

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

February 12, 1987

The meeting of the State Administration Committee was called to order by Chairman Sales for executive action on February 12, 1987 at 8:30 a.m. in Room 437 of the State Capitol.

ROLL CALL: Reps. Fritz, Pistoria and Whalen were excused. All other committee members were present.

DISPOSITION OF HOUSE BILL NO. 582: A DO NOT PASS motion was made by Rep. Peterson, seconded by Rep. Jenkins. The motion carried 12-5, Reps. Nelson, O'Connell, Cody, Whalen and Fritz voting no.

DISPOSITION OF HOUSE BILL NO. 584: A DO NOT PASS motion was made by Rep. Campbell, seconded by Rep. Phillips. The motion carried 15-2, Reps. Moore and Fritz voting no.

DISPOSITION OF HOUSE BILL NO. 609: A DO NOT PASS motion was made by Rep. Phillips, seconded by Rep. Roth. The motion carried 11-5, Reps. Moore, Sales, Campbell, Stratford and Peterson voting no.

DISPOSITION OF HOUSE JOINT RESOLUTION NO. 25: A DO NOT PASS motion was made by Rep. Roth, seconded by Rep. Stratford. The motion carried 13-4, Reps. Cody, Fritz, Whalen and Moore voting no.

The committee recessed at 8:50 a.m. and reconvened for its regularly scheduled committee meeting at 9:00 a.m.

ROLL CALL: Reps. Pistoria and Whalen were excused. All other committee members were present.

CONSIDERATION OF HOUSE BILL NO. 681: Rep. Daily, House District #69 and sponsor of the bill, stated that this bill is proposed to transfer the administration of all mineral reclamation projects from the Department of Health and the Department of Natural Resources to the Department of State Lands. Currently, reclamation activities are the responsibility of several different agencies in Montana. The intent of HB 601 is to provide one agency in state government that will have the final decisionmaking authority on reclamation projects. Another important reason for this legislation is the Superfund legislation that was passed by Congress which appropriated \$6.8 billion for Superfund activities. He feels that projects need to be completed, and he fears the

entire \$6.8 billion could possibly be spent studying and not accomplishing anything concrete. The legislation would also provide that anyone currently working on reclamation projects in the Department of Natural Resources or in the Department of Health could be transferred to the Department of State Lands. This is a good bill, and it is intended to solve a serious bureaucracy problem in Montana. He urged the support of the committee.

PROPONENTS: None

OPPONENTS: Duane Robertson, Chief of the Solid and Hazardous Waste Bureau, Department of Health, testified only on the transfer of the Superfund to the Department of State Lands. The purpose of the Superfund program is to investigate and control abandoned hazardous substance sites and spill emergencies for the protection of the public health and environment. There are currently seven Superfund sites in the state of Montana, with the Environmental Protection Agency having the lead role on five of these sites. It is important that this program remain with the Department of Health and Environmental Sciences. His written testimony is submitted as Exhibit #1.

Larry Fasbender, Director of the Department of Natural Resources and Conservation, spoke in opposition to the bill and stated the bill would not improve the bureaucracy and administration as it is presently set up, but it would create a problem of duplication of services that are provided. The bill will create a problem also as far as the Department of Natural Resources and the Department of State Lands are concerned in that they are going to have to make a decision as to whether a portion of those currently working on programs will have to be transferred or, if none of those people are to be transferred, the Department of State Lands will have to set up its own program for administration of the Resource Indemnity Trust Program. The operation of the program is being done effectively and efficiently and to change it would fragment the whole operation.

John Wardell, Director of the Helena Office of the U.S. Environmental Protection Agency, stated it is important to understand that Superfund deals with public health and the environment and that not all Superfund sites are mine related. Transferring the functions to the Department of State Lands may necessarily cause the neglect of sites such as municipal landfills, etc. Superfund was not designed to be a reclamation program. Its foremost function is public health and secondly the environment.

Dennis Hemmer, representing the Department of State Lands, opposed HB 681. He has worked with Superfund, and this is

primarily a health bill and not a reclamation bill. The Department of State Lands knows nothing about health and toxicity; their area of expertise is in reclamation. There is also a possible conflict of interest since one of the potential Superfund sites in Montana resides on land managed by the Department of State Lands.

George Ochensky, representing the Montana Environmental Information Center, stated the way the process is working in this state now is slow, but it is working as well as anywhere else in the U.S. The people are doing their job to the best of the legal constraints of the program.

DISCUSSION OF HOUSE BILL NO. 681: Rep. Moore asked Rep. Daily if he felt the Department of State Lands could do a better job administratively than the present department. He replied that he wants to see one agency in control. If the committee feels that one department is Natural Resources or Health, he has no problem with either. In his opinion, however, he feels the Department of State Lands does the best job in state government.

Rep. Peterson told Rep. Daily that theoretically he has hit a sensitive nerve. She requested him to coordinate this bill with HB 538. Rep. Daily said he would be happy to comply with her request and hoped that in the process, one problem can be solved that currently exists. It is a problem that can be solved if someone takes the initiative to do it.

Rep. Daily closed discussion on HB 681 stating this is a serious problem, but it can be corrected. There are two types of reclamation, hazardous and non-hazardous, and he feels they can be worked in together in one agency.

CONSIDERATION OF HOUSE BILL NO. 644: Rep. Nathe, House District #19 and sponsor of the bill, stated the bill is the epitome of frustration. Legislation has been introduced to equalize teachers retirement throughout the state. This legislature should be looking at either a cap on retirement amounts that can be drawn or else a statewide teachers' salary schedule. To his regret, the bill does not accomplish what he intended it to.

PROPOSERS: None

OPPOSERS: David Senn, Administrator, Teachers' Retirement Division opposed the legislation because it hurts the funding of the retirement system and would increase the unfunded liability.

Jesse Long, Secretary of the School Administrators of Montana, stated his opposition. Limiting the amount of compensation used in calculating the benefits for the future retirement system is counterproductive. Retirement is an important incentive to dedicated teachers and administrators. Restricting benefits will only force these people to go elsewhere for employment. The Teachers' Retirement System is already restrictive enough as it does not contain a cost-of-living adjustment. He urged the committee to reject the legislation.

Eric Feaver, Montana Education Association, reiterated the testimony of Jesse Long and urged a do not pass.

Terry Minnow, representing the University Teachers Union, the Western Montana Faculty Association and the Northern Montana Federation of Teachers as well as the Montana Federation of Teachers, stated her opposition to HB 644. The bill is detrimental to the system and to the recruitment of qualified teachers.

Carroll Krause, Commissioner of Higher Education, stated opposition to HB 681 primarily because it would cause hardships on recruitment to the university system. If this bill passed, it would surely be repealed in the future due to the pressures of inflation.

Bill Donohue, Superintendent of Schools in Superior, Montana, urged a do not pass on HB 644 and stated the administrators with all the knowledge are leaving the state during the latter years of their careers, and the state is losing their leadership. This bill would expedite this process.

Tony Tognetti, Superintendent of Schools in Stevensville, Montana, stated that putting limits on the retirement would be detrimental to those approaching retirement. He reiterated his support for the previous testimony.

DISCUSSION OF HOUSE BILL NO. 644: Rep. Fritz asked David Senn what happens actuarially to the retirement system if a teacher is appointed as an administrator in the last couple of years before his retirement at a substantially higher salary. Mr. Senn responded that these unusual situations are actuarially absorbable and do not present any problems to the funding of the system. Rep. Peterson asked Rep. Nathe if his plan in this legislation is to protect the county taxpayer. He replied "yes", but there is also a question of equity that is involved as there is a tremendous variation in teachers' salaries from one school district to the other.

Discussion on HB 644 was closed by Rep. Nathe who acknowledged to the committee members that the bill, as drafted, is not the answer to the problem.

CONSIDERATION OF HOUSE BILL NO. 693: Rep. Mercer, House District #50 and sponsor of the bill, stated the bill would require all state agencies to review their expenditures and operation one year prior to the convening of the legislature, for the purpose of prioritizing programs and cutting their budgets by 10%. It would force the agencies to evaluate themselves from the budget standpoint, and they would have to rank their programs on what they feel are the most important. It is difficult for the average legislator to understand the budgets of the various agencies. It would be extremely valuable if the agency itself examines its programs and budget and gives their priorities to the legislature for review. If cuts need to be made, the legislature could look at where the agencies themselves felt cuts could be made.

PROPOSERS: Rep. Cobb, House District #42, stated his support for the bill. It is important that the legislature know which programs have what priorities in each agency. In 90 days, it is impossible for the legislature to review the budgets of the various agencies.

Tom Crosser, representing the Office of Budget and Program Planning, stated support for the bill because it reinforces the current process the Budget Office has. The only additional costs involved would be the costs of including the legislature in the distribution of the Budget Office reports. There would be some minor restructuring necessary to accommodate this legislation.

OPPOSERS: None

DISCUSSION OF HOUSE BILL NO. 693: Rep. Fritz asked Rep. Mercer how he felt the morale would be for those programs prioritized at the bottom of the list. Those programs and the people administering them are essentially expendable. Rep. Mercer stated he does have compassion for those who might be on the expendable list but certain programs are expendable and, as legislators, we need to know what those programs are. Rep. Cody stated to Rep. Mercer that it was her understanding that Rep. Peck has been trying to get the Board of Regents to prioritize their departments and they told Rep. Peck that constitutionally that is their area and it is for them to decide how to disburse their funding. Rep. Mercer responded that it is his feeling based on reading the constitution, that the legislature should appropriate a sum of money to the Board and they should spend it in whatever way they deem proper. However, they

have given the legislature the authority to make these decisions for them. If we are going to line-item things, we need to force them to let us know what is most important to them. Rep. Cody asked Rep. Mercer to address the issue relating to some of the things the legislature has tried to do regarding SRS expenditures (i.e. general assistance eligibility) and the Supreme Court has said that cannot be done. Rep. Mercer replied that there was another bill that will address that point. The constitution says the legislature may provide higher education but the constitution says the legislature shall provide economic assistance. Rep. Peterson asked Rep. Mercer if he envisioned that each program would do some evaluation and perhaps even become better providers through this process, and he replied "yes". Rep. Jenkins asked Rep. Mercer if he could see department heads putting a top priority on the bottom and Rep. Mercer replied that, "yes, an unscrupulous director could do that." However, department credibility would be lost if this was done and discovered by the legislature. Rep. Sales stated his concerns that the drift of this bill appears to be only toward reduction, and the departments are not being asked to tell us how we might spend money now to save dollars in the future. Rep. Mercer agreed with Rep. Sales' concern and suggested the committee figure out how this amendment could be incorporated into the bill. Rep. Moore expressed concern regarding the prioritizing being put in the hands of the administrators as they will obviously not cut themselves out. Rep. Mercer replied that having the input of the department heads is more than what we have now. There definitely is some risk that they would preserve the upper echelon, and we have to hope they will abide by the terms of this bill.

Rep. Mercer closed the discussion on HB 693. The committee recessed at 10:20 a.m. and reconvened at 10:35 for executive action.

DISPOSITION OF HOUSE BILL NO. 644: Rep. Nelson moved a DO NOT PASS, seconded by Rep. O'Connell. The motion carried 15-1, Rep. Campbell voting no.

DISPOSITION OF HOUSE BILL NO. 681: Rep. O'Connell moved a DO NOT PASS, seconded by Rep. Fritz. The motion carried 15-1, Rep. Campbell voting no.

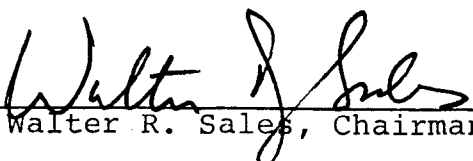
DISPOSITION OF HOUSE BILL NO. 693: Rep. Phillips moved a DO PASS, seconded by Rep. Jenkins. Rep. Fritz stated this is absolutely the worst bill that has come before this committee. He represents an organization that has had to prioritize, and it is a destructive process. His main concern with the bill is that all public policy is nothing more than the bottom line, and it absolves the legislature of all

responsibility for inquiring into serious questions of public policy. The legislative committees are set up to do the things this bill seeks to accomplish. We have appropriations committees and subcommittees whose primary function is to ask these serious questions of public policy and not just go by the number crunch. Rep. Roth asked Rep. Fritz if he felt, with the exception of the university system, that there has been a serious effort made by departments and agencies to provide areas for cutting back, and he replied "absolutely".

Rep. Campbell stated he felt it was not right to ask the departments to do what the legislature is supposed to do. Rep. Peterson felt the suggestions from the departments would be valuable to the legislature. Rep. Fritz stated that agencies and programs in the government are not the result of some natural bureaucratic growth. Every one of them is the result of some public demand and has been introduced by a legislator and has public support. That is why the departments and programs were put in in the first place. To cut them out on a budget question is absurd. We are not asking the serious public policy questions that we ask when these programs were eliminated. We are using numbers as an excuse to make sound public policy and that is not the right thing to do. This kind of ranking is what governors and directors are supposed to do, and they do it internally anyway. There is a serious difference between an across-the-board cut which can be absorbed if it is temporary, and a whole series of across-the-board cuts that become permanent when program elimination has to be given thought. This bill is a simplistic approach to a highly complex problem in which the legislature has to be involved. If we are serious, then the legislature should do the prioritizing. Rep. Jenkins stated he liked the bill because it will give the legislators a chance to dig in and see what exactly is in those departments and if there are any soft areas, the appropriations committee members can question the agencies on an intelligent basis.

The motion passed on a roll call vote 9-8.

ADJOURNMENT: There being no further business to come before the committee, the hearing adjourned at 11:05 a.m.



Walter R. Sales, Chairman

DAILY ROLL CALL

State Administration

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2/12/87

NAME	PRESENT	ABSENT	EXCUSED
Walt Sales	✓		
John Phillips	✓		
Bud Campbell	✓		
Dorothy Cody	✓		
Duane Compton	✓		
Gene DeMars	✓		
Harry Fritz			
Harriet Hayne	✓		
Gay Holliday	✓		
Loren Jenkins	✓		
Janet Moore	✓		
Richard Nelson	✓		
Helen O'Connell	✓		
Mary Lou Peterson	✓		
Paul Pistoria			
Rande Roth	✓		
Tonia Stratford	✓		
Timothy Whalen			

*Duane
Robertson*

*41
2/12/87
681*

Feb. 12, 1987

Testimony HB 681
Transfer of Superfund to Department of State Lands

Superfund is a broad program that addresses health and environmental concerns at sites where past activities may have resulted in endangerment of health or environment.

-- The Superfund program looks at health-related issues first and environmental concerns second.

-- Health is a major factor and therefore Superfund shouldn't be separated from health agencies.

-- Superfund is concerned with ground and surface water, air quality, radiation (in some cases) and hazardous waste and, therefore, shouldn't be separated from those programs.

-- Superfund is not a reclamation program. When Superfund finishes a project, there will be no health risk or environmental threat coming from the site, but it may look terrible because reclamation/aesthetics aren't involved.

-- This bill conflicts with HB 538 which transfers Superfund to DNR.

STANDING COMMITTEE REPORT

February 12

19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

**Transferring Superfund Program and RIF Grant Program from DHES/DHRC
to DSL.**


FIRST

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STANDING COMMITTEE REPORT

February 12

87

19

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 609

do pass

do not pass

be concurred in

be not concurred in

as amended

statement of intent attached

Chairman

Revising campaign finance laws


FIRST

WHITE

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STANDING COMMITTEE REPORT

February 12

19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

Revise procedure for approval of initiative petition form



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STANDING COMMITTEE REPORT

February 12 19 87

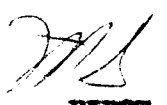
STATE ADMINISTRATION

Mr. Speaker: We, the committee on _____
report _____

- do pass
- do not pass
- be concurred in
- be not concurred in
- as amended
- statement of intent attached

Chairman

Add a member to the Teachers' Retirement Board



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STANDING COMMITTEE REPORT

February 12

19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report _____

do pass

do not pass

be concurred in

be not concurred in

as amended

statement of intent attached

Chairman

Require state agencies to prioritize their programs



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Dr. Pass

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 2/10/87 BILL NO. 693 NUMBER _____

NAME	AYE	NAY
Walt Sales	✓	
John Phillips	✓	
Bud Campbell		✓
Dorothy Cody		✓
Duane Compton	✓	
Gene DeMars		✓
Harry Fritz		✓
Harriet Hayne	✓	
Gay Holliday		✓
Loren Jenkins	✓	
Janet Moore	✓	
Richard Nelson		✓
Helen O'Connell	✓	
Mary Lou Peterson	✓	
Paul Pistoria		
Rande Roth	✓	
Tonia Stratford		✓
Timothy Whalen		✓

TALLY

9 8

Secretary

Chairman

MOTION: _____

STANDING COMMITTEE REPORT

February 12

19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 604

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

Limiting earned compensation under the Teachers' Retirement System


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STANDING COMMITTEE REPORT

February 12

19 57

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HR 25

do pass

do not pass

be concurred in

be not concurred in

as amended

statement of intent attached

Chairman

Referendum on whether Midjetman missiles should be placed in Montana



FIRST

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reading copy ()

color

DNA

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 2/17 BILL NO. 25 NUMBER _____

NAME	AYE	NAY
Walt Sales	✓	
John Phillips	✓	
Bud Campbell	✓	
Dorothy Cody		✓
Duane Compton	✓	
Gene DeMars	✓	
Harry Fritz		✓
Harriet Hayne	✓	
Gay Holliday	✓	
Loren Jenkins	✓	
Janet Moore		✓
Richard Nelson	✓	
Helen O'Connell	✓	
Mary Lou Peterson	✓	
Paul Pistoria		
Rande Roth	✓	
Tonia Stratford	✓	
Timothy Whalen		✓

TALLY 13 4

Secretary _____ Chairman _____

MOTION: _____

VISITORS' REGISTER

STATE ADMINISTRATION

COMMITTEE

BILL NO. 693

DATE 3/12/87

SPONSOR Mensen

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
<i>[Faint handwritten name]</i>	<i>[Faint handwritten text]</i>		<input checked="" type="checkbox"/>
Kelly Holmes	MT College Coalition		<input checked="" type="checkbox"/>

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

STATE ADMINISTRATION

COMMITTEE

BILL NO. 644

DATE 2/2/87

SPONSOR Pathe

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Bill Donahue	S.A.M.		X
David Soren	Teachers Retirement		X
CAROL KRAUSE	COMM. OF H. ED.		X
Jim W. Long	S.A.M.		X
W. J. Mitchell	E/T		
Dennis J. North		X	
Tommy Toogneth	SAM		X
Eric Flawer	ME A		X
			X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

STATE ADMINISTRATION

COMMITTEE

BILL NO. 681

DATE 2/2/87

SPONSOR Dilling

NAME (please <u>print</u>)	REPRESENTING	SUPPORT	OPPOSE
Duane Robertson	State Dept of Health		X
JOHN F. WARDELL	US. EPA		X
Larry Fasbender	DNRC		X
GEORGE CCHENSKI	MT. ENVI. INF. CNTR		X
James Henning	Dept of State Lands		X

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.