

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

April 9, 1985

The meeting of the State Administration Committee was called to order by Chairman Sales at 9:15 a.m. in Room 317 of the State Capitol on the above date.

ROLL CALL: Sixteen members were present with Reps. Garcia and Smith excused and Rep. Smith having left his votes with the Chairman.

CONSIDERATION OF SENATE JOINT RESOLUTION NO. 34: Sen. Matt Himsl, District #3, principle sponsor of the bill, explained that the resolution would study the salaries of elected state officials and some appointed officials in comparison, not only with other state officials, but with the private sector as well, which has never been done. He handed in written testimony which is attached as Exhibit #1.

PROPOSERS: Ed Argenbright, Superintendent of Public Instruction, spoke in support of the Resolution requesting a study of these various salaries. He said there is a lot of disparity between salaries and in some instances people are serving the state as a matter of commitment, which can only go so far. He stated that a study such as this was in order.

Steve Brown, representing the Montana Judges' Association, said that this resolution came about after the judges withdrew their bill for a salary increase. He said the Salary Commission as required by the constitution just wasn't getting the job done and the only thing that matters is what the members of the Legislature feel should be paid for these positions. He also said that regardless of party affiliation the superintendent of public instruction should receive a higher salary than what is presently offered. He said there should be some adjustments in the salaries so these positions attract the best candidates. Some people have remarked that the judges' retirement system offsets the lower salaries of the judges because they do have a better retirement system. The elected officials are not getting any increase in salary this year.

OPPONENTS: There were no opponents to the resolution.

There being no questions from the members of the Committee, Sen. Himsl closed without further comment.

CONSIDERATION OF SENATE JOINT RESOLUTION NO. 35: Sen. Chet Blaylock, District #43, sponsor, said that the resolution asks for a study of the state lottery issue in Montana and said that this matter has come up during the last two sessions. The Senate bill this session, passed 2nd reading, was called back from 3rd reading and was defeated by two votes in the Senate.

He said that if the state is going to have a lottery we should see where we are going and what is going to happen. We will have to set up another bureaucracy to run the lottery, print tickets, distribute tickets, sell tickets, promote the lottery, etc. The study should also bring out the social costs. He suggested that people should be brought in from other states that have lotteries and should represent both sides of the issue. He said that to compare Montana with Nevada, a state that is relatively unpopulated, is foolish as Nevada has the huge population area of Los Angeles within a few hours' drive. He also referred to the two amendments in the Resolution which were inserted by the Senate State Administration Committee.

PROPOSERS: Cathy Campbell, Montana Association of Churches, spoke in favor of the resolution. She said that the committees do not have the time to hear all of the information that is available and mentioned that the fiscal note on HB 945 was not completed until after this committee had taken executive action on the bill. She said this study would not be difficult because there is a lot of information available and said that the study would show that a lottery is not feasible, economically, for Montana. According to information from other states the operating costs are too low in HB 945 but if raised the revenue would be less than \$2 million. She was definitely in support of this study and said that it should be done.

OPPOSERS: There were no opposers.

DISCUSSION OF SENATE JOINT RESOLUTION NO. 35: Rep. Moore asked Sen. Blaylock if the State could take advantage of PSA for advertising on television. Sen. Blaylock said they would have to pay for all advertising and this would cut the profit right away. This is something that must be studied.

Rep. O'Connell said that the people in her area are definitely in support of a state lottery and believed that HB 945 gives them the right to vote whether they want one or not and therefore didn't see any need for this study.

In answer to a question by Rep. Phillips, Mrs. Campbell said that HB 945 will be heard in the Senate committee on this date. Rep. Pistoria felt that passage of this resolution could hurt HB 945.

Rep. Cody asked how much this study would cost and Sen. Blaylock said that it shouldn't amount to a great deal as there is an abundance of information that is available. He again suggested that some people be brought in from areas that have lotteries. If this is going to be put on the people we should know what is going on in other states.

Without further comment, Sen. Blaylock closed.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 47: Rep. Ray Harbin, District #53, said this resolution was the product of acute frustration and mentioned the number of retirement bills that were heard before this committee and the Senate committee. He said that with these bills we are talking about an enormous amount of money and disparities between systems. In order to address the problems present in these various retirement systems we must come up with an analysis of the problems. Rep. Harbin submitted a proposed amendment to the committee. He said that we need to study the uniformity of the systems and said that there is no continuity between the systems - this needs to be addressed. He said there needs to be a plan that reaches out into the future.

PROPOSERS: There were no proposers.

OPPOSERS: Robert Johnson, Administrator of the Teachers' Retirement System, spoke in opposition to the resolution as originally introduced and said that he was not prepared to speak to the amendments as they had only been submitted at the hearing. He was opposed to any consolidation of the Teachers' Retirement System and the Public Employees' Retirement System. He referred to HJR 44 of the 1983 session and said he thought there had been enough studies conducted on this issue.

Terri Mennow, Montana Federation of Teachers, said that consolidation would not save money and perhaps could cost money if they would have to build a larger building to house the two systems. At the present time the Teachers' Retirement System owns the building they are in and not by the state. This consolidation study has come up time and time again and was also defeated at the 1972 Constitutional Convention.

Ed Argenbright, Superintendent of Public Instruction, said that as an elected official he sits on the Teachers' Retirement Board and that the Board views very seriously the operations of the system. He said the members of the system could possibly view this study of consolidation as "tinkering". He said he was opposed to any study whereby there would be any consolidation of these two systems and was opposed to any "tinkering" with the Teachers' Retirement System.

There being no further opposers, Tom Schneider, speaking for the Montana Public Employees' Retirement Association, spoke as a neutral in view of the amendments that were offered to the original resolution. He said with the original resolution he would have simply recommended that it be sent to the Legislative Audit Committee but with the amendments he believed it gets to the crux of the matter. The amendments bring out the differences as to how the members are treated and said that these differences are going to continue unless there is something done in the future. He believes they will have to go beyond the current systems and create a new system.

Vested rights have defeated other studies of this subject or the amount of money involved has defeated it. He said the problems are large enough that we should look at something that would correct some of the problems that we have which might be the creation of some new type system and let the other systems run out after a certain period. This has been done in other states where they have offered current employees to join voluntarily the new system. Putting the systems together would not work, according to Mr. Schneider.

DISCUSSION OF HOUSE JOINT RESOLUTION NO. 47: Rep. Phillips remarked that Ms. Mennow said that the teachers' system isn't funded with taxpayers dollars and wondered how the county levy worked. Rep. Sales said it is a State mandated county wide levy and is dependent upon the number of teachers in the system and what is determined in that county to pay the retirement. Mr. Johnson said it is collected from the individual school districts and Rep. Sales said it is collected by the county treasurer.

Rep. Cody remarked that there are nine new legislators on the committee that had not been here before and everybody was very frustrated with the retirement bills that came before the committee. She asked if all these studies have been done previously why are they still in the same situation.

Mr. Schneider said that any resolution has to be very direct in what they want studied during the interim. The last resolution was to decide how best the legislature could deal with this massive amount of legislation concerning the systems. The committee never addressed that as all retirement systems came to the committee with their own special problems. He said if there is going to be a study, make it a very pointed study so the committee cannot get sidetracked from what they are supposed to be doing.

Rep. Peterson asked if a "flow chart" would be of some assistance to the committee so they would know where the money was coming from and what it was being used for. Rep. Harbin said that would help and agreed that studies have been done. He said they need to consolidate these studies and information so we can look at all areas. The inequities need to be addressed. He said the TRS and PERS are both solid systems but the others are a "mish mash" of benefits, contributions, etc.

There being no further discussion, the Committee took executive action on the bills previously heard.

DISPOSITION OF HOUSE JOINT RESOLUTION NO. 47: Rep. Harbin moved ADOPTION OF THE AMENDMENTS, seconded by Chairman Sales. Motion carried UNANIMOUSLY.

Rep. Harbin moved that HJR 47 AS AMENDED DO PASS, seconded by

tate Administration
April 9, 1985
Page 5

Rep. Cody. The motion carried with Reps. Peterson, Pistoria, O'Connell and Moore voting "no".

DISPOSITION OF SENATE JOINT RESOLUTION NO. 35: Rep. O'Connell moved that SJR 35 BE NOT CONCURRED IN, seconded by Rep. Pistoria.

Rep. O'Connell said that the people of the state should be able to voice their vote for the lottery which is taken care of by HB 945. House Bill 945 is scheduled for hearing in the Senate Committee on this date, April 9, 1985. Rep. Phillips felt that due to the hearing on HB 945 being held on this date, perhaps SJR 35 should be tabled. Therefore, Rep. Phillips made the SUBSTITUTE MOTION TO TABLE SJR 35, second being received, the motion CARRIED with Rep. Cody voting "no".

DISPOSITION OF SENATE JOINT RESOLUTION NO. 34: Rep. Peterson moved that SJR 34 BE NOT CONCURRED IN, seconded by Rep. O'Connell.

Rep. Jenkins said that maybe this bill should be tabled.

Rep. Cody stated that she felt this would be another exercise in futility. No matter what the study comes up with if there isn't any money, the Legislature will say "no", and if there is money, the Legislature will probably still say "no".

Rep. Pistoria agreed that maybe tabling the resolution would be a better solution at the present time. Rep. Pistoria made the SUBSTITUTE MOTION TO TABLE SJR 34, seconded by Chairman Sales. The motion CARRIED with Reps. Cody and Fritz voting "no".

There being no further business, the Committee adjourned at 10:05 a.m.


WALTER R. SALES, Chairman

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(Type in committee members' names and have 50 printed to start).

DAILY ROLL CALL

State Administration COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 4/9/85

NAME	PRESENT	ABSENT	EXCUSED
Chairman Walter Sales	/		
V-Chairman Helen O'Connell	/		
Campbell, Bud	/		
Compton, Duane	/		
Cody, Dorothy	/		
Fritz, Harry	/		
Garcia, Rodney			
Hayne, Harriet	/		
Harbin, Raymond	/		
Holliday, Gay	/		
Jenkins, Loren	/		
Kennerly, Roland	/		
Moore, Janet	/		
Nelson, Richard	/		
Peterson, Mary Lou	/		
Phillips, John	/		
Pistoria, Paul	/		
Smith, Clyde			/



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

H.J.R. 47 Yes-

S.J.R. 34 Yes-

S.J.R. 35 - ~~and~~ yes

Clyde Smith

STANDING COMMITTEE REPORT

April 9

19 85

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE JOINT RESOLUTION**

Bill No. **47**

First reading copy (**White**)
color

INTERIM STUDY ON CONSOLIDATION OF RETIREMENT DIVISIONS

Respectfully report as follows: That **HOUSE JOINT RESOLUTION**

Bill No. **47**

BE AMENDED AS FOLLOWS:

1) Title, line 7.

Following: "DIVISIONS"

Insert: "AND ON PROPOSALS FOR MAKING THE RETIREMENT SYSTEMS
ADMINISTERED BY THE DIVISIONS MORE UNIFORM"

2) Page 2, line 7.

Strike: "and"

3) Page 2, line 10.

Following: "size"

Insert: "; and

WHEREAS, although the statutory provisions governing the two largest retirement systems (Public Employees' and Teachers') are similar, such diversity exists between these systems and the law enforcement and public safety retirement systems; and

XXXXXX WHEREAS, this diversity is a source of confusion,
DO PASS results in uneven treatment of public employees, and encourages
leapfrogging in benefits among the systems"

CONTINUED ON PAGE 2

4) Page 2, line 22.

Following: ";"

Insert: "and"

5) Page 2, line 24 through line 3, page 3.

Strike: ";" on line 24 through "recommendations" on line 3,
page 3

6) Page 3.

Following: line 3

Insert: "BE IT FURTHER RESOLVED, that the committee:

- (1) compare the statutory provisions governing the state-administered public employee retirement systems;
- (2) identify the differences among the systems in such areas as retirement eligibility, contribution rates, benefit levels, funding sources, and postretirement adjustments;
- (3) examine the rationale for these differences and determine whether the differences are warranted; and
- (4) consider proposals for making the systems more uniform.

BE IT FURTHER RESOLVED, that the committee report its findings to the 50th Legislature and, if necessary, draft legislation to implement its recommendations"

AND AS AMENDED
DO PASS

Ex. #1
SJR-34
4/9/85

SENATE JOINT RESOLUTION 34

SENATOR MATT HIMSL

Two years ago there was an action in the Senate establishing a supervisory board over the legislative agencies to bring uniformity and some control over personnel salaries. The idea died in the House.

Just recently the Senate supported a House proposal to amend the constitution removing the salary commission (Art. 13, Sec. 3) and its function of recommending compensation for the judiciary and elected members of the legislative and executive branches. All recognize the commission system hasn't worked, probably because those who propose the salaries didn't have to pay them out of their budgets.

This resolution would have a study made by the legislature of a lot of data already on record and relate~~d~~ them to salaries of elected officials, judges, governor appointees, commissions~~e~~ of political practices, tax appeal board, university system, and agencies of the legislature. It would, hopefully, also gather data on salaries from the private sectors. *This bill has flexibility for periodic reviews - as benefits.*

We don't argue about the present salary scales or the comparative worth or why some staff draw more than directors, or who are executives, who are administrators, etc. We just think it is right, proper, and timely that an objective study be made.

PROPOSED AMENDMENTS TO HJR 47, introduced copy (white):

1. Title, line 7.

Following: "DIVISIONS"

Insert: "AND ON PROPOSALS FOR MAKING THE RETIREMENT SYSTEMS
ADMINISTERED BY THE DIVISIONS MORE UNIFORM"

2. Page 2, line 7.

Strike: "and"

3. Page 2, line 10.

Following: "size"

Insert: "; and

WHEREAS, although the statutory provisions governing the two largest retirement systems (Public Employees' and Teachers') are similar, much diversity exists between these systems and the law enforcement and public safety retirement systems; and

WHEREAS, this diversity is a source of confusion, results in uneven treatment of public employees, and encourages leapfrogging in benefits among the systems "

4. Page 2, line 22.

Following: ";

Insert: "and"

5. Page 2, line 24 through line 3, page 3.

Strike: ";" on line 24 through "recommendations" on line 3, page 3

6. Page 3.

Following: line 3

Insert: "BE IT FURTHER RESOLVED, that the committee:

(1) compare the statutory provisions governing the state-administered public employee retirement systems;

(2) identify the differences among the systems in such areas as retirement eligibility, contribution rates, benefit levels, funding sources, and post-retirement adjustments;

(3) examine the rationale for these differences and determine whether the differences are warranted; and

(4) consider proposals for making the systems more uniform.

BE IT FURTHER RESOLVED, that the committee report its findings to the 50th Legislature and, if necessary, draft legislation to implement its recommendations "

COMMITTEE

DATE _____

SPONSOR

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

COMMITTEE

BILL NO. Senate J. Resolution 34 DATE _____SPONSOR Hinsl

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Ed Argeubright	Helena	✓	
Steve Brown	Helena	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

COMMITTEEBILL NO. SJR 35

DATE _____

SPONSOR Blaylock

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Cathy Campbell	MT Assn of Churches	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

April 18, 1985

The meeting of the State Administration Committee was called to order by Chairman Sales at 5:25 p.m. in Room 312-C on the above date in the state capitol.

ROLL CALL: All eighteen members were present.

CONSIDERATION OF HOUSE BILL NO. 959: Rep. Kerry Keyser, District #74, sponsor, said the bill was introduced because of the Montana Children's Home in Twin Bridges which is being considered for a retirement home for the elderly. The bill would grant an additional six month extension for the certificate of need which would enable them to receive the money that is coming to them. Without this extension for certificate of need they will have to refile and Dr. Drynan of the Department of Health and Environmental Sciences does not have the authority to grant the extension without passage of this bill. Rep. Keyser said the extension would expire on July 1, 1985 and only applies to the Twin Bridges facility.

There were no proponents or opponents present to testify.

DISPOSITION OF HOUSE BILL NO. 959: Rep. O'Connell moved that HB 959 DO PASS, seconded by Rep. Smith.

Rep. Cody requested permission to ask Rep. Keyser a question, which request was granted by the Chairman.

Rep. Cody asked if this was strictly directed toward one situation, to which Rep. Keyser replied that Dr. Drynan needs this authority to grant the extension. The money is on the way for the retirement home but without this extension these people would basically have to restart the application process.

Rep. Garcia asked if this would affect a nursing home that is under construction in Billings. Mr. Gomez, Staff Researcher, pointed out in Section 1 of the bill summary which is attached that it states "in the term of an approved certificate of need".

Rep. Cody asked if this would expire on July 1, 1985. Rep. Keyser answered that it would and referred to page 3 of the bill.

The question being called, the motion CARRIED UNANIMOUSLY.

There being no further business, the meeting adjourned at 5:35 p.m.


WALTER R. SALES, Chairman

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DAILY ROLL CALL

State Administration COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 4/18/85

NAME	PRESENT	ABSENT	EXCUSED
Chairman Walter Sales	✓		
V-Chairman Helen O'Connell	✓		
Campbell, Bud	✓		
Compton, Duane	✓		
Coody, Dorothy	✓		
Fritz, Harry	✓		
Garcia, Rodney	✓		
Hayne, Harriet	✓		
Harbin, Raymond	✓		
Hollicay, Gay	✓		
Jenkins, Loren	✓		
Kennerly, Roland	✓		
Moore, Janet	✓		
Nelson, Richard	✓		
Peterson, Mary Lou	✓		
Phillips, John	✓		
Pistoria, Paul	✓		✓
Smith, Clyde	✓		

STANDING COMMITTEE REPORT

April 16

19 35

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration House Bill No. 959

First reading copy (White)
color

SECOND EXTENSION OF CERTIFICATE OF NEED

Respectfully report as follows: That House Bill No. 959

DO PASS

BILL SUMMARY HB 959

HB 959 is a bill that allows the department of health and environmental sciences to extend the term of a certificate of need for a second additional period of not more than 6 months.

As written, HB 959 contains the following provisions:

Section 1 amends 50-5-305, MCA, to provide for a second extension in the term of an approved certificate of need, which extension may not exceed 6 months and must be based upon the applicant demonstrating "good cause" as defined in A.R.M. 16.32.118.

Section 2 preserves legal rights and duties that may mature, or proceedings that might begin, before the effective date of the bill.

Section 3 provides an immediate effective date.

Section 4 provides for termination of the bill on July 1, 1985, and clarifies the effect of such termination.