

STATE ADMINISTRATION  
MARCH 26, 1981  
RM 436

The meeting of the House State Administration Committee was called to order at 9:00 a.m. on Thursday, March 26, 1981, with Chairman Jerry Feda presiding. All members were present except Representative O'Connell who was excused. Representative Holliday was excused for part of the meeting.

HOUSE JOINT RESOLUTION 19-SPONSOR, Senator Dover, introduced this resolution which requests the United States Congress to submit to the states an amendment to the United States Constitution requiring that, in the absence of a national emergency, the federal budget be balanced each fiscal year within four years after the amendment is ratified by the states. Senator Dover said that 30 other states have already enacted resolutions similar to this one. The polls indicate that this is popular with the people. He said that 82% of the democrats and 86% of the republicans favor a balanced budget amendment. He said that we must get a message to congress that achieving a balanced budget is a major concern to all Americans. Senator Dover said that his original bill called for a Constitutional Convention but in order to keep the bill from being killed in the Senate, he was willing to compromise and amend it out. This, he stated, will send a weaker message, but at least it will be a message.

#### PROPOSERS

JERRY LOENDORF, representing the National Taxpayers Union, said that the reason this proposal, as popular as it is, has not been enacted is because congress refuses to take a step in this direction. He said there is no good reason for being against this resolution. The concerns in the past have been how do we go about enacting this. So many people do not want to call a constitutional convention but, he stated, I feel the way to send a strong message is to put the convention call back in the resolution. It is very unlikely that the congress would ever let it go that far. They would, however, get the message that the people are sending. Mr. Loendorf submitted for the record a copy of a statement in Readers Digest that centers on this issue and also a sheet reflecting "Public Attitudes on a Balanced Budget Amendment". A copy is attached and is EXHIBIT 1 & 2 of the minutes.

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GARY LANGLEY, Director of Governmental Relations in Montana for the National Federation of Independent Business, read a prepared statement to the committee in support of this resolution. A copy is attached and is EXHIBIT 3 of the minutes.

JIM JENSEN, representing himself, stated support of the resolution in its present form. He said that he is opposed to the convention call.

OPPONENTS

There were none present.

QUESTIONS BY THE COMMITTEE

Azzara: I question how this type of "bi-related, either-or type of message will be interpreted by congress.

Loendorf: At least 19 states have adopted this same resolution so if there is any defect, which I do not think there is, it will be uniform.

Representative Azzara pointed out that there is no consensus among government on how a convention would be handled.

Senator Dover closed the hearing on SJR 19.

EXECUTIVE SESSION

SENATE JOINT RESOLUTION 19

BE CONCURRED  
AS AMENDED

Representative Kropp made a motion to amend the bill back to the original language, calling for a convention. Representative Sales agreed and seconded the motion.

Representative Azzara said that he thought that would be unwise. He said we should be prudent in the transition.

Representative Mueller said that he was concerned that we may lose the whole bill if we amend it.

EXECUTIVE SESSION

SJR 19 (cont.)

Representative Dussault agreed that the bill should not be amended.

A vote was taken on the motion to amend and carried with 11 YES, 6 NO and 2 absent. Representatives Dussault, Azzara, Kanduch, Kennerly, McBride and Pistoria voted no.

Members who voted no on the amendments concurred that they would have supported the resolution without the amendments.

Representative Kropp moved that SJR 19 BE CONCURRED IN AS AMENDED. A roll call vote was taken and carried with 11 YES, 6 NO and 2 absent. The same members voted no and Representatives O'Connell and Holliday were absent.

Representative Kropp was assigned to carry SJR 19.

SENATE BILL 142

Senate bill 142, heard on March 5, 1981, was held until action could be taken on SB 257. Representative Dussault said that SB 257 is not moving so we have to get this bill out.

Representative Dussault moved that SB 142 BE CONCURRED IN AS AMENDED. The amendments were made in executive session on March 5, 1981.

A vote was taken and carried unanimously with those present.

Representative Dussault will carry SB 142 in the House.

SENATE BILL 258

BE CONCURRED IN  
AS AMENDED

Representative Winslow moved that an amendment be made to take out SB 430 and also take out reclamation so the bill would be back in its original form. He said that the proposed amendments would create almost a czar situation which would be no good especially since the coal and strip mining projects will play such an important part in Montana in the next few years. Also, he stated, Leo Barry said there would be no physical change until the building was completed anyway.

SB 258 (cont.)

Representative Mueller concurred with Winslow and said that he thought the transfer of the forestry functions made good sense.

Representative Dussault said that she was not sure about the transfer of the reclamation functions and would like to vote on the amendments separately.

A vote was taken on the first amendment to take out SB 430 and carried unanimously.

Representative Spilker said that she supports the amendments but thought the bill even as amended in the Senate has some merit but perhaps is moving too quickly. This idea should be studied before these moves are made.

A vote was taken on the second amendment to take the transfer of the reclamation functions out of SB 258. A vote carried unanimously.

Representative Winslow will carry SB 258 in the House.

SENATE BILL 294

BE CONCURRED IN  
AS AMENDED

Senate Bill 294 was reconsidered on March 16, 1981. The bill was amended at that time to take out bureau chiefs.

Representative Spilker moved that a further amendment be made that would take out division administrators so that all that would remain would be deputy directors, which is about 12 people to add to the governor's discretion in hiring or firing.

Representative Phillips said that he was totally against this motion. He said the division administrator is the level where most of the power is and where the decisions are made. They should not have protection built around them. There would be "no teeth" in the bill without division directors in the bill.

Representative Sales said that he did not think the bill covered enough people. He said everyone should serve at the governors pleasure and we should not discriminate against the people at the top.

SB 294 (cont.)

Representative Spilker said that the bureaucrats have been putting in rules and regulations all the time and now they want to make a new law to clear up the problems. They should clean up the rules and regulations instead. I think we should just give the governor the opportunity with the deputy directors and then in two years if it is working out well they can come back and ask for more control.

Representative Azzara said that the governor could not possibly make all of the decisions without help from the department heads and other people in government. I do not see this as a political patronage mechanism

Representative Phillips offered a substitute amendment that would allow the department head, with the approval of the governor, to remove a division administrator.

Representative Fedra said that he would like to go further than a deputy director on this.

Representative Spilker said that we must move slowly on this significant move and give the department heads time to work out the rules and regulations between now and the next session.

Chairman Fedra said that the committee would vote on Representative Spilker's amendment first. A vote was taken and failed with 5 YES, 12 NO and 2 absent.

A vote was taken on Representative Phillips substitute motion and carried with 10 YES, 7 NO and 1 absent. Representative O'Connell and Holliday were absent.

See roll call vote for votes.

Representative Phillips moved that SB 294 BE CONCURRED IN AS AMENDED. A vote was taken and carried with 11 YES, and 8 NO. Representative O'Connell left a proxy vote.

See roll call vote sheet for votes.

Representative Phillips was assigned to carry SB 294 in the House.

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SENATE BILL 449

BE CONCURRED IN  
AS AMENDED

Representative Mueller moved the amendments proposed by the subcommittee. He said that the intent of the committee was to give the department sufficient power to administer the program and make sure the participant's investments were protected and at the same time not create another bureau within the department.

A copy of the amendments proposed during the subcommittee meetings is attached as well as a copy of the final amendment proposed by the subcommittee.

A vote was taken on the motion to amend and carried unanimously.

Representative Mueller moved that SB 449 BE CONCURRED AS AMENDED. A vote was taken and carried unanimously.

Representative Mueller will carry SB 449 in the House.

HOUSE BILL 663

Representative Dussault said that SB 663 was tabled with the intent that the committee would propose an interim study of centralized procurement.

Representative Dussault made a motion to that effect.

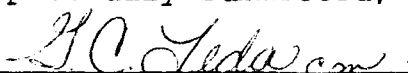
A vote was taken and carried with 15 YES and 3 NO. Representative Kropp, Holliday and Pistoria voted no.

Chairman Feda asked Representatives Dussault and Phillips to work with Lois Menzies and himself in drafting up a resolution for study.

Representative Dussault said that the committee will have to taken action on SB 325. The committee thought SB 325 would be merged with another bill but it has not been.

The committee decided to wait until SB 50 was heard in the Senate before taking any action. A meeting was scheduled for Friday, March 27, at 10:00 a.m.

Respectfully submitted,

  
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G. C. "JERRY" FEDA, Chairman

Cathy Martin-Secretary

## THE READER'S DIGEST

directly from the convention approach. State convention calls have helped prompt Congress to submit amendments to provide for direct election of Senators, repeal Prohibition, limit a President to two terms and provide for Presidential succession in case of disability.

In this session of Congress, 203 Representatives and 39 Senators support a wide variety of amendment proposals which they want Congress to submit directly to the states, circumventing a convention call. (Three-fourths of the state legislatures, 38, are required to ratify an amendment.) One group would require a "super-majority" of either two-thirds or three-fourths of the members of Congress, in an emergency such as war or deep depression, to vote for a deficit budget. Otherwise, the legislators would have to match outlays with revenues. If revenues fell short, Congress would have to slash spending or impose a surtax. Knowing they would have to go on record in favor of higher taxes, the legislators would be certain to look harder at some of their spending ideas.

Another proposal has come from Senators Richard Stone (D., Fla.) and H. John Heinz (R., Pa.). Their amendment, drafted by a group including Nobel Prize-winning economist Milton Friedman, would limit federal spending increases to the growth in the Gross National Product. If inflation is greater than three percent, the proposal would impose an even tighter limit on spending.

President Carter and Democratic

leaders in Congress protest that any constitutional amendment would "tie the hands" of the nation in time of crisis, since a determined minority of either house could block needed appropriations. Proponents respond that a stubborn minority blocking obviously needed action would be swiftly punished at the polls. Congress could still act by majority vote in an emergency by levying taxes to finance needed spending; a minority could only block deficit spending.

Whatever the outcome of these proposed amendments, and the call for a constitutional convention, the balance-the-budget movement has triggered a mighty debate. Says the National Taxpayers Union's Jim Davidson: "As people see their real spending power decline, this issue will not fade away." Adds Sen. Gary Hart (D., Colo.), "It's a sorry state of affairs when the American people are demanding a constitutional convention because they don't trust us, and Congress is saying, 'No, you can't have one because we don't trust you.'"

This contentious scene would not faze the men who wrote the Constitution, for the debate has focused public attention once again on some eternal verities about public power, its exercise, abuse and safeguards. What healthier way for Americans to celebrate the approaching 200th birthday of their Constitution?

Reprints of this article are available. Prices, postpaid to one address: 10—\$1.00; 50—\$3.00; 100—\$5.00; 500—\$15.00; 1000—\$25.00. Address Reprint Editor, Reader's Digest, Pleasantville, N.Y. 10570 (Prices subject to change without notice.)

## A Reader's Digest REPRINT

### Springboard for Discussion

Outrage over soaring inflation has prompted 30 states to petition Congress for a constitutional convention, triggering a great debate: Should we finally limit federal spending by passing . . .

# A Constitutional Amendment to Balance the Budget?

By EUGENE H. METHVIN

**I**N OLLIE MOHAMED's Belzoni, Miss., department store, a group was discussing federal spending, inflation and Congress's perennial inability to balance the budget. State legislator David Halbrook spoke of his new grandchild: "That baby is going to have to pay for the things I'm enjoying. It ought to be the other way around. I ought to leave the world a little better for him."

That gave Mohamed, a former legislator, an idea. He found a copy of the Constitution and began to read from Article V: "The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several

States, shall call a Convention for proposing Amendments, which, in either Case shall be valid . . . when ratified by the Legislatures of three fourths of the several States. . . ."

That day in 1974, a national crusade was born to compel Congress by constitutional amendment to balance the federal budget. (An exception would occur in national emergencies, when both houses could agree by two-thirds vote to permit deficit spending.) A few months later, Representative Halbrook got the Mississippi state legislature to pass a resolution calling for a constitutional convention. Acting independently, lawmakers in Maryland, Delaware and North Dakota passed similar resolutions. The National Taxpayers

## No!

IF A TEMPORARY UPSURGE in resentment against taxes, expenditures and deficits that are conceived to be excessive were to culminate in a constitutional convention, and if one of the many alternative amendments were to be adopted, an economist can predict with all too weighty odds that several times in the decades to come the adopted amendment will bring on or exacerbate an economic crisis. If the adopted amendment provides escape valves so easy to invoke that the harm of the amendment can be avoided, the amendment degenerates into little more than a pious resolution, a rhetorical appendage to clutter up our magnificent historical Constitution.

—Paul A. Samuelson, Institute Professor, Massachusetts Institute of Technology, and Nobel Laureate in Economics

Union, a feisty new citizens' lobby, took up the cause, and by April 1979 convention-call resolutions had been passed by 30 states. If four more act, Congress will be required to call a constitutional convention.

The pressure is growing. CBS and the *New York Times* interviewed voters last November and found that 82 percent of Democrats and 86 percent of Republicans favor a balanced-budget amendment. Five Presidential contenders (Republicans Reagan, Connally, Dole, Baker and Democrat Brown) have endorsed it. Observed Oregon senate president Jason Boe, "This thing is coming like a 100-car freight train at Congress, and they haven't done a thing about it."

The realization that the budget-balancers are only four states away from a constitutional convention has startled and disturbed many Washington politicians. Senate Budget Committee Chairman Edmund Muskie (D., Maine) growled that if state legislators continued their rebellion, Congress might balance the budget

by cutting the \$83 billion in grants and revenue sharing it gives states and localities. House Speaker Tip O'Neill's son Thomas, the Massachusetts lieutenant governor, took the lead in organizing an anti-amendment coalition of the special-interest groups that benefit most from deficit spending, including the AFL-CIO, the National Education Association and other public employee unions. President Carter assailed the proposition as "political gimmickry," and formed a White House task force to lobby state legislators.

Washington mobilization had effect. The Montana senate bowed to lobbying efforts and in March defeated an amendment resolution. And the Administration has promised an all-out fight in each of the 15 state legislatures that have yet to act.

Clearly, the battle lines are drawn between the Washington establishment and a disillusioned grassroots groundswell. Never before in the nation's history has so widespread a movement for constitutional change developed over such fundamental

## Yes!

OUR COUNTRY is in the midst of a rapid inflation that has already weakened the confidence of people in government and in our country's future. Though the therapy would indeed be drastic, my recommendation is that Congress go on record as supporting the principle of a constitutional requirement of a balanced budget, that they promptly pass such a statute and provide for an annual review with the aim, say three years from now, of making that act (or some modification) a constitutional amendment. This would assure the American people that our governmental bias toward spending and borrowing is being effectively offset and that they can look forward once again to a dollar of stable purchasing power. —Arthur F. Burns, former Chairman of the Board of Governors of the Federal Reserve System

issues as the proper size of government and the way our elected representatives wield the powers to tax and spend. If the convention drive succeeds, says *The Wall Street Journal*, "the people would be saying that they have finally decided Congress can't be trusted with their money."

Few even on Capitol Hill dispute that there is genuine ground for wondering these days. Between 1946 and 1961, Congress managed seven deficits and seven surpluses, with an overall approximate balance—and low inflation. But in the 19 years since, Congress has balanced the budget only once, in 1969, and the net deficit over those years has been a staggering \$377 billion. Washington has continued the deficits in boom times as well as bust. This year, President Carter offered a 1980 budget with a \$29 billion deficit—plus \$12 billion more in "off budget" items—and called it "austere."

Two decades of Congressional and White House profligacy have helped produce severe inflation that threatens to halve the value of every

dollar in five and a half years. Obvious victims include the poor and the elderly, but in the end, everybody suffers. The average family last year paid almost \$800 interest on past government deficits, and inflation robbed another \$800 from its purchasing power.

In 1976, running against the Washington establishment, candidate Jimmy Carter promised to balance the budget by 1979. Now that President Carter has proffered a \$29 billion deficit, the public is turning to the constitutional amendment as a solution. The Associated Press found in a poll last February that "distrust of politicians is so deep that Americans do not believe their elected officials will act. Seventy percent said politicians will not work to wipe out the deficit."

Even without a constitutional convention, the budget-balancers may get what they want. State legislatures have used the convention call in the past to lever balky Congresses into proposing needed amendments. In fact, no amendment has ever come



## Public Attitudes on a Balanced Budget Amendment

Recent polls by the highly respected Gallup organization, the Roper Organization, the New York Times -- CBS News, and the Associated Press -- NBC News indicate overwhelming public support for a constitutional amendment to require a balanced federal budget and a constitutional convention to draft such an amendment.

The questions asked were:

Gallup: "A proposed amendment to the Constitution would require Congress to approve a balanced federal budget each year. Government spending would have to be limited to no more than expected revenues, unless a three-fifths majority of Congress voted to spend more than expected revenue. Would you favor or oppose this amendment to the Constitution?" March, 1980.

Roper: "Considering both the possible advantages and possible drawbacks, would you like to see a Constitutional Convention called to consider an amendment to limit federal spending, or wouldn't you be in favor of such a convention?" July, 1979.

Gallup: "Would you favor or oppose a constitutional amendment that would require Congress to balance the federal budget each year -- that is, keep taxes and expenditures in balance?" July, 1978, February, 1979.

New York Times - CBS News: "Would you favor or oppose a constitutional amendment requiring a balanced national budget except in times of emergency?" January, 1979.

Associated Press - NBC News: "Would you favor or oppose a constitutional amendment which would require the federal government to balance the budget?" February, 1979.

POLL	FAVOR	OPPOSE	NO OPINION
Gallup 1980 (Informed)*	75%	16%	9%
Gallup 1980	67	13	20
Roper 1979	65	22	13
Gallup 1979	78	12	10
Gallup 1978	81	11	8
NYT/CBS News	73	16	11
AP/NBC News	70	18	12

\* Gallup's 1980 informed group were "those who have heard or read about proposals" for a balanced budget amendment.

The New York Times-CBS News poll also found "that the proposed budget-balancing amendment had a remarkably uniform level of support across the country and demographically." They found that over 70% of those identifying themselves as Democrats, Republicans, Conservatives or Liberals favored such an amendment.

The 1979 Gallup poll found 84% favor and just 5% oppose the amendment if provisions are made for emergency expenditures.

Gallup's 1979 demographic breakdown follows on the next page.

Statement of Gary Langley  
Director, Governmental Relations, Montana  
National Federation of Independent Business

Statement of Support of Senate Joint Resolution 19  
Before: The House State Administration Committee  
March 26, 1981

Mr. Chairman, Members of the Committee. I am Gary Langley, Director of Governmental Relations in Montana for the National Federation of Independent Business. The National Federation of Independent Business has a membership of more than 540,000 small and independent business firms throughout the nation representing all segments of the economy. More than 5,000 of these members are located here in the state of Montana. The purpose of NFIB is to promote and protect our free enterprise system through a government climate favoring creation of, expansion of job producing enterprises.

NFIB enthusiastically welcomes this opportunity to participate in this national movement to obtain ratification of state resolutions calling upon Congress to either propose a constitutional amendment requiring a balanced federal budget or, alternatively, to convene a Constitutional Convention for this singular purpose.

Inflation is well recongized as the greatest problem facing this nation today and in which the consistent multi-billion dollar deficit spending policies of the federal government are identifiable as a major cause of this inflation. Only once since 1960 has the federal government limited its spending to available revenues. Just last week the national debt was announced to be \$932.2 billion as President Reagan was forced to request Congress to increase the government's borrowing authority to \$985 billion. The interest on the current debt is pegged at more than \$60 billion annually or more than ten percent of the federal budget.

During the past decade or perhaps even longer, Presidents and congressmen alike have pledged their support in all sincerity to the objective of attaining a balanced federal budget, but the huge deficits continue on year after year even during periods of economic boom. No one preached the gospel of the balanced

federal budget more than did President Carter. Yet at no time did he even come close to this stated goal. This habit of heavy deficit spending has become so ingrained back in Washington, D.C., that a constitutional amendment to require a balanced federal budget, except during a national emergency, emerges as the most single logical solution.

Meanwhile, the rising government spending has forced higher interest rates and shrunken available capital formation funds, leading to sluggish economic growth and unfavorable foreign trade balances. The purchasing power of the dollar has been cut in half since 1967 and the tax bite for the average person for federal, state and local taxes has grown to 44 percent of personal income.

Achieving a balanced budget is of major concern to all Americans and even to most of the civilized world. In assorted public opinion polls taken at various times throughout the nation, it has been conclusively shown that the general public overwhelmingly supports a constitutional amendment for a balanced federal budget. On National NFIB ballots, the voting members have consistently favored attaining a balanced budget before instigating tax cuts. Ideally spending cuts, tax cuts, and a balanced federal budget should all go hand in hand to strengthen the economy.

Indeed, 84 percent of the NFIB members in Montana responding to our recent State Ballot expressed support for a resolution requesting Congress to propose an amendment to the U.S. Constitution requiring a balanced federal budget or to call a Constitutional Convention if Congress fails to do so.

In a speech in support of a constitutional amendment, former United States Senator Sam Ervin of North Carolina stated: "I found out that this old economic theory that some people attribute to John Maynard Keynes that the more a government spends of what it hasn't got, the richer the country will be, is a fallacy and it robs a country of its economic power as well as its character. I think it is not important but absolutely essential for the United States to have a balanced federal

budget. Deficit financing is fundamentally dishonest in pawning off these debts on some future generation."

Small business which is, has been and should continue to be a major segment of Montana's economy is being severely squeezed as inflation weakens its capitalization structure. The average small business person is not blessed with an abundance of financial resources and, therefore, is highly dependent upon outside financing for the continuity of his business operation. He finds himself being crowded out of the money market as more and more of these funds are drawn away from the private sector to support increased levels of government spending.

In addition, and as a result of the inflationary spiral, small businesses are caught, for all practical purposes, on a perpetual treadmill as it requires an increasing percentage of profits just to maintain the same level of inventory on their shelves and to cover inflated overhead and related service expenses. This leaves little opportunity to realized any expansion potential and job creation ability. In fact, according to our economic surveys, 15 percent of all small business persons do not earn any more per hour than their employees. The financial incentive is rapidly disappearing for the independent-minded individual to remain in business or assume the risks now associated with the high cost of a new business formation.

Inflation has made it impossible to turn back the clock to the time when a business could be started on a "shoe string." It is doubtful that anyone would want to return completely to those days. However, neither can Montana afford to see the time come where the independent, inventive entrepreneurs are priced out of the marketplace in their endeavors to launch new innovative products which offer potential advancements to our standard of living as well as additional job opportunities within the private sector.

The call for congress to convene a Constitutional Convention if either Congress cannot or will not propose a constitutional amendment requiring a balanced federal

budget is an essential provision that should be replaced in this resolution and should remain a part of any resolution passed by the Montana Legislature on this subject. In prior years, other states have passed various resolutions or memorials in regard to their concerns with the federal deficit spending policies, including requests for a constitutional amendment. Congress has had more than sufficient time to grab the initiative on this issue. It has chosen not to do so.

Only the demands of a sufficient number of states for a Constitutional Convention will awaken Congress to pass a resolution of its own proposing a constitutional amendment of a balanced federal budget. Only if Congress fails to hear the will of the people across this land, as represented by their state legislatures, and 34 states pass similar resolutions or memorials requiring Congress to Convene a Constitutional Convention will such a convention be needed.

Members of the Senate Finance and Claims Committee removed the constitutional convention call from the bill because they were concerned that a convention might get out of hand. You may have similar concerns, but the possibility of a constitutional convention should not alarm you.

First, as the drive for a convention nears success, Congress probably will propose the amendment on its own and no convention will be necessary. This has happened before. Congress proposed an amendment providing for the direct election of U.S. senators in 1912, but only after enough states had called for a convention. Congress will not propose a balanced budget amendment unless the states again call for a limited convention. Resolutions like SJR 19 as it has been amended will not force Congressional action.

Moreover, a convention would have only one purpose--to draft a balanced budget amendment. It would not have any other powers that Congress has. Also, the convention can only propose an amendment which would become law only after it is ratified by 38 states.

SJR 19 has further provided that the resolution is void if a convention is not limited to this one exclusive purpose.

To date, 30 states have passed resolutions asking for a limited convention on a balanced budget amendment if Congress does not act. It is strongly urged that this committee give its favorable recommendation to Senate Joint Resolution 19 so that Montana may soon be able to add its name to this worthy endeavor.

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STATE ADMINISTRATION

PROPOSED AMENDMENTS TO SB 449

(3/19/21)

1. Statement of intent, line 5.

Following: line 4

Insert: "Under the provisions of this bill, the Legislature intends that the Department of Administration or the appropriate officer of a political subdivision, if a political subdivision chooses to establish its own program, shall administer the deferred compensation programs for public employees but shall contract with private corporations, institutions, or individuals to manage the daily operations of the programs including consolidated billing and the marketing of the plans. The Department or political subdivision is prohibited from assuming any service or function that may be adequately performed by private corporations or individuals."

2. Page 2.

Following: line 1

Insert: "(2) Advisory council" means the state employee group benefits advisory council provided for in 2-15-1016."

Renumber: subsequent subsections

3. Page 6, line 8.

Following: "Department"

Strike: "of administration"

4. Page 6, line 17.

Following: "(1)"

Strike: "A"

Insert: "Effective July 1, 1983, a"

5. Page 7, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

6. Page 7, line 25.

Following: "program"

Strike: "may"

Insert: "shall"

7. Page 8, line 2.

Following: "may"

Strike: "hire"

Insert: "contract with"

8. Page 8, line 3.

Following: "."

Insert: "The administrator may not assume any functions or duties relating to the operation of the program that may be adequately performed by a private corporation, institution, or individual."

(over)

(3/23/81)

1. Statement of intent, line 5.

Following: line 4

Insert: "the Legislature intends that each administrator of a deferred compensation program in the state of Montana shall contract administrative and marketing services with private corporations, institutions, or individuals when eligible deferred compensation programs are established under this chapter, provided such contracts result in appropriate administration of the program and proper safeguarding of assets."

2. Page 2.

Following: line 1

Insert: "(2) Advisory council" means the state employee group benefits advisory council provided for in 2-15-1016."

Renumber: subsequent subsections

3. Page 6, line 8.

Following: "Department"

Strike: "of administration"

4. Page 6, line 17.

Following: "(1)"

Strike: "A"

Insert: "Effective July 1, 1983, a"

5. Page 7, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

6. Page 8, line 2.

Following: "may"

Strike: "hire"

Insert: "contract with"

7. Page 8.

Following: line 16

Insert: "NEW SECTION. Section 6. Functions of advisory council.

(1) The department shall meet and consult with the advisory council before negotiating, contracting, or modifying deferred compensation plans.

(2) The advisory council shall meet quarterly to review existing deferred compensation plans and to advise the department on the administration of the program."

Renumber: subsequent sections

8. Page 8, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

9. Page 9, line 6.

Following: "any"

Insert: "investment"



10. Page 9.

Following: line 8

Insert: "Section 9. Codification instruction. Section 6 is intended to be codified as an integral part of Title 19, chapter 2, part 2, and the provisions of Title 19, chapter 2, apply to section 6."

PROPOSED AMENDMENTS TO SB 449

1. Statement of Intent, line 5.

Following: line 4

Insert: "The legislature intends that an administrator of a deferred compensation program in the state of Montana shall have the authority to properly administer the program to protect the interests of program participants and to safeguard the plan's assets. However, the administrator shall contract with private corporations, institutions, or individuals whenever it is economical and efficient to do so."

2. Page 2.

Following: line 1

Insert: "(2) 'Advisory council' means the state employee group benefits advisory council provided for in 2-15-1016."

Renumber: subsequent subsections

3. Page 6, line 8.

Following: "Department"

Strike: "of administration"

4. Page 6, line 17.

Following: "(1)"

Strike: "A"

Insert: "Effective July 1, 1983, a"

5. Page 7, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

6. Page 7, lines 23 through line 3, page 8.

Following: "." on line 23

Strike: "The" through "." on line 3

Insert: "The administrator shall protect the interests of program participants and safeguard the assets of the deferred compensation plan. Whenever private persons may provide administrative and marketing services more efficiently and economically than the administrator, the administrator shall contract with such persons for these services."

7. Page 8.

Following: line 16

Insert: "NEW SECTION. Section 6. Functions of advisory council.

(1) The department shall meet and consult with the advisory council before negotiating, contracting, or modifying deferred compensation plans.

(2) The advisory council shall meet at least quarterly to review existing deferred compensation plans and to advise the department on the administration of the program."

Renumber: subsequent sections

8. Page 8, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

9. Page 9, line 6.  
Following: "any"  
Insert: "investment"

10. Page 9.  
Following: line 8  
Insert: "Section 9. Codification instruction. Section 6 is  
intended to be codified as an integral part of Title 19,  
chapter 2, part 2, and the provisions of Title 19, chapter 2,  
apply to section 6."

STATEMENT OF INTENT SB 449

(3/25/81)

1. Statement of Intent, line 5.

Following: line 4

Insert: "The Legislature intends that an administrator of a deferred compensation program in the state of Montana shall contract administrative and marketing services with private corporations, institutions, or individuals when eligible deferred compensation programs are established under this chapter, if such contracts result in proper safeguarding of assets and protection of the participants' interests."

Section 5. Administration of program.

The deferred compensation program shall be administered by the department or the appropriate officer designated by a political subdivision. Payroll deductions shall be made, in each instance, by the appropriate payroll officer. The administrator shall protect the interests of program participants and safeguard the assets of the deferred compensation plan and shall contract with private corporations, institutions, or individuals for administrative and marketing services. The administrator may solicit bids for options....

HOUSE AMENDMENTS TO SB 449

1. Statement of Intent, ~~SB 449~~.

Following: line 4

Insert: "The Legislature intends that an administrator of a deferred compensation program in the state of Montana shall contract administrative and marketing services with private corporations, institutions, or individuals when eligible deferred compensation programs are established under this act, if these contracts result in the protection of participants' interests and the safeguarding of the plan's assets."

2. Page 2.

Following: line 1

Insert: "(2) "Advisory council" means the state employee group benefits advisory council provided for in 2-15-1016."

Renumber: subsequent subsections

3. Page 6, line 8.

Following: "Department"

Strike: "of administration"

4. Page 6, line 17.

Following: "(1)"

Strike: "A"

Insert: "Effective July 1, 1983, a"

5. Page 7, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

6. Page 7, lines 23 through line 3, on page 8.

Following: "." on line 23

Strike: "The" through "." on line 3

Insert: "The administrator shall protect the interests of program participants and safeguard the assets of the deferred compensation plan and shall contract with private corporations, institutions, or individuals for administrative and marketing services."

7. Page 8.

Following: line 16

Insert: "NEW SECTION. Section 6. Functions of advisory council. (1) The department shall meet and consult with the advisory council before negotiating, contracting, or modifying deferred compensation plans.

(2) The advisory council shall meet at least quarterly to review existing deferred compensation plans and to advise the department on the administration of the program."

Renumber: subsequent sections

8. Page 8, lines 19 and 20.

Following: "department" on line 19

Strike: "of administration"

(SVO)  
✓

9. Page 9, line 6.

Following: "any"

Insert: "investment"

10. Page 9.

Following: line 8

Insert: "Section 9. Codification instruction. Section 6 is intended to be condified as an integral part of Title 19, chapter 2, part 2, and the provisions of Title 19, chapter 2, apply to section 6."

~~RENUMBER : SUBSEQUENT SECTION~~

## HOUSE AMENDMENTS TO SB 258

1. Title, lines 7 through 10.  
Following: "LANDS;" on line 7  
Strike: "TO" through "CONSERVATION;" on line 10
2. Title, page 1, line 13 through line 3, page 2.  
Following: "MEA;" on line 13, page 1  
Strike: "TO" through "DOCTOR;" on line 3, page 2
3. Title, line 4, page 2.  
Following: "TRANSFER;"  
Strike: "REPEALING SECTION 75-5-502, MCA;"
4. Title, line 5, page 2.  
Following: "PROVIDING"  
Insert: "AN"  
Following: "EFFECTIVE"  
Strike: "DATES"  
Insert: "DATE"
5. Page 3, line 9 through line 15 on page 6.  
Following: line 8  
Strike: Sections 3 through 5 in their entirety.  
Renumber: subsequent sections
6. Page 6, line 20.  
Following: "sciences"  
Strike: "NATURAL RESOURCES AND CONSERVATION"  
Insert: "health and environmental sciences"
7. Page 6, line 21.  
Following: "2-15-2104"  
Strike: "2-15-3302"  
Insert: "2-15-2104"
8. Page 6, line 23.  
Following: "sciences"  
Strike: "NATURAL RESOURCES AND CONSERVATION"  
Insert: "health and environmental sciences"
9. Page 6, line 24.  
Following: "21"  
Strike: "33"  
Insert: "21"
10. Page 8, lines 23 and 24.  
Following: "lands"  
Strike: "natural resources and conservation"  
Insert: "state lands"

(continued)

11. Page 12, lines 4 and 5.

Following: "lands"

Strike: "natural resources and conservation"

Insert: "state lands"

12. Page 12, line 23 through line 9, page 72.

Following: line 22

Strike: sections 11 through 52 in their entirety.

Renumber: subsequent sections

13. Page 72, line 19 through line 1, page 73.

Following: line 18

Strike: sections 55 and 56 in their entirety.

Insert: "Section 10. Effective date. This act is  
effective July 1, 1981."



HOUSE STATE ADMINISTRATION COMMITTEE

Date 3/26/81

[illegible]

Form CS-33  
1-81

**NFIB**

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