. Under the current law the Employment Security Division is under the authority of its director. Mr. Hunter said that the question will be asked, what happens to the division administrator. He said that a deputy director

SB 481 (cont.)

position will be required and Mr. Barrett (administrator for ESD) will be offered this position.

FOREST BOLES, Montana Chamber of Commerce, arose in opposition to this bill. He said that he agrees with Mr. Hunter's ideas of consolidation and cost cutting but feels this can be accomplished without taking away the autonomy of this division. He stated that he is worried about what this bill might do to the employer representation.

ROBERT HELDING, Montana Wood Products Assoc., Missoula, and member of the advisory council for the Employment Security Division for 26 years, stated that this program has worked well in the past and why should we change something that is working well. He also stated that the division is supported by employer money. He said that he believes the federal Employment Security Division would have to approve a change like this. He said that attempts in the past to "co-mingle" the Employment Security Division and the Workers' Compensation have failed.

QUESTIONS BY THE COMMITTEE:

Sales: Give me an idea of the total budget and the total number of employees in the division.

Hunter: There are a total of 935 employees in the Department and out of those 701 work for the Employment Security Division. The Department budget is approximately twenty million dollars, however, if you include the unemployment trust funds it would be much higher.

Dussault: What are the repealers for?

Hunter: They repeal the sections that state there shall be a division and a division administrator and there shall be a bureau and a bureau administrator.

Sales: Mr. Boles, why are you concerned about this change in the policy.

Boles: Mr. Barrett will become a deputy director instead of the administrator of the division for one thing.

Hunter: In regard to Mr. Boles concern about the federal approval. I have submitted this bill along with a cover sheet to the federal Dept. of Labor and they do not anticipate any problems.

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Senator Story closed the hearing on SB 481.

SENATE BILL 309-SPONSOR, Senator Steve Brown, introduced this bill requested by the Legislative Audit Committee. This bill requires a person, firm, corporation, or association that performs background reviews, complaint investigations, or peer reviews with a state professional and occupational licensing board to make available to the board and the legislative auditor all records or other information compiled during the review or investigation. He stated that the Audit Committee does not care who performs the audit but they want the information collected available to them and the board. He said that without this bill it becomes a delegation of the association as to whether these reviews are valid. He also said that the long term solution to this problem would be to require that the Department of Professional and Occupational Licensing have one or two investigators on staff.

PROPOSERS

There were no other proposers.

OPPOSERS

There were none.

QUESTIONS BY THE COMMITTEE:

Spilker: Are you going to have problems with the "right to privacy"?

Brown: No, I do not believe we will. We will not release any of the information and we will only require information pertaining to the investigation.

Senator Brown closed the hearing on SB 309.

SENATE BILL 407-SPONSOR, Senator Steve Brown, introduced this bill requested by the Legislative Audit Committee, which grants rulemaking authority to each licensing board allocated to the Department of Professional and Occupational Licensing to adopt rules specifying grounds for disciplinary action and the type of action that may be taken. A board may also file for a court injunction prohibiting a person from practicing a regulated profession or occupation until he is licensed to practice.

SB 407 (cont.)

Senator Brown said that the only course of action under the current law is to go to the county attorney. This does not work because most boards do not want to spend their time involved with legal proceedings. He said that it is much easier to handle the situation in the manner suggested in this bill than to try and amend thirty or thirty-five laws in order to make them uniform.

PROPOSERS

There were no other proposers.

OPPOSERS

There were no opposers.

QUESTIONS BY THE COMMITTEE:

McBride: How will this affect boards that already have this rulemaking authority.

Brown: All of the boards have some powers. This will be an umbrella statute in addition to the powers that the individual boards have.

Senator Brown closed the hearing on SB 407.

SENATE BILL 155-SPONSOR, Representative Keyser, introduced this bill which amends the exclusion provision in the Public Employees' Retirement Act. It excludes from membership in the retirement system workers who are employed for less than 120 days in a fiscal year unless the employee elects to join the system and retirees receiving a retirement allowance who are employed for less than 60 days in a fiscal year. The bill also permits a member to qualify previous service time as a student employed by a Montana college or university at any time during his P.E.R.S. membership.

PROPOSERS

MIKE STEPHEN, Montana Association of Counties, stated that their interest is an economical one. The county must pay into the system the same amount as the employee but they do not get the money back when the employee quits. Also he stated that there is a lot of paperwork involved in entering and releasing short term employees in the system.

SB 155 (cont.)

LARRY NACHTSHEIM, P.E.R.S., stated support of this bill.

OB STOREY, Madison County, stated that in the last two fiscal years their county share of contributions has amounted to about \$8,000. He stated that Madison county has two nursing homes and they have a tremendous turnover of employees. This bill would help the county a great deal in not having to pay into the system for the probationary period and from the administrative standpoint also.

JOHN NESBO, president of the Montana Assoc. of Counties, concurred with statements made and said that this would help especially in counties where there are hospitals and nursing homes.

MARIE McALEAR, Madison County Commissioner, concurred with other proponents.

OPPONENTS

There were no opponents.

QUESTIONS BY THE COMMITTEE:

McBride: If the employee decides to buy back into the plan after the probationary period they would have to pay their share of the contributions plus interest the same as the employer. Is this correct.

Keyser: Yes.

Feda: I have a question as to how much this will cost the P.E.R.S.

Nachtsheim: We do not think it will be a significant amount. We think it will be a wash when you consider the time it takes to enter and withdraw these short term employees in the system.

Representative Keyser closed the hearing on SB 155.

EXECUTIVE SESSION

SENATE BILL 155

BE CONCURRED IN

Representative Sales moved that SB 155 BE CONCURRED IN.
A vote was taken and carried unanimously.

EXECUTIVE SESSION (cont.)

Representative Keyser was assigned to carry SB 155 in the House.

SENATE BILL 308

BE CONCURRED IN

Representative Kropp made a motion that SB 308 BE CONCURRED IN. A vote was taken and carried unanimously.

Representative Kropp was assigned to carry SB 308 in the House.

SENATE BILL 309

BE CONCURRED IN

Representative Kropp moved a BE CONCURRED IN on SB 309. Discussion on the motion followed.

A vote was taken and carried with 15 YES, 2 NO, and 2 absent. Representatives Feda and Sales voted no.

Representative Winslow was assigned to carry SB 309 in the House.

SENATE BILL 407

BE CONCURRED IN

Representative McBride said that this would eliminate having several separate pieces of legislation.

Representative Mueller moved that SB 407 BE CONCURRED IN. A vote was taken and carried with 13 YES, 4 NO and 2 absent. Representatives Briggs, Smith, Sales and Feda voted no.

Representative Winslow was assigned to carry SB 407 in the House.

SENATE BILL 481

BE CONCURRED IN
AS AMENDED

Lois Menzies, staff researcher, said that there should be an amendment to the title that would list the amended sections of the bill.

EXECUTIVE SESSION (Cont.)

The amendment would read as follows:

Title, line 10.

Following: "REPEALER"

Insert: "; AMENDING SECTIONS 39-51-307, 39-51-503,
AND 39-51-2410, MCA"

Representative Sales moved the amendment. A vote was taken and carried unanimously.

Representative Hanson made a motion that SB 481 BE NOT CONCURRED IN AS AMENDED. He said that it was pointed out that the system is working well the way it is now.

Representative Hanson said that he was surprised that the Chamber of Commerce was against this bill that would save money.

Representative Phillips said that he thought there was more to this bill than the committee was told. He suggested that the committee hold the bill and try to get further information.

Representative Dussault said that there could be more to it but she doubted if there was. She said that long time members of the board are probably just nervous about a new administration.

Representative Pistoria made a motion to hold the bill. A vote was taken and failed.

Representative Spilker made a substitute motion that SB 481 BE CONCURRED IN AS AMENDED. A vote was taken on the motion and carried with 10 YES, 7 NO and 2 absent. See roll call vote sheet for vote.

Representative Dussault was assigned to carry SB 481 in the House.

SENATE BILL 181

Representative Kanduch requested that a sub-committee be set up on SB 181 to work with a sub-committee in the Senate on HB 329. They may be able to consolidate the bills.

Chairman Feda appointed Representatives Spilker, Kanduch and Hanson to the sub-committee.

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EXECUTIVE SESSION (cont.)

SENATE BILL 64

Discussion on this bill was held.

Representative Dussault said that it was her understanding that the committee would hold off on this bill until they could get further cost information on the bill.

Representative Spilker said that she did not care about the cost so much but she wanted to make sure that people know that the Workers' Compensation is not a retirement system.

Representative Dussault said that there was a conflict regarding some of the information received at the hearing and she would like to check into this before taking action.

Chairman Fedra said that the committee would hold off on this bill until the committee could get further information.

A motion was made to adjourn at 10:00 a.m.

Respectfully submitted,



G. C. "JERRY" FEDRA, Chairman

Cathy Martin-Secretary

Explanation of Senate Bill 308
Clarifying Deposit of Supreme Court Fees

A recent audit of the judicial branch noted a conflict between statutory requirements concerning deposit of fees and the method presently being used by the court. At the present time all fees collected by the clerk are being deposited $\frac{3}{4}$ to the general fund, and $\frac{1}{4}$ to the Judges Retirement System. Section 37-61-205, MCA, requires that all application fees for admission to the bar be deposited in the general fund. Present practice is to split the deposit of application fees $\frac{3}{4}$ - $\frac{1}{4}$ as previously noted.

This bill would remove the apparent conflict by retaining the $\frac{3}{4}$ - $\frac{1}{4}$ split except where otherwise provided as is the case with 37-61-305 relating to application fees.

The Supreme Court requested the Legislative Audit Committee sponsor legislation to clarify deposit procedures.

JWN/dch

VISITORS' REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SB 155

Date 3/12/81

SPONSOR KEYSER

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SB 481

Date 3/12/81

SPONSOR STORY

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.