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

March 6, 1987

The meeting of the State Administration Committee was called to order by Chairman Sales on March 6, 1987 at 9:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: Representatives Moore and Roth were excused. All other committee members were present.

CONSIDERATION OF SENATE JOINT RESOLUTION NO. 4: Senator Keating, Senate District #44 and sponsor of the resolution, stated that the purpose of the resolution is to amend the United States Constitution, requiring that no law, varying the compensation for services of the senators and representatives, may take effect until an election of representatives has intervened. The constitutional amendment requires ratification by three-fourths of the state legislatures.

PROPONENTS: Don Ingels, Montana Chamber of Commerce, stated that the Montana Chamber of Commerce supports the resolution.

OPPONENTS: None.

DISCUSSION OF SENATE JOINT RESOLUTION NO. 4: Rep. Fritz asked why states have not ratified the resolution earlier. Sen. Keating replied that it is merely an oversight as no time limit is specified. Rep. Whalen asked if the Supreme Court decision (Coleman v. Miller) eliminates any time period on amendments. Sen. Keating replied that the question has not been researched. Rep. Fritz added that many amendments, including the original bill of rights, have not been ratified. Sen. Keating closed discussion on Senate Joint Resolution No. 4 by stating that Rep. Fritz has volunteered to carry the resolution if the committee concurs in the resolution.

CONSIDERATION OF SENATE BILL 281: Senator Beck, Senate District # 24 and sponsor of the bill, stated that the bill is an act to: 1) clarify the state's supervision of county welfare departments; 2) set forth the dismissal authority of county welfare employees; and 3) require the department of Social and Rehabilitation

Services (SRS) to provide counties with specified budgeting information. The purpose of the bill is to clarify that the final authority for dismissal in a nonstate-assumed county will be the county welfare board, but the SRS Director will have the final dismissal authority in state-assumed counties. The bill also provides that the department submit the state's participation to the counties for the ensuing year by May 10.

PROPONENTS: **Gordon Morris, Montana Association of Counties (MACO),** supported the bill and drew the committee's attention to the fact that there is no fiscal impact for the bill.

Delores Shelton, MACO, stated that the bill was requested to address two issues: 1) to clarify that hiring and on-going supervision is a shared responsibility between the SRS and the local county welfare board for programs that have not been assumed by the state. Both entities must cooperate in the dismissal process. Currently the county welfare board hires employees, but SRS may supervise them with respect to efficient and proper performance of duties; and 2) to clarify that SRS send timely and accurate information to enable counties sufficient time to prepare preliminary Poor Fund budgets by the June 10 deadline. Essential information includes: 1) changes in federal and state salary participation as the county pays the balance, which currently ranges from 11.5% for home attendants, to 56.6% for eligibility technicians; and 2) changes in employer contributions for social security, public employees' retirement, unemployment compensation, workers' compensation, health insurance, and changes in mileage and per diem reimbursements.

Lee Tickell, SRS, supported the bill. It is important to ensure that people are hired according to merit principles and on a competitive basis, because it is a prerequisite for receiving federal funds. This is adequately safeguarded in the bill. Also, the bill adequately addresses that proper procedures are followed prior to the termination of any employee but gives final dismissal authority to the county commissioners in those counties in which the welfare program is not state-assumed. And, SRS is happy to comply with the May 10 budget information deadline, with the caveat that data may not always be available in time to meet the stipulated deadline.

OPPONENTS: None.

DISCUSSION OF SENATE BILL NO. 281: Senator Beck closed discussion on the bill by stating that Rep. Campbell will carry Senate Bill No. 281 if the committee concurrs in the bill.

DISPOSITION OF SENATE BILL NO. 281: Rep. Peterson moved the bill BE CONCURRED IN, seconded by Rep. Cody. The motion passed 17-1 with Rep. Whalen voting no.

DISPOSITION OF SENATE JOINT RESOLUTION NO. 4: Rep. Fritz moved the bill BE CONCURRED IN, seconded by Rep. DeMars. The motion passed 17-1 with Rep. Whalen voting no.

CONSIDERATION OF SENATE BILL NO. 236: Rep. O'Connell, House District # 40 and cosigner of Sen. Walker's bill, stated that the bill is an act to provide a uniform system of numbering retirement options for the various programs administered by the Public Employees' Retirement Division (PERD). This will eliminate confusion and error in the calculation of retirement benefits, and will reduce programming costs.

PROPONENTS: **Linda King, PERD,** stated that the division administers eight different retirement systems. The public employees' retirement system options range from #1 for the regular retirement option through # 4. Other retirement system options are labeled "regular", Option #1, and Option #2. The purpose of the bill is to label options uniformly to eliminate confusion.

OPPONENTS: None.

DISCUSSION OF SENATE BILL NO. 236: Discussion was closed on Senate Bill No. 236.

DISPOSITION OF SENATE BILL NO. 236: Rep. Nelson moved the bill BE CONCURRED IN, seconded by Rep. O'Connell. The motion passed unanimously (18-0). Rep. O'Connell will carry the bill.

CONSIDERATION OF SENATE BILL NO. 267: Senator Van Valkenburg, Senate District # 30 and sponsor of the bill, stated that the bill is an effort to provide legislators the option of utilizing the state health insurance plan, or applying the employer contribution to a private plan. The purpose of the bill is to allow legislators, who for either health or employment reasons, find it beneficial or necessary to have coverage under a private or employer plan. Presently the state is contributing $115 per month toward the state health insurance plan for all state employees. Legislators should be treated differently because they are citizen legislators with another occupation. It may be disadvantageous to switch plans because of preexisting illness provisions. There are no monetary consequences of passing the bill. The bill is a fiscally neutral equity issue.

PROPONENTS: **Rod Sunstead, Department of Administration (DA),** stated that the bill can be handled administratively. Legislators have a unique employment relationship, and there are valid reasons for the legislation. The DA, through its rulemaking authority, would probably place stipulations on transferring back and forth on the state plan in order to avoid the consequences of adverse selection.

David Evenson, Montana University System, supported the bill. If a legislator has an active health problem, the state health plan has a year waiting period for preexisting conditions, which forces individuals to have dual coverage and is an unnecessary personal expense. The bill also leads to dual coverage at the public expense as some legislators are covered under two public plans. Underwriting rules may be waived, but do not cover hospitalized individuals transferring plans until they return to work.

Reps. Whalen and Jenkins supported the bill.

OPPONENTS: None.

DISCUSSION OF SENATE BILL NO. 267: Rep. Cody asked about the six-month waiting period for preexisting conditions. Rod Sunstead replied that if a person is transferring from another group plan, the waiting period is waived.

Rep. O'Connell asked if a legislator could elect to take a life insurance policy instead of health coverage. Rod Sunstead replied that presently a core medical, dental, and life insurance plan is offered and can't be split.

Chairman Sales asked how other part-time employees qualify for insurance coverage. Rod Sunstead replied that part-time employees must work 20 hours or more per week on a regular schedule, and employment must be scheduled for at least six months in order to be eligible for the full $115 state contribution. At the present time, no partial coverage is provided.

Rep. Jenkins stated that because of a preexisting health condition, he cannot let an existing policy drop.

Rep. O'Connell asked if the insurance coverage extends to children. Sen. Van Valkenburg stated that his intent is that the employer contribution could be applied to the cost of any dependent coverage.

Chairman Sales asked why legislators should have a special benefit. Sen. Van Valkenburg replied because of the unique nature of legislative employment. Chairman Sales stated that he has considered submitting a bill not allowing legislators to qualify for state insurance as they do not meet the basic requirements.

Rep. Jenkins reported that $115 per month is being contributed whether or not legislators sign up for insurance coverage. Rod Sunstead stated that for every person eligible, the state has to pay $115 per month into the group insurance program. Since the state is self-insured, unexpended money stays in the fund to cover losses. Sen. Van Valkenburg closed discussion on Senate Bill No. 267.

DISPOSITION OF SENATE BILL NO. 267: Rep. Jenkins moved the bill **BE CONCURRED IN**, seconded by Rep. Pistoria.

Lois Menzies suggested the bill be amended to insert the words "of the member and any dependents" following "coverage" on page 2, line 1 to clarify that the coverage may be applied toward dependents. Rep. O'Connell moved that the **PROPOSED AMENDMENT BE ADOPTED,** seconded by Rep. Whalen. The **BE CONCURRED IN AS AMENDED** motion passed 14-4 with Reps. Sales, Roth, Campbell, and Peterson voting no.

Rep. Whalen will carry the bill.

ADJOURNMENT: There being no further business to come before the committee, the meeting adjourned at 10:30 a.m.

Walter R. Sales

Walter R. Sales, Chairman

7083c/C:JEANNE\WP:jj

DAILY ROLL CALL

State Administration COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-6-87

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	✓		

STANDING COMMITTEE REPORT

March 6 1987

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SJR 4

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

Walter R. Sales, Chairman

JOINT RESOLUTION - RATIFY AMENDMENT CONCERNING CONGRESSIONAL PAY INCREASE

third reading copy (blue)
color

STANDING COMMITTEE REPORT

March 6, 19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SB 281

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

~~Walter R. Sales~~ Chairman

CLARIFY SRS/COUNTY RELATIONSHIP ON EMPLOYEE DISMISSALS AND BUDGET ITEMS

third reading copy (blue)
color

STANDING COMMITTEE REPORT

March 6, 19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SB 236

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

Walter R. Sales, Chairman

STANDARDIZE NUMBERING OF OPTIONAL RETIREMENT ALLOWANCES

third reading copy (blue)
color

STANDING COMMITTEE REPORT

March 6 19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report SB 267

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

Walter R. Sales Chairman

PERMIT LEGISLATORS TO APPLY CONTRIBUTION FOR STATE INSURANCE TO OTHER PLANS BE AMENDED AS FOLLOWS:

1. Page 2, line 1.
Following: "coverage"
Insert: "of the member and any dependents"

third reading copy (blue)
color

EXHIBIT #1
DATE 3-6-87
SB 281

TESTIMONY ON SB 281
March 6, 1987

Presenter: Delores M. Shelton, County Director III
Fergus County Department of Public Welfare
308 Bank Electric Building
Lewistown, MT 59457
Phone: 538-7468

Representing: Montana Association of County Directors

Testimony: Mr. Chairman and members of the committee, I am Delores Shelton and I am here to speak in support of SB 281. I am President of the Montana Association of County Directors and have been a county director since 1971. Our association requested that this bill be introduced.

There are two issues addressed in the bill. The first issue is who makes the final decision when a county welfare employee needs to be dismissed in a county where the programs have <u>not</u> been assumed by the state.

Under current law the County Welfare Board hires county employees from a list provided by Social and Rehabilitation Services (SRS). The employees are directly responsible to the County Board <u>but</u> SRS may supervise such employees in respect to the efficient and proper performance of their duties.

Therefore hiring and ongoing supervision is a shared responsibility between the County Boards and SRS. We feel that the dismissal of county employees must also always be shared; that both entities must cooperate in the dismissal process whether initiated by the County Board or SRS. The current law is clear in this area if the dismissal is requested by the County Board, but states that SRS may request a dismissal. We feel that SB 281 clarifies this joint responsibility when the dismissal is requested by SRS.

The second issue addressed in SB 281 clarifies the responsibility for SRS to get timely and accurate information to the counties so that the preliminary County Poor Fund budgets can be prepared by the June 10th deadline required by state law. We have not always received complete information and have received this as late as the first week in June.

The type of information which is essential for us to prepare our budgets includes:

1. Changes in federal and state participation in salaries. The county pays the balance of the cost of county staff salaries. Currently this ranges from 11.5% for home attendants to 56.6% for eligibility technicians.

Testimony on SB 281 by Delores Shelton continued--

2. Personnel benefits and travel costs. We need to be advised of changes in employer contributions for social security, Public Employees Retirement, Unemployment Compensation, Workman's Compensation and health insurance. We also need to be advised of any proposed changes in mileage and per diem reimbursement.

3. The counties also pay a percent of the cost of the Aid to Families with Dependent Children grants so we need this information.

4. The major area is foster care where the county pays 50% of the cost in the majority of the cases. We have not been advised of foster care rate increases approved by SRS until too late to be included in the preliminary budget.

5. The final area is administrative costs. We are reimbursed by the federal government for these costs and we need to know the percent the Legislature has approved and that the federal government will be paying.

We are requesting the law change to require SRS to get the budget information to the counties by May 10th of each year.

Thank you for your time and for consideration of SB 281.

* * * * *

#2
3-6-87
SB 236

TESTIMONY ON SB 236

Presented by:
Linda King, Assistant Administrator
Public Employees' Retirement System

This bill is being presented at the request of the Public Employees' Retirement Board to provide a uniform numbering system for retirement options under the Public Employees', Judges', Sheriffs' and Game Wardens' Retirement Systems. The numbering system being proposed is that currently in use by the PERS, the largest system administered by the retirement division.

This change will remove the confusion caused by the current numbering systems used in the smaller retirement systems and simplify the dissemination of retirement information to the members of those systems. In addition, it will save money whenever future computer changes are made in the current operating systems.

For the purposes of clarity and efficiency, the Public Employees' Retirement Board recommends your favorable action on this bill.

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. SJR 4 DATE 3-6-87

SPONSOR Keating

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Jim Ingels	Mt Chamber of Commerce	✓	

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. SB 267 DATE 3-6-87

SPONSOR Van Valkenburg

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
David Evenson	M.U. System	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. SB 236 DATE 3-6-87

SPONSOR Walker

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. SB 281 DATE 3-6-87

SPONSOR Senator Beck

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Gordon Morris	MACo	✓	
Delores Skelton	MT association of County Directors	✓	
[illegible] Tubell	SRS	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33